

Early Morning Update:

The Oct17 natural gas contract is trading up \$0.02 at \$3.02. Oct17 crude is down \$0.46 at \$48.70.

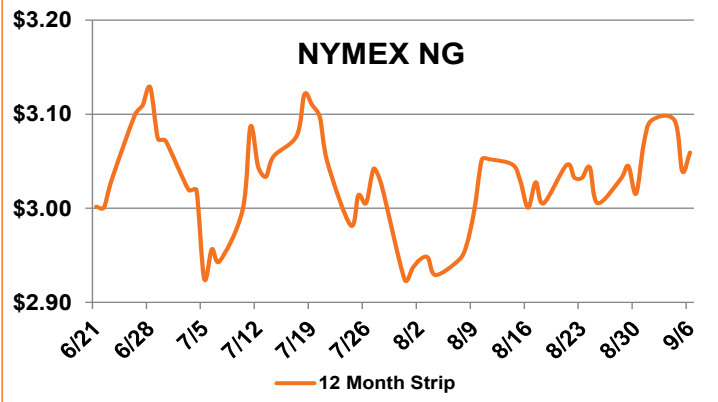
Summary: Natural gas prices ticked higher in trading on Wednesday, with the Oct17 contract settling up three cents at \$3.00/MMBtu. The 6-10 and 8-14 forecasts published by the National Weather Service show a stark contrast split pretty much down the middle of the continental U.S. Areas west of the central plains are expected to remain much above normal, with areas east of the plains staying much below normal. Fundamentals have been loosening, as production has continued to slowly tick higher, leading to record setting levels of production on Tuesday near 74 Bcf/d nationally. Northeast production has also been increasing, with pipeline expansions allowing more gas to flow. Northeast production also set a new record of nearly 26 Bcf/d. The cooler weather in the East is driving reduced weather-related demand. LNG exports, for the time being, are down at Sabine pass as a result of Hurricane Harvey, and Hurricane Irma is quickly approaching the Florida coast, potentially leading to additional demand destruction. The market is expecting a 60 Bcf injection into storage when the EIA releases the weekly report later this morning. This would compare favorably against both last year's figure and the 5-year average of 38 Bcf and 58 Bcf, respectively.

Bullish Factors

- Growing LNG exports
- Exports to Mexico at record high
- Hurricane season unpredictability

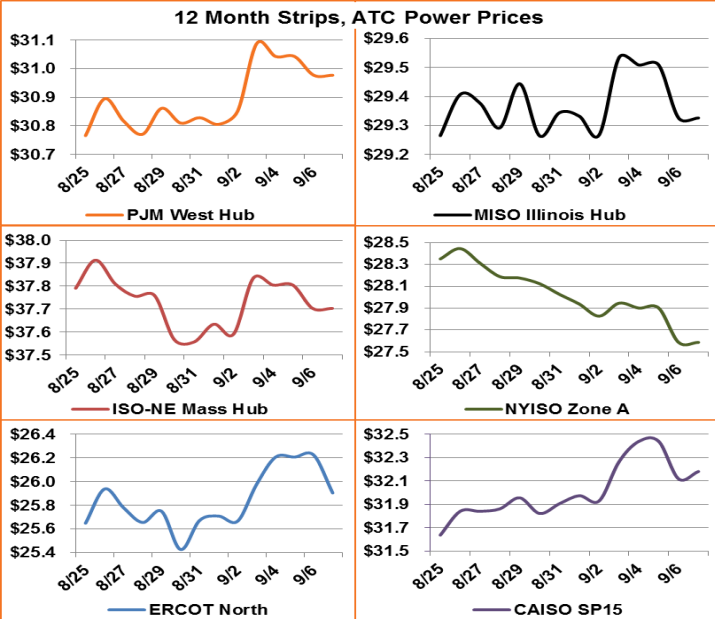
Bearish Factors

- Power burn down year-over-year
- Increased renewable energy generation
- NG production at record levels



Next Day On-Peak Power (traded for 9/7/2017)

ISO-NE Mass Hub \$23.94	MISO Indiana Hub \$26.49	NYISO Zone G \$23.22
PJM West Hub \$24.51	ERCOT North \$23.00	CAISO SP15 \$40.04
NYMEX NG	Close	Change
Oct-17	3.000	0.028
Nov-17	3.069	0.025
12 Month	3.059	0.020
Cal 18	3.039	0.016
Cal 19	2.864	0.006



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,155	3,125	3,394	3,147
Diff v. Current		30	-239	8
% Diff			-7.0%	0.3%

