

Early Morning Update:

The Sep17 natural gas contract is trading up \$0.01 at \$2.81. Sep17 crude is up \$.03 at \$49.42.

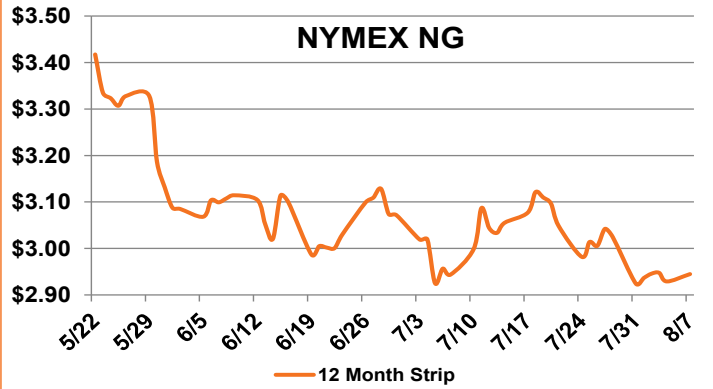
Summary: The natural gas market turned up slightly on Monday, with the September prompt month rising nearly 3 cents to \$2.801. Calendar 2018 rose just over a cent, and calendar years 2019 and beyond moved up less than a penny. Weather forecasts updates show some slightly above average temperatures in the six-to-ten day forecast for the East Coast, a departure from the widely bearish outlook for the first half of August. The warmer temperatures are fairly contained to the East, while the Midwest and West Coasts are expected to be very moderate and mild. While weather is currently the primary influence on market pricing, production shows some potential for downward sway. The next two weeks are forecasted to outpace the year to date average by over 1.5 bcf/day, topping out close to 73 bcf/day. Strong supply, coupled with mild temperatures, could incite increased storage injections and further grow the surplus to five-year average levels.

Bullish Factors

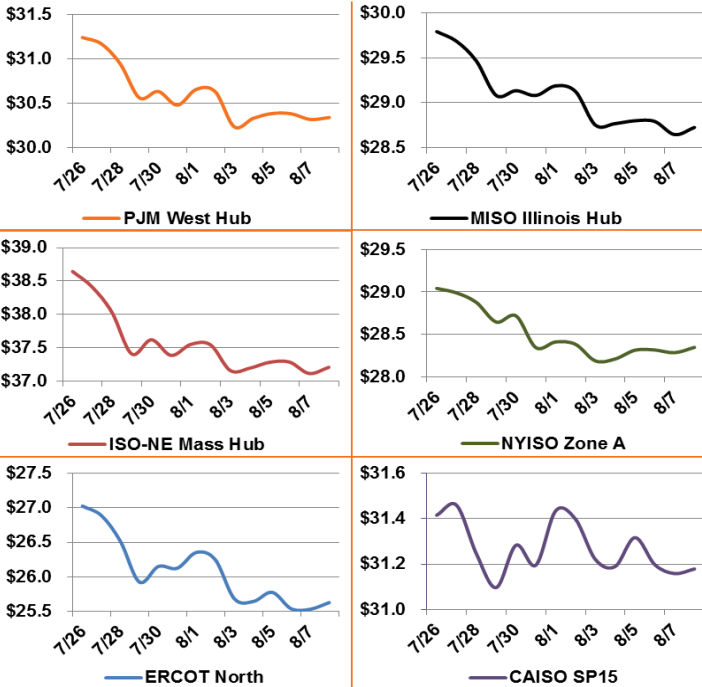
- Slow-growing production
- Exports to Mexico at record high
- Growing LNG exports

Bearish Factors

- Power burn down year-over-year
- Increased renewable energy generation
- Milder weather east of Rockies



12 Month Strips, ATC Power Prices



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

ISO-NE Mass Hub \$25.80	MISO Indiana Hub \$29.36	NYISO Zone G \$27.73
PJM West Hub \$27.50	ERCOT North \$27.56	CAISO SP15 \$42.67
NYMEX NG		
	Close	Change
Sep-17	2.801	0.027
Oct-17	2.840	0.023
12 Month	2.945	0.016
Cal 18	2.949	0.012
Cal 19	2.842	0.009

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,010	2,990	3,290	2,923
Diff v. Current		20	-280	87
% Diff			-8.5%	3.0%

