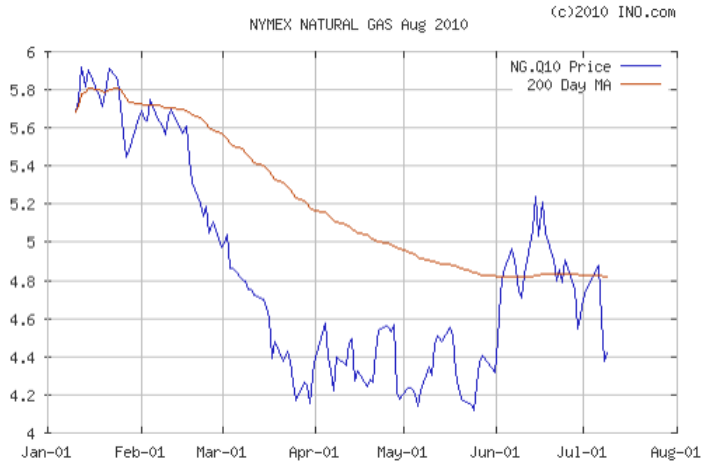




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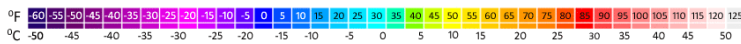
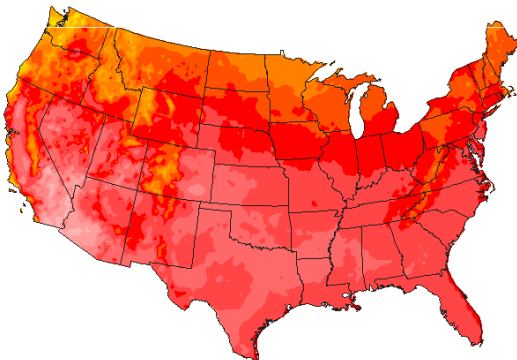
Market

The strong heatwave which affected a good portion of the eastern US last week will be reflected in natural gas drawdown when the EIA releases their numbers this Thursday. The market should have some of this priced in by the open on Thursday, but we still expect a sharp upside response in natgas futures upon release of the numbers (7/15, 10:30 am EST). While not as hot as last week, cooling demand will remain strong this week for many demand centers, as the chart on p.2 shows. Despite strength in natgas, crude traders have been locking in gains as spec net long positions have reduced for two consecutive weeks. At the current range, we feel crude could move in either direction, and we will be looking to outside signals for directional guidance in crude futures. There is currently not any concern for hurricane development as the tropics are quiet.

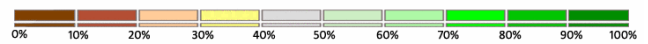
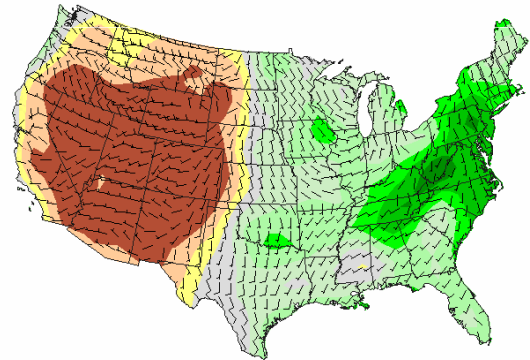


US Weather Forecast, Week of July 12, 2010

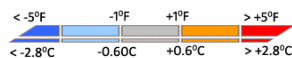
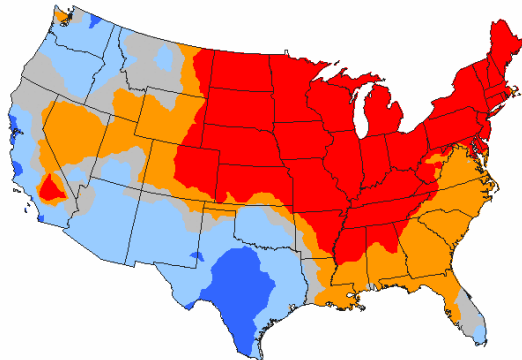
Weekly Max Temperature (12 JUL 2010 - 18 JUL 2010)



