

Early Morning Update:

The Jul19 natural gas contract is trading down \$0.02 at \$2.37. The Jul19 crude oil contract is down \$0.26 at \$52.25.

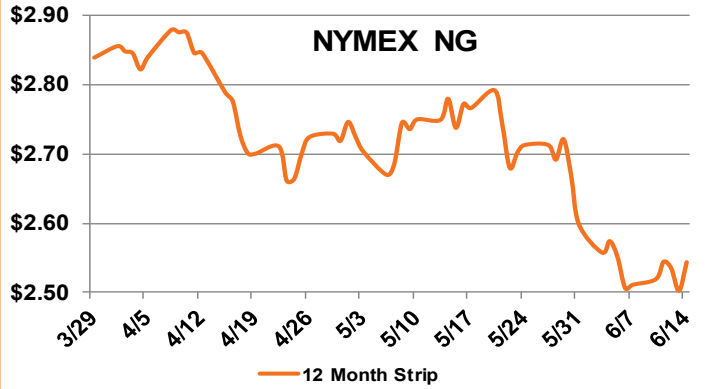
Summary: On Friday, the July 2019 NYMEX natural gas futures price moved up 6.2 cents on the day to settle at \$2.387/MMBtu. Last week, the EIA reported a 102 Bcf injection into storage, which was the 13th consecutive storage report that was greater than the 5-year average. As the deficit shrinks, the concern for next winter seems to be doing the same. U.S. production levels, which sit about 7.3 Bcf/d higher than last year's levels, are averaging 86.5 Bcf/d so far this year. The second train entered production phase yesterday at the Corpus Christi LNG export facility in Texas, gearing up to begin exports in the fall and leading to slightly higher export demand. So far this summer, demand for natural gas has yet to see a spike, due to extremely mild temperatures mainly in the Northeast and Texas, major demand centers in the U.S. for natural gas. Weather forecasts cooled over the weekend, but the heat remains in Texas through the middle of next week. There was significant cooling in the 11-15 and 16-20 day forecasts, pushing the heat out of the Texas region and showing the majority of the country at normal temperatures through the start of July.

Bullish Factors

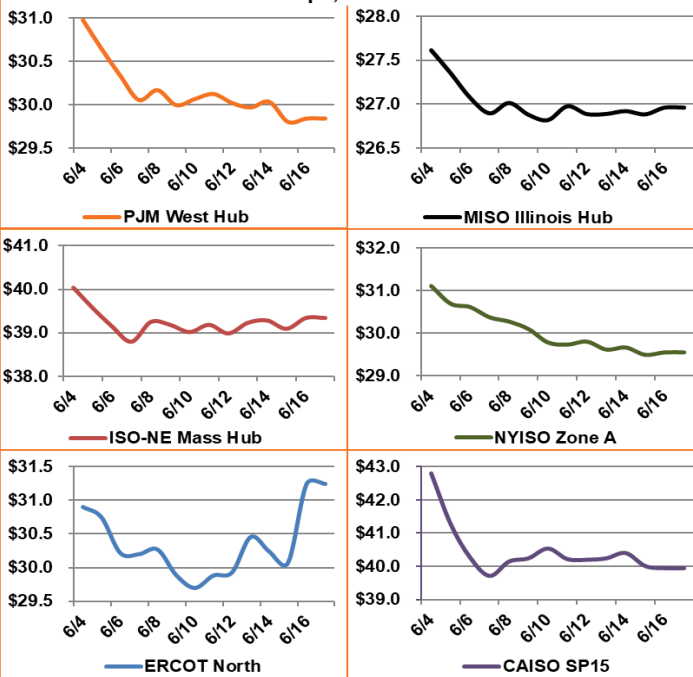
- High LNG exports
- Below-average storage levels
- Attention turning toward summer

Bearish Factors

- Record NG production
- Higher associated gas production
- Mild temps



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 6/17/2019)

ISO-NE Mass Hub \$28.85	MISO Indiana Hub \$27.50	NYISO Zone G \$27.38
PJM West Hub \$31.79	ERCOT North \$25.17	CAISO SP15 \$27.79
NYMEX NG	Close	Change
Jul-19	2.387	0.062
Aug-19	2.381	0.059
12 Month	2.544	0.041
Cal 20	2.626	0.021
Cal 21	2.633	0.006

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,088	1,986	1,899	2,318
Diff v. Current		102	189	-230
% Diff			10.0%	-9.9%

