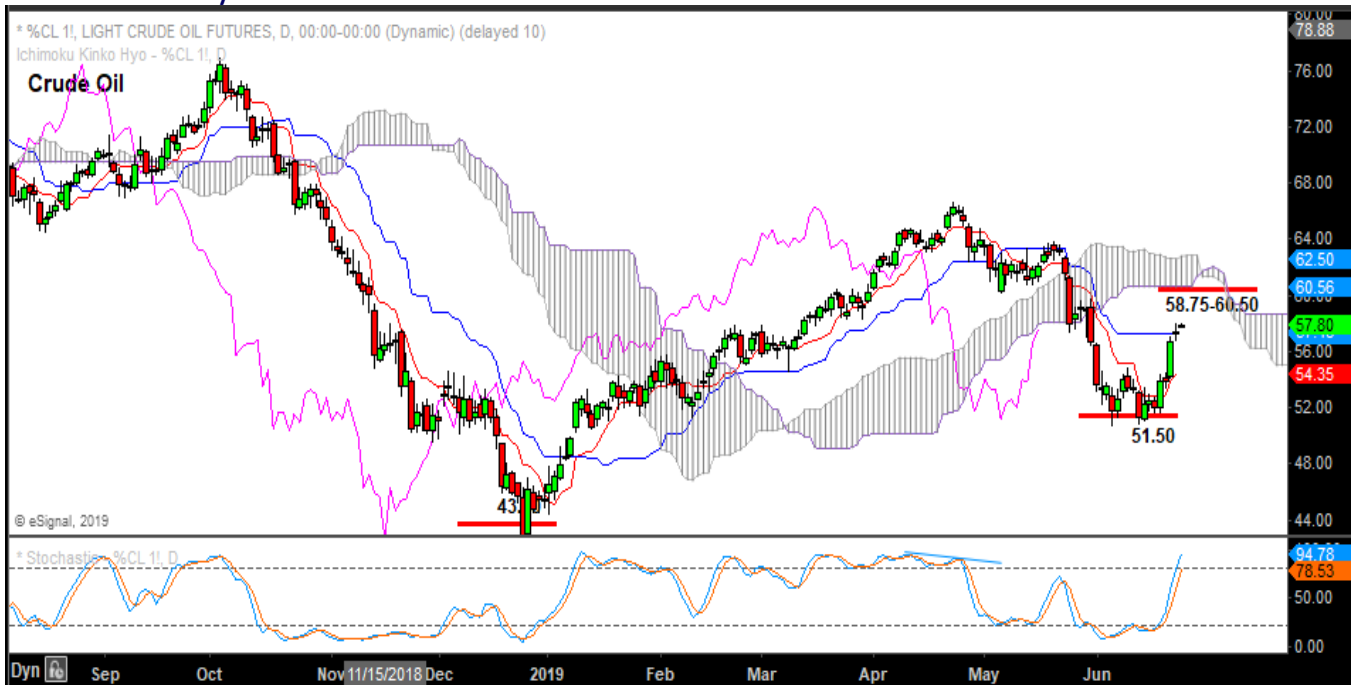


Long & Short

In the news:

- The fed decided to leave rates unchanged in Wednesday's FOMC meeting but keeping the door open to a rate cut in the coming months if the outlook weakens. The vote was not unanimous, with James Bullard preferring a 0.25% cut. More members are now more open to a rate cut if inflation stays below 2%. I see the most likely scenario to be a quarter point cut closer to end of this year.
- We got very close to an airstrike on Iran last week but it was decided not to retaliate for the strike on a US military drone over the Strait of Hormuz. I think last week's developments bode well for talks between the two countries. The US administration is open to talks, and the "backing off" last week provides the Iranian government the pretense to have a better hand (at least domestically) if they get to the table for talks. We may have reached an ideal point for both parties to reduce tensions.

Market Analysis



Crude Oil: Prices are approaching the 58.75-60.50 level we expected it to bounce to. As mentioned in the last report, I will be looking for a bearish signal in this area to sell into.