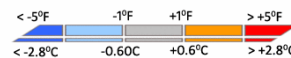
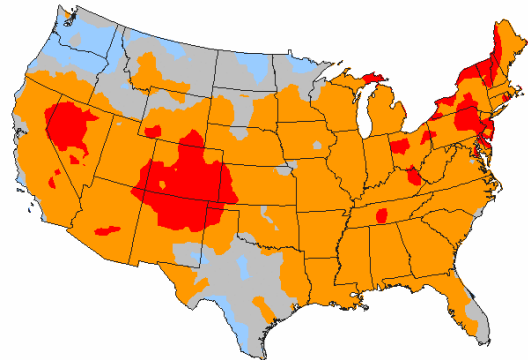
Daily Min Relative Humidity and Wind Speed/Direction (13 JUL 2010)



Weekly Max Temperature vs Previous Year (12 JUL 2010 - 18 JUL 2010)



Weekly Max Temperature vs Normal (12 JUL 2010 - 18 JUL 2010)



4 Week Cooling Degree Day (CDD) Outlook

		12-Jul	13-Jul	14-Jul	15-Jul	16-Jul	17-Jul	18-Jul	19-Jul	20-Jul	21-Jul	22-Jul	23-Jul	24-Jul	25-Jul	26-Jul	27-Jul	28-Jul	29-Jul	30-Jul	31-Jul	1-Aug	2-Aug	3-Aug	4-Aug	5-Aug	6-Aug	7-Aug	8-Aug	4 week TOTAL
Atlanta, GA	Daily CDD	17	17	19	20	18	17	17	18	19	22	23	23	20	19	16	16	16	15	15	15	16	15	16	16	15	16	15	16	487
	CDD vs LY	2	5	3	4	1	2	9	11	12	12	12	8	7	4	-1	0	1	2	3	2	0	2	0	-2	-3	1	-2	-2	
Chicago, IL	Daily CDD	11	9	14	18	14	12	13	15	15	18	18	15	11	11	10	10	10	10	9	9	8	10	10	10	9	9	8	10	326
	CDD vs LY	6	4	11	8	7	12	13	15	14	14	12	8	4	2	2	1	0	3	5	4	5	7	-1	-1	4	3	4	-4	
Cincinnati, OH	Daily CDD	12	14	15	19	18	15	14	15	18	19	20	20	16	14	11	10	10	11	13	10	10	10	10	10	12	10	11	10	377
	CDD vs LY	2	6	9	12	6	10	14	15	16	15	17	14	11	7	3	5	3	3	5	4	6	7	7	7	6	5	8	-1	
New York, NY	Daily CDD	19	16	20	21	22	20	17	16	18	18	20	20	18	14	16	15	15	15	15	14	14	16	14	14	15	13	15	17	467
	CDD vs LY	9	9	11	11	8	6	4	5	8	15	10	13	10	2	2	2	0	2	-1	0	2	5	0	0	-2	4	6	10	
Dallas, TX	Daily CDD	22	21	23	23	23	24	23	24	24	24	23	23	23	23	23	20	22	22	21	21	22	22	24	23	22	24	23	23	635
	CDD vs LY	-6	-9	-6	-4	-6	5	2	2	8	4	6	5	1	-3	0	8	5	3	7	5	3	2	0	0	-3	3	-1	-1	
Philadelphia, PA	Daily CDD	16	15	19	21	21	19	17	16	20	21	22	22	20	14	16	16	16	15	15	16	14	16	14	15	15	12	15	17	475
	CDD vs LY	4	5	10	12	4	4	6	7	8	16	10	14	10	2	0	1	-1	-3	-1	0	2	6	-1	0	-1	5	6	7	
Portland, OR	Daily CDD	0	0	3	6	3	4	4	4	0	0	0	0	0	0	6	8	10	9	7	3	8	8	7	4	5	4	4	8	115
	CDD vs LY	0	0	-1	-3	-10	-11	-5	-1	-11	-12	-5	-3	-7	-12	-6	-13	-15	-15	-10	-10	-6	-7	-4	-3	2	4	3	5	
Tucson, AZ	Daily CDD	22	25	26	29	28	28	27	25	26	26	26	25	25	22	22	23	23	20	19	19	17	23	23	19	20	19	21	654	
