

Early Morning Update:

The Sep17 natural gas contract is trading up \$0.02 at \$2.94. Oct17 crude is up \$0.13 at \$46.70.

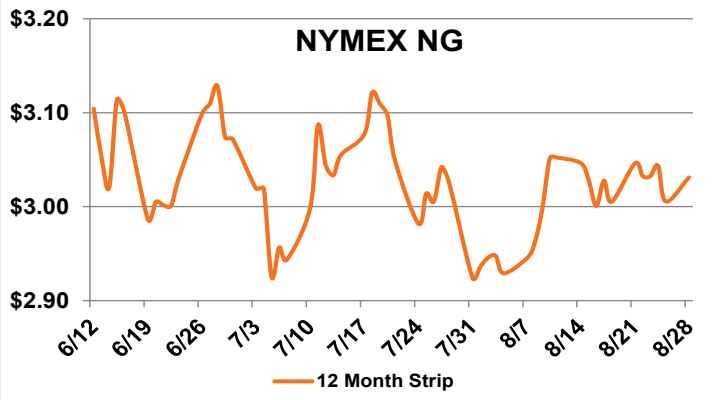
Summary: Hurricane Harvey retains its spot on the cover of market news, as parts of the Houston area are drowning in upwards of 40" of rain, with more heavy rainfall and catastrophic flooding expected to continue throughout the day. Latest estimates indicate approximately 350,000 people are without power in the Houston and Louisiana areas, which is surprisingly fewer than the market had originally anticipated. Additionally, about 331k barrels of oil and almost 0.6 Bcf/d of Gulf gas production remains offline, complementing the 6,700 MWs of disconnected generation. As a result, the September contract, expiring at the close of business today, was boosted and settled up 3.3 cents at \$2.93/MMBtu. NYMEX calendar strips '18-'22 are up a penny this morning, most likely because markets have lacked liquidity and participation over the last few days. On the bright side, the storm is forecasted to leave town by Thursday. Temperatures in the Northeast and Midwest continue their bearish, below-average outlook, while the western heat wave is expected to persist through the third week of September. Outside of weather-related index volatility in CA, forward power prices appear to be stable and ready for fall.

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 8/29/2017)

ISO-NE Mass Hub \$21.95	MISO Indiana Hub \$29.46	NYISO Zone G \$24.39
PJM West Hub \$27.04	ERCOT North \$25.20	CAISO SP15 \$139.88
NYMEX NG	Close	Change
Sep-17	2.925	0.033
Oct-17	2.961	0.037
12 Month	3.031	0.026
Cal 18	3.014	0.020
Cal 19	2.840	0.012

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,125	3,082	3,348	3,081
Diff v. Current		43	-223	45
% Diff			-6.7%	1.5%

