

Early Morning Update:

The Sep17 natural gas contract is trading flat at \$2.98. Sep17 crude is down \$0.14 at \$48.45.

Summary: The NYMEX prompt month contract rallied yesterday to close the day up \$.102 to finish the session at \$2.985. The move up was the biggest in nearly 2 months as the EIA reported a slightly-below-expected build of 28 Bcf. The prompt month briefly flirted with \$3.00, getting as high as \$2.995, before retreating slightly to end the day. The 12 month strip and Cal '18 also finished up yesterday, as did the power markets. It's not uncommon for the gas and power markets to see a dip in pricing during the fall season, but the rally on Wed and Thur makes one wonder if the dip has already happened.

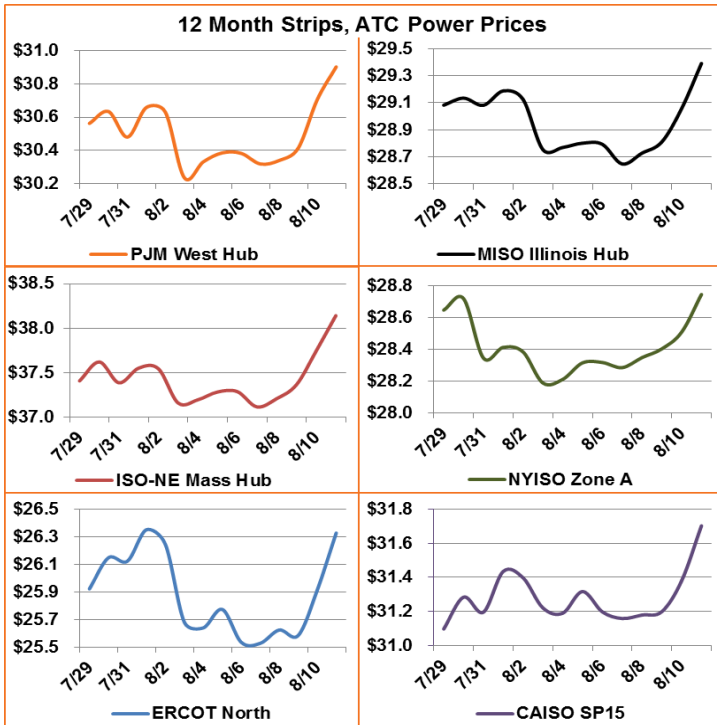
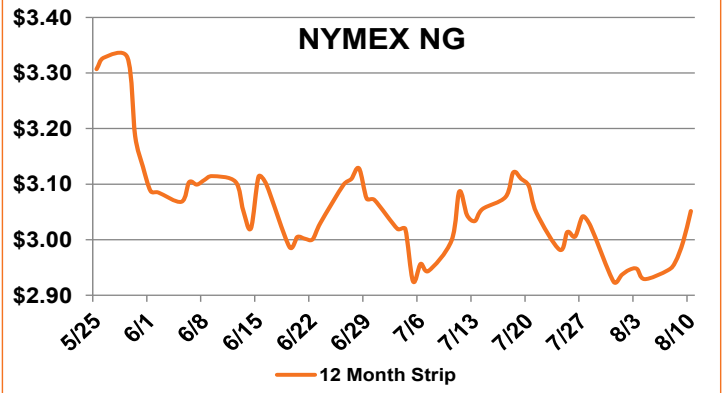
Looking ahead, weather forecasts remain neutral for most of the country for the next week, then it appears as though some heat will move into the eastern third of the country to finish out August. Sep/Oct are forecast to be slightly above average for most of the country.

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



Next Day On-Peak Power (traded for 8/11/2017)

ISO-NE Mass Hub \$25.99	MISO Indiana Hub \$30.33	NYISO Zone G \$25.52
PJM West Hub \$29.56	ERCOT North \$39.00	CAISO SP15 \$43.21
NYMEX NG	Close	Change
Sep-17	2.985	0.102
Oct-17	3.017	0.097
12 Month	3.052	0.055
Cal 18	3.016	0.032
Cal 19	2.853	0.008

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,038	3,010	3,313	2,977
Diff v. Current		28	-275	61
% Diff			-8.3%	2.0%

