

Early Morning Update:

The Sep17 natural gas contract is trading flat at \$2.98. Sep17 crude is down \$0.22 at \$48.60.

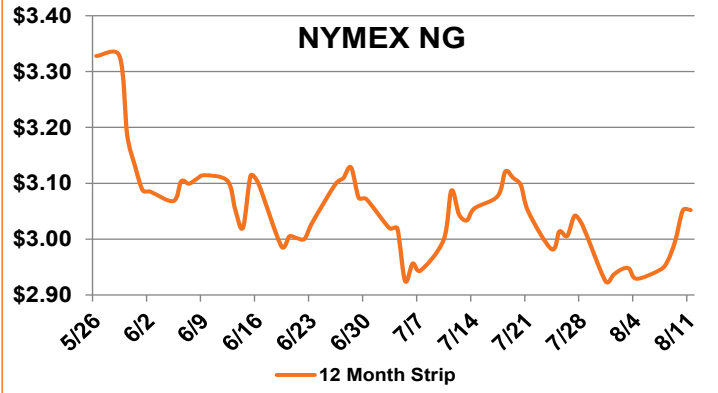
Summary: Last Friday, NYMEX September NG futures prices ended the trading session slightly lower, down by 0.2 cents to \$2.983/MMBtu. This was after the market had a week of four-day gains. The majority of the upward pressure was on Thursday due to a disappointing injection into storage reported by the EIA, pushing the market up 10.2 cents that day. Even with some smaller than expected injections seen this summer, the end of storage levels are still estimated to be at a healthy level going into this winter. There is a lot of emphasis on weather lately, and forecasts are being analyzed closely pushing the market to trade up or down. The next couple of weeks are showing some warmth during the 6-10 and 11-15 day forecasts, mostly in the West Coast, Great Lakes, and New England territory. The heat expected for the Northeast could bump up demand levels for cooling demand from air conditioning units, and possibly lead to more lower-than-expected injections into inventory changing the expectations for end-of-season levels. The Tropics Weather Outlook, is showing that Tropical Storm Gert is no longer a threat to reach land, however, there is another tropical wave with potential impacts to the Gulf later this week.

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



Next Day On-Peak Power (traded for 8/14/2017)

ISO-NE Mass Hub \$30.44	MISO Indiana Hub \$30.03	NYISO Zone G \$29.87
PJM West Hub \$29.20	ERCOT North \$35.50	CAISO SP15 \$35.92
NYMEX NG		
	Close	Change
Sep-17	2.983	-0.002
Oct-17	3.009	-0.008
12 Month	3.052	0.000
Cal 18	3.020	0.004
Cal 19	2.853	0.000

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%

