

**Early Morning Update:**

The Aug19 natural gas contract is trading up \$0.01 at \$2.28. The Aug19 crude oil contract is down \$0.69 at \$58.40.

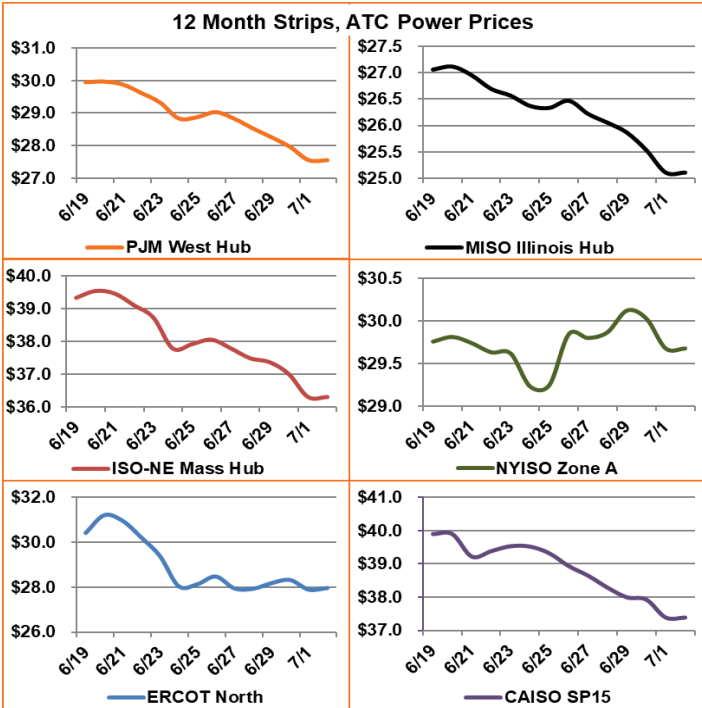
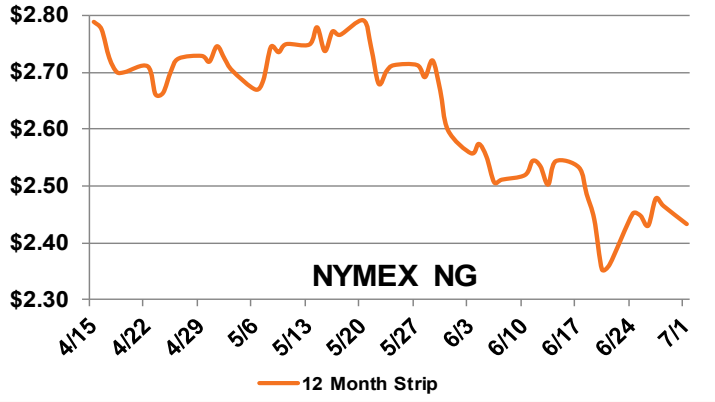
**Summary:** Although the eastern U.S. continues to see some warm conditions, the NYMEX natural gas prompt month fell 4.1 cents to \$2.267/MMBtu. Gas forward prices through calendar strips 2025 also experienced a downward price movement, but losing no more than a few pennies each. These low prices can be attributed to the mild start to summer, as well as strong production and the healthy storage outlook. The current bearish fundamentals could easily turn bullish for pricing, as the future downside could be limited. Further, weather forecasts for the upcoming two weeks are predicting some above-average temperatures reaching the main demand centers along the coasts. The hotter weather front has analysts estimating demand to average 68.5 Bcf/d this week. This expectation is the highest level of total natural gas consumption for a full summer injection season week. The high levels of demand are mainly attributed to increasing power burns, which are expected to average 39.3 Bcf/d. In the 16-20 day outlook, the warmer weather is forecasted to dissipate, with most of the continental U.S. showing normal conditions.

**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 7/2/2019)**

ISO-NE Mass Hub \$28.29	MISO Indiana Hub \$34.01	NYISO Zone G \$27.50
PJM West Hub \$32.83	ERCOT North \$20.02	CAISO SP15 \$26.29
NYMEX NG		Change
Aug-19	2.267	-0.041
Sep-19	2.242	-0.040
12 Month	2.434	-0.032
Cal 20	2.507	-0.030
Cal 21	2.559	-0.023

**EIA Natural Gas Storage**

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
<b>Total</b>	2,301	2,203	2,065	2,472
<b>Diff v. Current</b>		98	236	-171
<b>% Diff</b>			11.4%	-6.9%