	CDD vs LY	-6	-4	-2	3	2	0	-2	-5	0	2	0	4	4	1	-2	-6	-7	-5	-7	-7	-6	-11	-7	-6	-11	-10	-6	0	
Des Moines, IA	Daily CDD	9	13	19	16	13	14	16	15	18	18	19	16	14	13	15	12	11	12	10	10	10	14	12	12	9	13	11	13	377
	CDD vs LY	1	4	7	6	10	14	13	12	14	13	13	6	2	4	7	1	3	8	5	5	5	6	0	0	4	6	-1	-10	
Las Vegas, NV	Daily CDD	32	29	30	32	34	34	34	33	29	27	27	28	29	26	27	28	28	26	27	26	28	30	29	30	31	30	34	25	823
	CDD vs LY	1	-3	-2	-1	0	-1	0	0	4	4	-5	0	4	0	-2	-6	-8	-6	-4	-4	-2	1	1	-1	0	9	18	7	
Detroit, MI	Daily CDD	10	12	13	18	16	11	10	11	12	13	17	15	9	8	9	12	10	9	8	9	9	8	12	10	8	8	8	10	305
	CDD vs LY	7	12	11	9	8	8	10	11	8	10	13	10	4	0	3	5	-1	2	4	2	3	4	8	-3	3	3	3	4	
Minneapolis, MN	Daily CDD	6	11	14	10	12	14	15	13	11	14	12	9	7	9	12	11	9	9	9	9	8	12	11	9	8	9	7	10	290
	CDD vs LY	0	5	6	5	12	14	15	12	5	9	8	0	-3	4	3	-1	5	6	6	6	7	8	3	4	5	3	4	-2	
Houston, TX	Daily CDD	20	21	22	22	21	20	20	20	20	22	22	22	23	18	20	20	20	18	18	20	20	19	19	21	21	21	20	572	
	CDD vs LY	-3	-3	-2	-2	-3	0	-1	3	-1	-2	2	1	4	1	-5	-1	-4	-4	-8	1	-5	-4	-5	-2	-3	-4	-2	-1	
Sacramento, CA	Daily CDD	10	8	10	13	14	15	14	13	8	7	7	8	8	8	9	12	11	12	10	10	14	12	14	13	12	11	12	10	305
	CDD vs LY	-1	-4	-7	-7	-2	-3	-6	-7	-3	-2	-2	-1	4	0	-5	-4	2	5	3	2	6	6	8	5	6	7	6	-1	
Salt Lake City, UT	Daily CDD	17	15	15	16	20	21	20	20	16	15	15	14	15	15	18	17	15	16	15	16	16	15	15	15	16	15	12	17	452
	CDD vs LY	1	5	10	7	4	3	1	-1	-2	-1	-5	-7	-3	-1	0	0	2	3	4	1	1	-2	-6	-4	-4	0	11	17	
Baltimore, MD	Daily CDD	12	14	18	18	19	19	16	16	21	20	22	22	19	12	14	14	14	14	14	14	13	12	13	12	14	11	14	15	436
	CDD vs LY	-4	5	12	10	2	7	7	12	13	9	10	10	7	0	0	0	0	-1	1	0	2	2	1	0	2	5	8	6	
Boston, MA	Daily CDD	14	13	11	13	17	14	13	10	12	9	12	14	12	10	10	12	10	9	12	11	9	11	9	10	11	12	8	12	320
	CDD vs LY	6	8	8	6	9	2	2	-1	7	9	6	12	9	1	-3	-3	-3	-3	-3	2	0	4	-1	-1	-5	5	-1	9	
Kansas City, MO	Daily CDD	12	15	20	21	18	16	19	19	21	19	20	19	18	16	14	17	18	17	17	15	16	13	15	15	14	15	16	17	472
	CDD vs LY	2	3	4	8	11	15	17	16	15	16	14	9	3	4	4	7	13	12	14	11	12	7	0	1	3	6	-3	-6	

Much Colder
 Colder
 Similar
 Warmer
 Much Warmer

*vs. LY