

Early Morning Update:

The Oct17 natural gas contract is trading up \$0.05 at \$2.94. Oct17 crude is down \$0.28 at \$47.20.

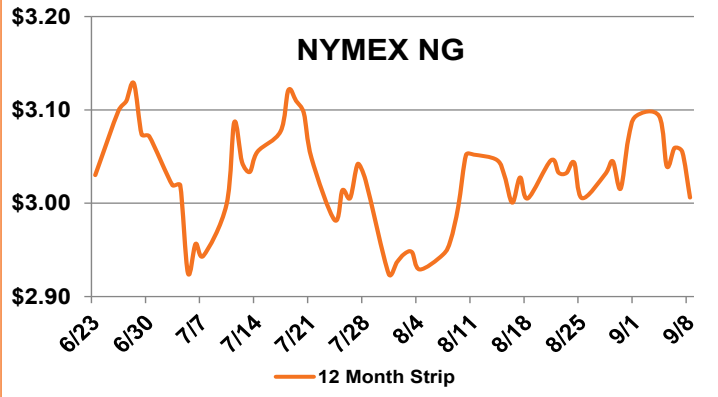
Summary: On Friday, the NYMEX natural gas futures price for October tumbled 9.1 cents to \$2.890/MMBtu. Revisions to weather forecasts calling for warmer-than-normal temperatures have pushed prices up slightly this morning. The 6-10 day forecast is calling for warmer-than-normal temps for most of the central U.S., and normal temperatures for the majority of the Northeast. This trend could mean we will see a bump in cooling demand. The effects from Hurricane Irma have started to weaken much of the electricity demand in Florida. As of yesterday afternoon, the Department of Energy has estimated that around 18% of the state's customers have been affected by power outages. The storm has begun to weaken, heading through Tampa this morning, and is barely hanging onto its category 1 strength. Injections into storage through the end of the refill season are expected to fall more in line with the five-year average numbers. The EIA's estimate for end-of-season storage levels this year is 3.746 Tcf, which, despite being below the five-year average, the market seems to view as an adequate amount going into winter.

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 9/11/2017)

ISO-NE Mass Hub \$19.03	MISO Indiana Hub \$25.01 9/7/17	NYISO Zone G \$22.00
PJM West Hub \$26.86	ERCOT North \$23.00 9/7/17	CAISO SP15 \$41.35
NYMEX NG	Close	Change
Oct-17	2.890	-0.091
Nov-17	2.965	-0.088
12 Month	3.006	-0.049
Cal 18	3.009	-0.031
Cal 19	2.875	-0.005

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,220	3,155	3,432	3,205
Diff v. Current		65	-212	15
% Diff			-6.2%	0.5%

