

**Early Morning Update:**

The Aug17 natural gas contract is down \$0.03 at \$3.01. The Sep17 crude contract is down \$0.36 at \$46.57.

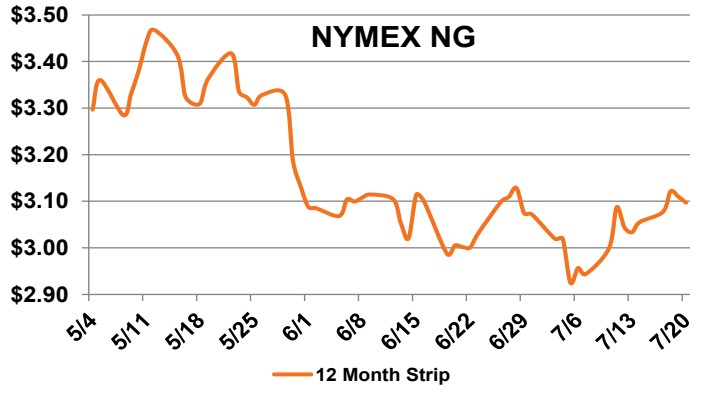
**Summary:** Yesterday, the EIA reported a build into storage of 28 Bcf. The build was below the consensus estimate of 33 bcf and below last years' build of 38 and well behind the 5-year average build of 59. This continues the pattern of slower-than-(5-year) average builds, due in part to sluggish production growth and demand which has been ticking higher. Recent hot weather that has blanketed the country has cause power burns to move to their highest levels all year. With the higher demand, we're seeing ISO's potentially setting their annual peak demand levels. Weather forecasts for next week appear to show a slight easing in the very high temperatures levels along the eastern half of the country. But for those in the west, forecasts still show well-above temperatures for the next two weeks

**Bullish Factors**

- Slow-growing production
- Exports to Mexico at record high
- Growing LNG exports

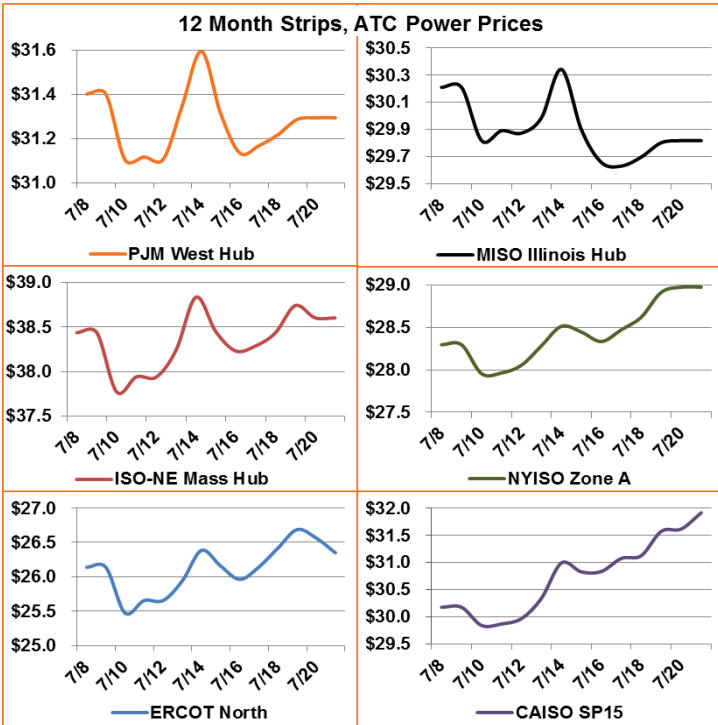
**Bearish Factors**

- Power burn down year-over-year
- Increased renewable energy generation
- Producer hedging



**Next Day On-Peak Power (traded for 7/21/2017)**

<b>ISO-NE Mass Hub</b> \$48.53	<b>MISO Indiana Hub</b> \$45.25	<b>NYISO Zone G</b> \$51.76
<b>PJM West Hub</b> \$46.60	<b>ERCOT North</b> \$35.55	<b>CAISO SP15</b> \$38.88
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Aug-17	3.043	-0.023
Sep-17	3.033	-0.022
12 Month	3.097	-0.013
Cal 18	3.033	-0.002
Cal 19	2.841	0.000



**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	2,973	2,945	3,272	2,832
<b>Diff v. Current</b>		28	-299	141
<b>% Diff</b>			-9.1%	5.0%