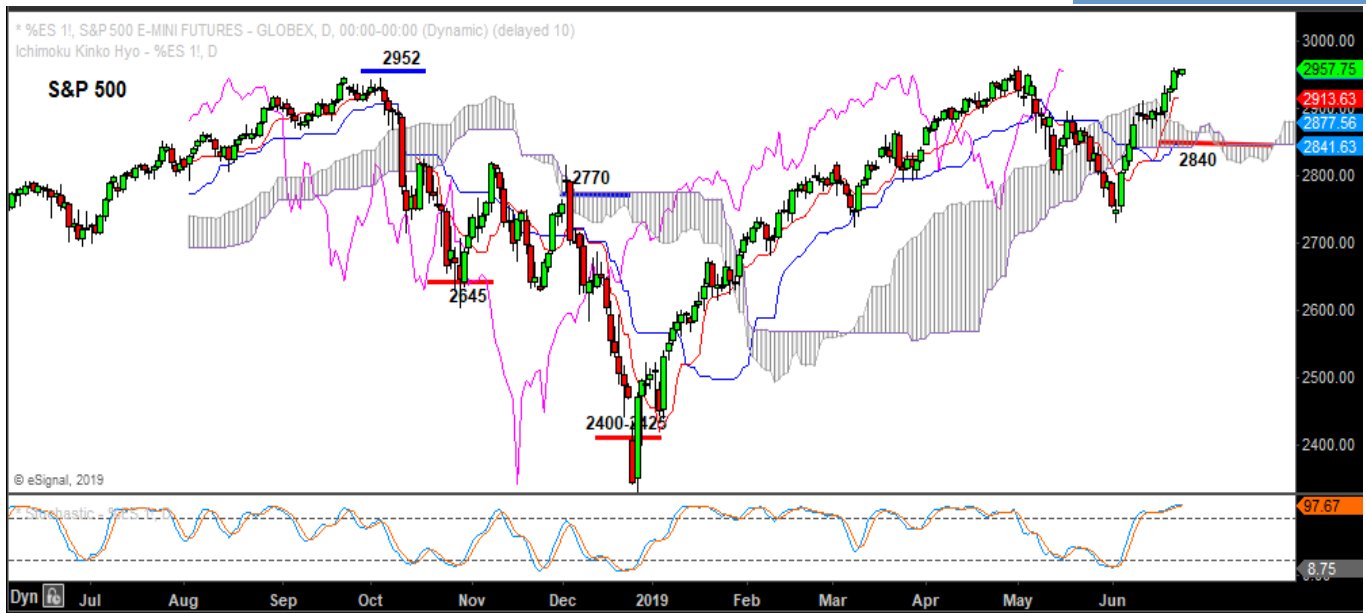


Natural Gas: We are now trading at \$2.20 on this contract. Prices are overextended but any bounce will be limited and hit resistance at \$2.45. There is a strong possibility of prices breaking below \$2 and reach for a target area of \$1.60-\$1.75 over the next few weeks.

