

Early Morning Update:

The Sep17 natural gas contract is trading down \$.02 at \$2.91. Sep17 crude is up \$0.11 at \$47.20.

Summary: Yesterday, the EIA reported a larger than expected injection of 53 bcf. However, prior stocks were revised lower by 9 Bcf, so the net gain of storage was only 44 Bcf. The market seemed to take that as a somewhat bullish signal and ended up moving higher on the news, ultimately finishing higher by \$.049 to close the day at \$2.929. We'll be looking for a similar build next week as temperatures are mostly moderate and power burn demand is lower, which should allow for storage to refill at a slightly faster clip.

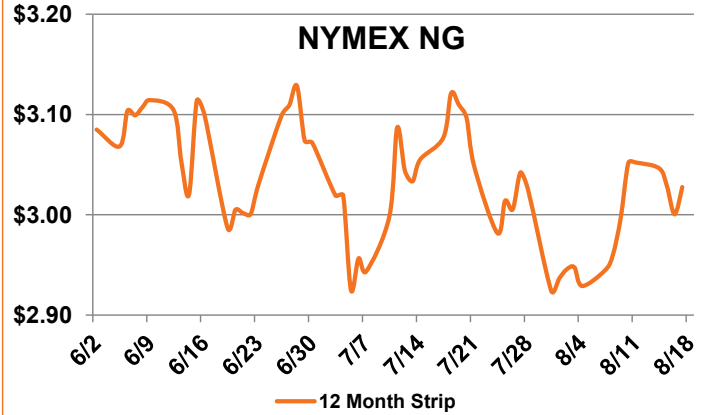
Speaking of weather, it appears as though the pattern of warm west/cool east has returned as is forecast to remain through the balance of the month. Sep/Oct still look to be slightly higher than average.

Bullish Factors

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

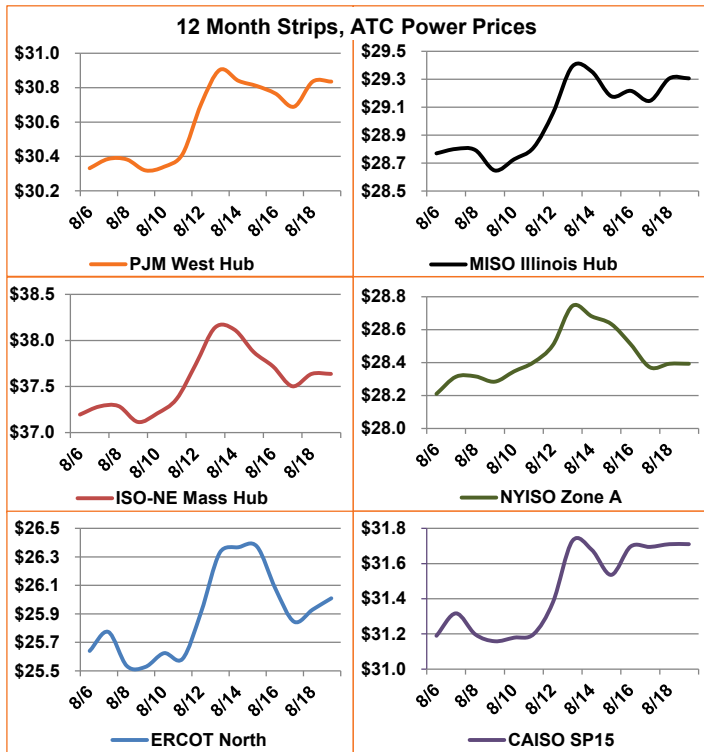
Bearish Factors

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



Next Day On-Peak Power (traded for 8/18/2017)

ISO-NE Mass Hub \$28.27	MISO Indiana Hub \$33.59	NYISO Zone G \$30.56
PJM West Hub \$34.91	ERCOT North \$37.01	CAISO SP15 \$33.92
NYMEX NG	Close	Change
Sep-17	2.929	0.039
Oct-17	2.966	0.041
12 Month	3.028	0.027
Cal 18	3.000	0.016
Cal 19	2.838	0.008



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,082	3,029	3,337	3,027
Diff v. Current		53	-255	55
% Diff			-7.6%	1.8%

