

Early Morning Update:

The Jul19 natural gas contract is trading down \$0.03 at \$2.27. The Aug19 crude oil contract is down \$0.05 at \$57.85.

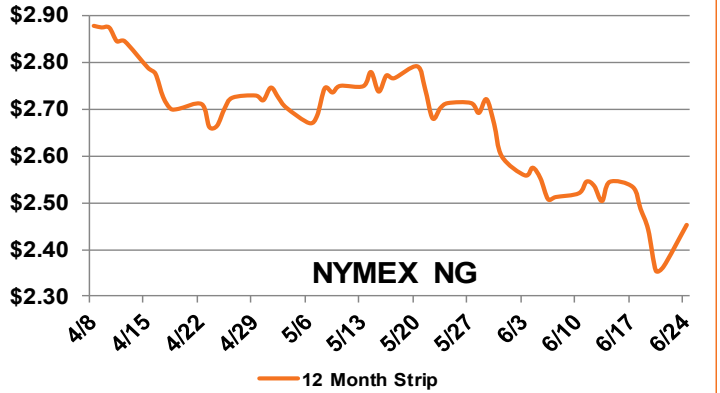
Summary: As warmer summer weather is finally reaching demand centers, the NYMEX July '19 prompt month settled at \$2.303/MMBtu yesterday, up 11.70 cents from Friday's close. This upward price movement was seen across the market, with Q4-19 and forward calendar strips through 2022 all increasing by a few cents. Aside from increased cooling demand causing prices to increase slightly day-over-day, demand for LNG from Corpus Christi Train 2, which had a 670 MMcf increase in exports, also may have contributed to the rally. Relatedly, exports to Mexico are expected to increase in the near future, as well, specifically via the offshore pipeline Sur de Texas. Although it's still in the commissioning phase, the 2.6 Bcf/d pipeline has shown forward progress towards beginning operations. This demand increase could put more upward pressure on natural gas prices in the near future. Current weather forecasts for the week ahead are calling for more heat, likely bringing an increase in power demand for cooling, which could lead to even further strength in prices.

Bullish Factors

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

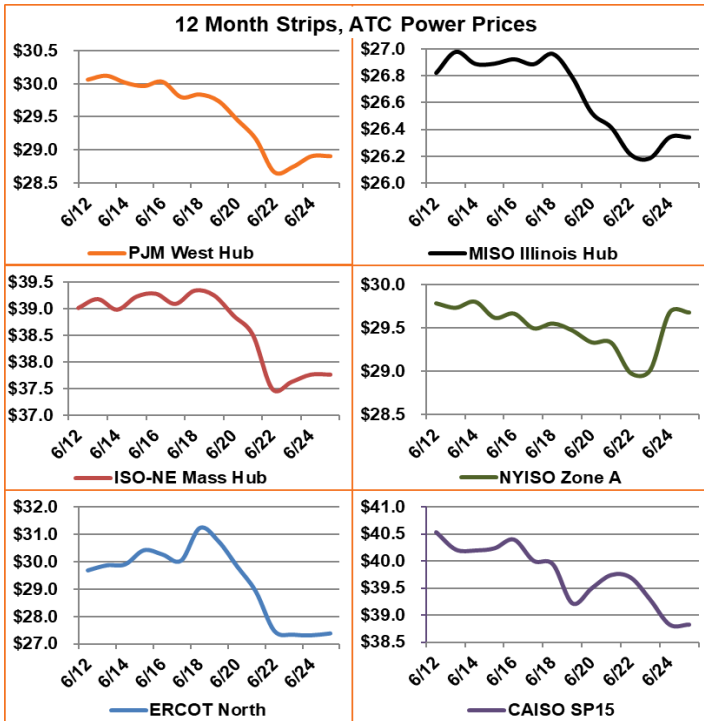
Bearish Factors

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



Next Day On-Peak Power (traded for 6/25/2019)

ISO-NE Mass Hub \$24.43	MISO Indiana Hub \$31.25	NYISO Zone G \$26.29
PJM West Hub \$31.42	ERCOT North \$23.61	CAISO SP15 \$25.34
NYMEX NG	Close	Change
Jul-19	2.303	0.117
Aug-19	2.284	0.115
12 Month	2.452	0.089
Cal 20	2.567	0.060
Cal 21	2.632	0.019



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%

