

Early Morning Update:

The Sep17 natural gas contract is trading up \$0.02 at \$2.95. Oct17 crude is down \$0.11 at \$48.30.

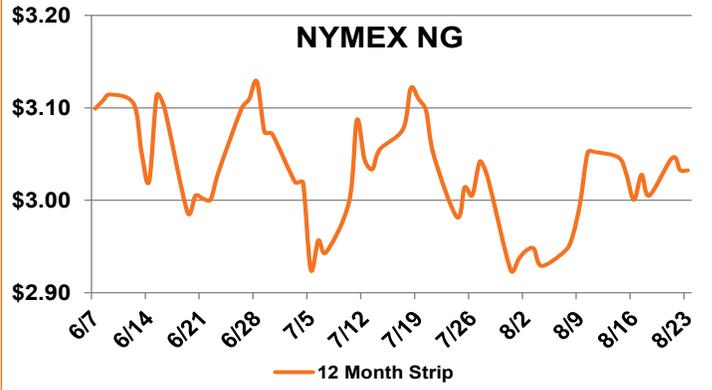
Summary: The Sep17 natural gas contract finished trading on Wednesday down \$0.011 at \$2.928. The winter strip (Nov-Mar) finished near \$3.19, which is right in the middle of the recent trading range of \$3.07 to \$3.33 dating back to early June. Weather forecasts show very warm temperatures continuing to linger over the West Coast and the Pacific Northwest, while the rest of the country is expected to come in well below normal all the way through the 14-day forecast period. Tropical Storm Harvey continues to strengthen as it makes its way towards the Gulf coast of Texas, and is expected to reach near hurricane strength before making landfall Friday afternoon. Depending on the path of the storm, forecasts shows it may produce as much as 1-3 feet of rainfall along the coast. As the storm weakens, it is expected to continue to dampen demand as it moves inland and curves towards the Northeast. The market is anticipating a 45 Bcf injection when the U.S. Energy Information Administration releases their weekly storage report later this morning, which is below the 53 Bcf 5-year average, but well above last year's build of 12 Bcf for the same week.

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 8/24/2017)

ISO-NE Mass Hub \$26.13	MISO Indiana Hub \$27.34	NYISO Zone G \$30.63
PJM West Hub \$27.17	ERCOT North \$26.50	CAISO SP15 \$36.89
NYMEX NG	Close	Change
Sep-17	2.928	-0.011
Oct-17	2.960	-0.008
12 Month	3.032	0.000
Cal 18	3.014	0.003
Cal 19	2.840	-0.001

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%

