

**Early Morning Update:**

The Jul19 natural gas contract is trading up \$0.02 at \$2.35. The Jul19 crude oil contract is down \$0.25 at \$53.65.

**Summary:**

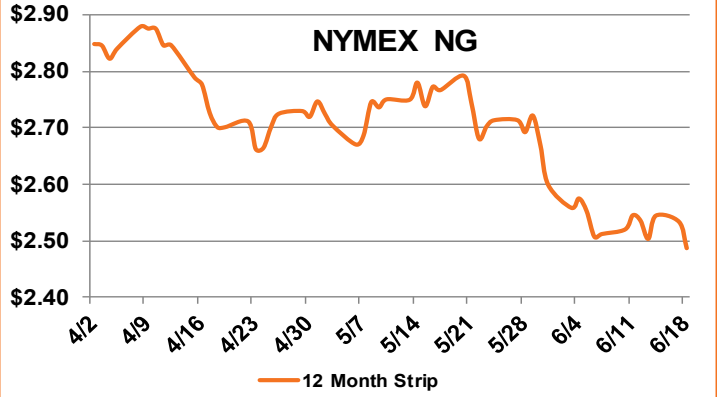
There was broad downward movement during yesterday's NYMEX natural gas trading session, with the prompt month losing 5.8 cents to close at \$2.328/MMBtu, and the 12-month strip following closely behind, losing 4.7 cents, to close at \$2.487/MMBtu. The 2020 calendar strip closed at its lowest point ever, as it lost two and a half cents to move under the \$2.60 mark, closing at \$2.592. The slide also continued through the strips further out, as 2021 lost 1.2 cents, and 2022 dropped 1.5 cents. The likely driving force behind this movement is the continued uneventful weather forecasts across large population centers through the first week of July, which should keep a lid on demand. While production has slipped to around 85 Bcf/d after holding near 87 for the previous week, it is still 7 Bcf/d greater than this time last year. Looking towards tomorrow, the EIA Natural Gas Storage Report is expected to be the 14th report in a row that will cut into the deficit against the 5-year average.

**Bullish Factors**

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

**Bearish Factors**

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



**Next Day On-Peak Power (traded for 6/19/2019)**

ISO-NE Mass Hub \$24.28	MISO Indiana Hub \$32.67	NYISO Zone G \$24.27
PJM West Hub \$27.08	ERCOT North \$24.16	CAISO SP15 \$26.67
NYMEX NG		Change
Jul-19	2.328	-0.058
Aug-19	2.311	-0.062
12 Month	2.487	-0.047
Cal 20	2.592	-0.024
Cal 21	2.623	-0.012

**EIA Natural Gas Storage**

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

