

**Early Morning Update:**

The Oct17 natural gas contract is trading down \$0.01 at \$2.93. Oct17 crude is down \$0.39 at \$46.35.

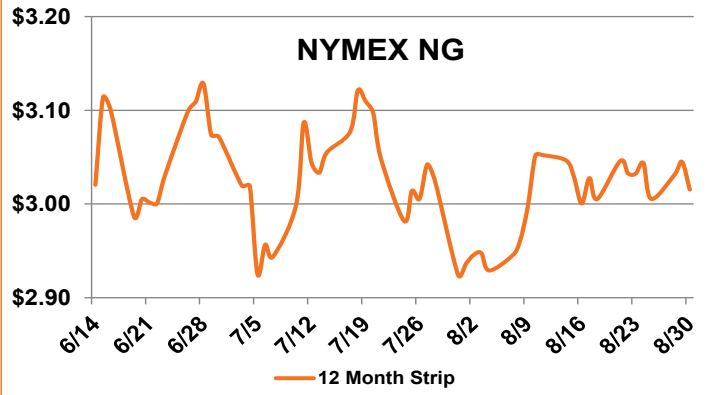
**Summary:** In its debut as the prompt month, the October natural gas contract fell 4.4 cents yesterday to settle at \$2.939/MMBtu. Market fundamentals remain bearish, as much-cooler-than-normal temperatures are forecast for most of the eastern half of the country and natural gas production has rebounded some. Production had dipped below 72 Bcf/d last week after reaching a 2017 high of 73.4 Bcf/d on Aug. 11. However, despite 0.6 Bcf/d of Gulf production remaining shut-in due to Hurricane Harvey, Bentek projects production to reach 73.0 Bcf/d today. LNG feedgas is down substantially from last weekend's 2.3 Bcf/d to 1.1 Bcf today, indicating that two trains may now be off line as the facility struggles with tank-top storage levels. The U.S. Energy Information Administration is expected to report a growth in storage stockpiles for the week to Aug. 25 in the neighborhood of 27 Bcf. This is much smaller than the 46 Bcf injection seen last year for the same week, and far less than the 67 Bcf five-year average. Estimates for end-of-season storage inventories are still around 3.7 Tcf.

**Bullish Factors**

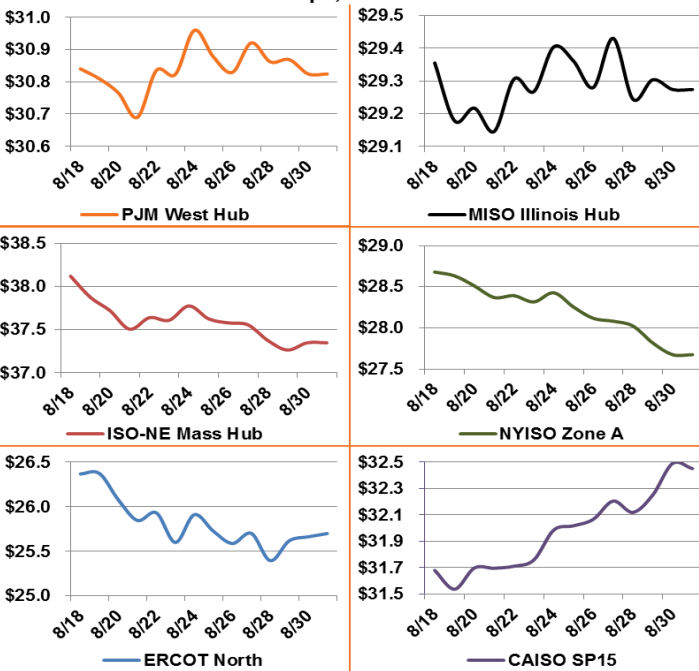
- Return of warmer temperatures
- Exports to Mexico at record high
- Growing LNG exports

**Bearish Factors**

- Power burn down year-over-year
- Increased renewable energy generation
- NG production increases



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 8/31/2017)**

<b>ISO-NE Mass Hub</b> \$25.31	<b>MISO Indiana Hub</b> \$28.33	<b>NYISO Zone G</b> \$27.68
<b>PJM West Hub</b> \$29.98	<b>ERCOT North</b> \$32.67	<b>CAISO SP15</b> \$81.18
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Oct-17	2.939	-0.044
Nov-17	3.014	-0.039
12 Month	3.015	-0.025
Cal 18	3.003	-0.018
Cal 19	2.847	-0.003

**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>	3,125	3,082	3,348	3,081
<b>Diff v. Current</b>		43	-223	45
<b>% Diff</b>			-6.7%	1.5%