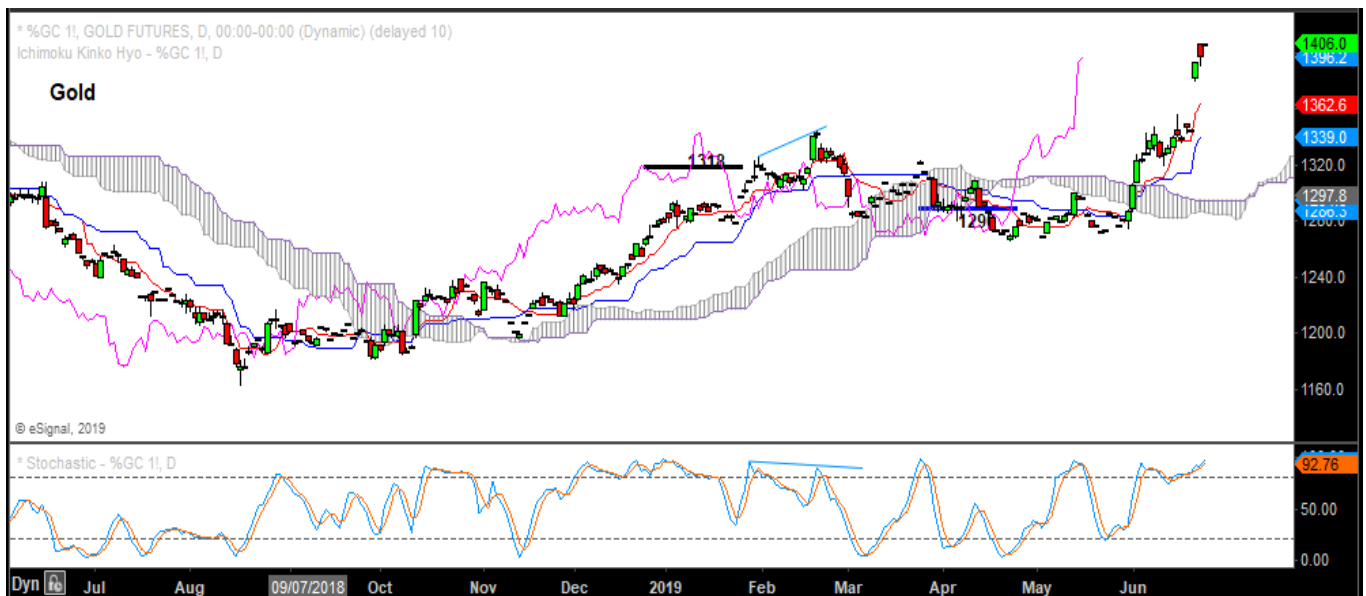
Storage currently at 2,203 Bcf after a very bearish above expectations 115 Bcf injection for the week ending June 14, 2019. Natural gas storage level is now 209 Bcf above last year's level and 199 Bcf below the 5-year average. High lower-48 production and low demand in the spot market is setting up a very bearish fundamental scenario for gas.

Power:

