

**Early Morning Update:**

The Jul19 natural gas contract is trading up \$0.05 at \$2.24. The Aug19 crude oil contract is up \$0.47 at \$57.90.

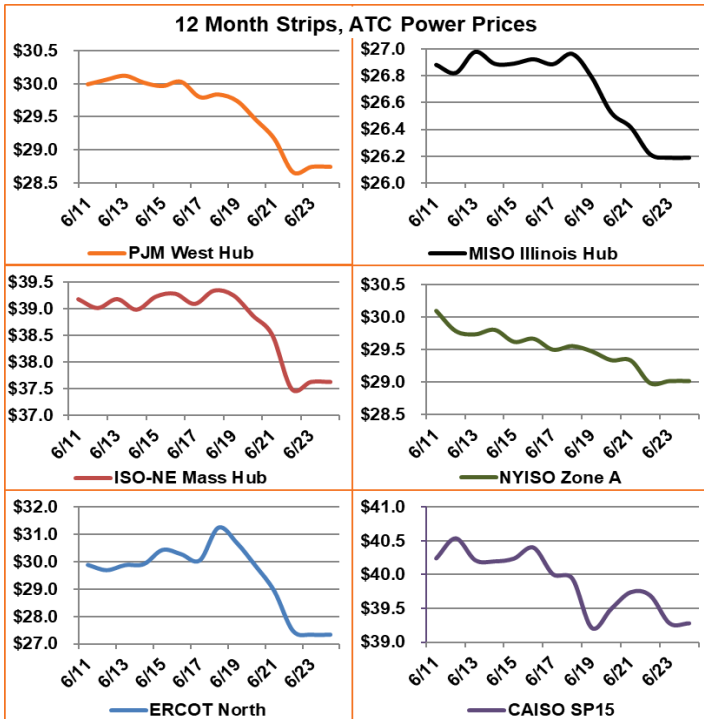
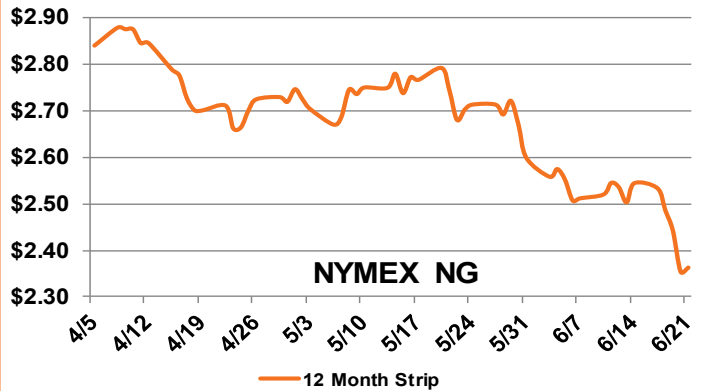
**Summary:** On Friday, the July 2019 NYMEX natural gas futures price remained relatively flat, up 0.1 cent on the day to settle at \$2.186. Over the past week, U.S. production levels have hovered around 87.0 Bcf/d, about 7.0 Bcf/d higher than last year's levels. Total U.S. demand for natural gas so far this year has averaged about 4.0 Bcf/d higher, compared to the average demand seen this time last year. LNG exports are reaching new all-time highs, as more trains enter commercial export service. Current levels are around 6.0 Bcf/d, and expected to climb to about 7.5 Bcf/d by the end of this year. Bolstered power burn demand is expected, as temperatures warm over the next week. Weather forecasts have warmed slightly over the weekend, showing mostly normal temperatures in the 1-5 day forecast. In the 6-10 day forecast, we see the heat returning to the Northeast, a major U.S. demand center for natural gas, to start off the month of July. This could bring back some bulls for near term pricing as this region warms up. Looking further out, the heat retreats from the Northeast, but remains in the Pacific Northwest.

**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 6/24/2019)**

ISO-NE Mass Hub \$26.75	MISO Indiana Hub \$28.40	NYISO Zone G \$24.01
PJM West Hub \$31.02	ERCOT North \$23.05	CAISO SP15 \$23.16
NYMEX NG		Change
Jul-19	2.186	0.001
Aug-19	2.169	0.003
12 Month	2.363	0.009
Cal 20	2.506	0.017
Cal 21	2.613	0.015

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	2,203	2,088	1,994	2,402
Diff v. Current		115	209	-199
% Diff			10.5%	-8.3%

