

Early Morning Update:

The Aug19 natural gas contract is trading up \$0.03 at \$2.27. The Aug19 crude oil contract is up \$0.45 at \$56.70.

Summary:

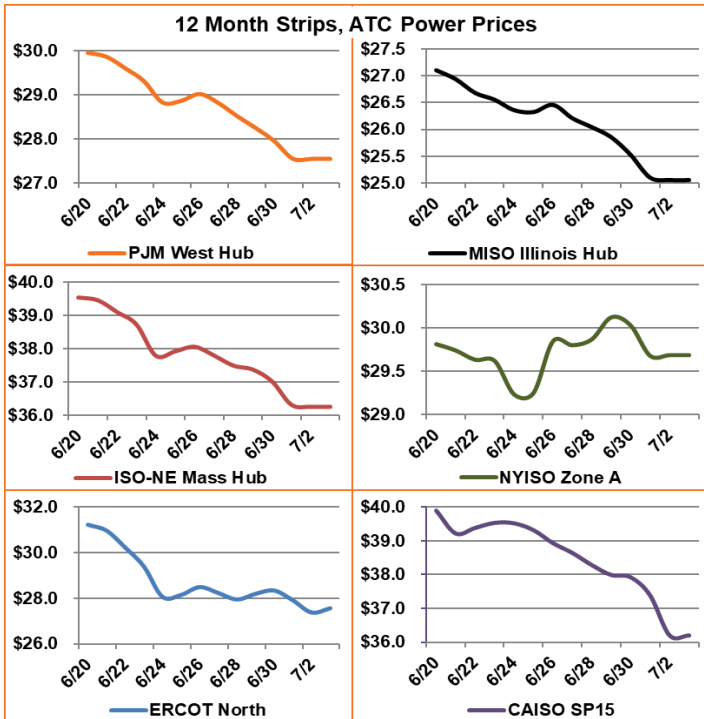
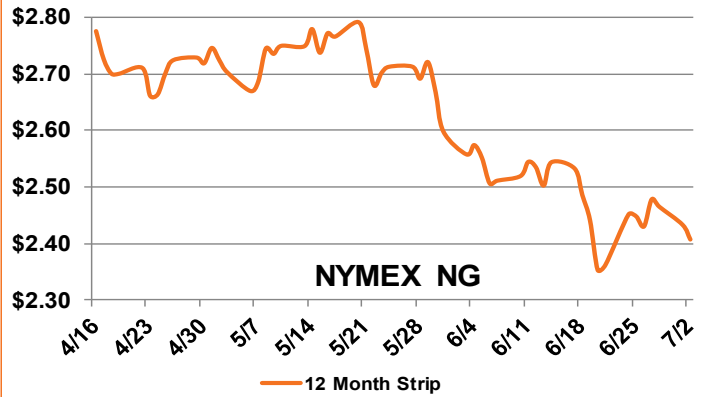
Yesterday saw more downward movement for NYMEX natural gas, as the August prompt month contract lost 2.7 cents to close at \$2.24/MMBtu, and the 12-month strip followed just behind, losing 2.6 cents to close at \$2.408/MMBtu. The largest drop was centered around the 2019/20 winter strip, with the strip losing 3.2 cents, bolstered by January 2020's drop of 3.6 cents. The 2020 calendar strip set another low point yesterday, as it lost just over two cents to close below the \$2.50 mark at 2.486/MMBtu. The U.S. Energy Information Administration will release their natural gas storage report for the week ended June 28th today, due to the holiday tomorrow. Even with the warmer temperatures and higher demand over the past week, it is expected to continue the trend of reporting a greater injection than both last year and the 5-year average. This would be the 16th report in a row to cut into the deficit to the 5-year average. Direct Energy's offices will be closed tomorrow for the Fourth 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



Next Day On-Peak Power (traded for 7/3/2019)

ISO-NE Mass Hub \$31.09	MISO Indiana Hub \$34.76	NYISO Zone G \$29.13
PJM West Hub \$33.83	ERCOT North \$21.59	CAISO SP15 \$23.00
NYMEX NG	Close	Change
Aug-19	2.240	-0.027
Sep-19	2.217	-0.025
12 Month	2.408	-0.026
Cal 20	2.486	-0.021
Cal 21	2.551	-0.008

EIA Natural Gas Storage

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