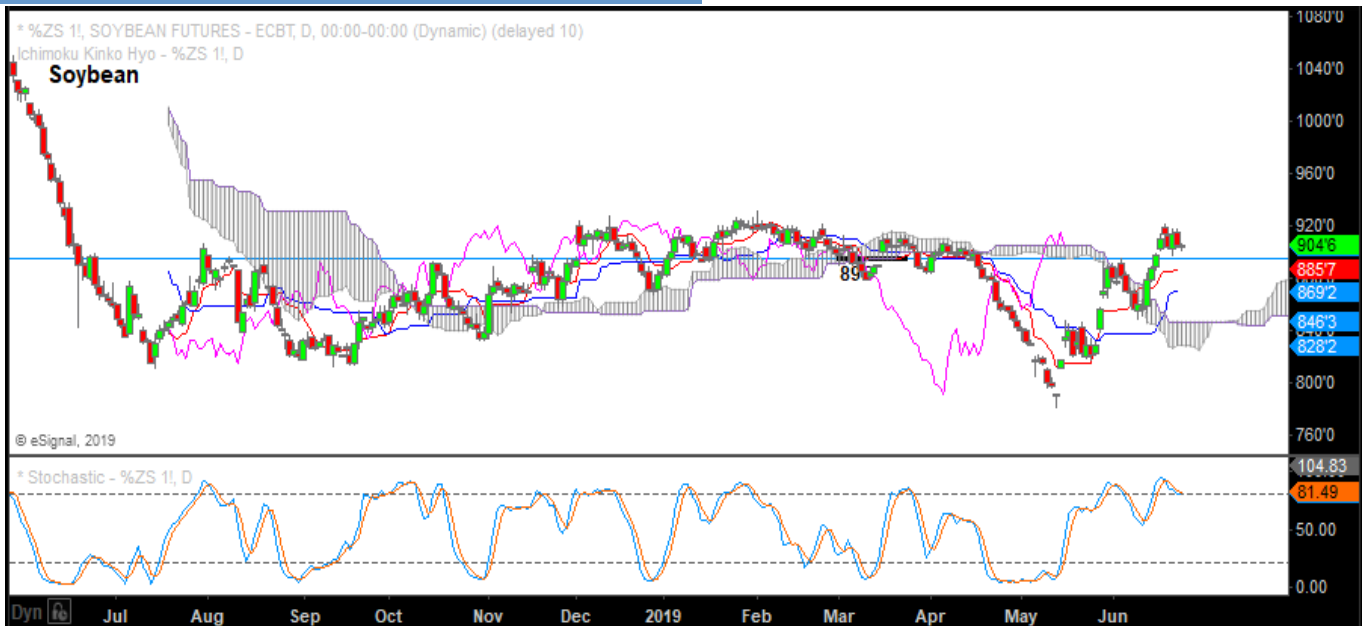
Monthly Day-Ahead Peak Fixed Price Futures Settlements in \$/MWh															
Contract	PJM West Hub			MISO Indiana Hub			NYISO Zone J			ERCOT North			CAISO SP-15		
Month	06/20/19	06/06/19	Change	06/20/19	06/06/19	Change	06/20/19	06/06/19	Change	06/20/19	06/06/19	Change	06/20/19	06/06/19	Change
Jul-19	31.45	34.55	(3.10)	32.95	34.35	(1.40)	37.40	41.55	(4.15)	56.71	66.26	(9.55)	60.75	68.50	(7.75)
Aug-19	31.05	33.50	(2.45)	32.40	33.75	(1.35)	37.30	38.45	(1.15)	95.30	117.75	(22.45)	70.75	75.30	(4.55)
Sep-19	30.25	32.35	(2.10)	32.00	33.25	(1.25)	32.15	33.65	(1.50)	33.40	34.40	(1.00)	52.00	53.30	(1.30)
Oct-19	29.60	30.05	(0.45)	30.60	31.60	(1.00)	29.95	31.00	(1.05)	25.34	26.87	(1.53)	41.50	42.00	(0.50)
Nov-19	30.25	30.90	(0.65)	30.20	31.30	(1.10)	34.05	35.00	(0.95)	21.92	22.95	(1.03)	38.20	39.05	(0.85)
Dec-19	32.85	34.25	(1.40)	31.00	32.55	(1.55)	46.60	48.35	(1.75)	22.07	23.19	(1.12)	52.55	51.15	1.40
Jan-20	46.30	48.75	(2.45)	36.75	38.55	(1.80)	69.40	72.95	(3.55)	28.93	30.29	(1.36)	50.25	49.35	0.90
Feb-20	43.40	45.55	(2.15)	34.30	35.70	(1.40)	65.55	66.65	(1.10)	28.56	29.84	(1.28)	44.00	43.95	0.05
Mar-20	32.45	34.15	(1.70)	32.05	32.70	(0.65)	41.30	42.95	(1.65)	26.23	27.50	(1.27)	31.50	31.30	0.20
Apr-20	29.70	30.45	(0.75)	31.25	31.75	(0.50)	33.45	33.55	(0.10)	24.90	26.43	(1.53)	23.65	23.60	0.05
May-20	29.35	30.30	(0.95)	30.30	31.00	(0.70)	29.80	31.55	(1.75)	27.89	29.19	(1.30)	23.05	23.65	(0.60)
Jun-20	28.80	30.20	(1.40)	30.50	31.80	(1.30)	31.10	32.40	(1.30)	38.44	39.98	(1.54)	34.20	35.10	(0.90)



S&P 500: No change here. Stay long with 2840 as the stop.



Gold: I missed this move in Gold. Prices broke above 1400 after the FOMC meeting indicating low rates for a long time. This certainly looks to be setting up for a longer term bullish trend. Time to look for dips to buy.



Soybean: The 845 level held to trigger the long trade. Stay long with stop at 850.



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