

**Early Morning Update:**

The Oct17 natural gas contract is trading down \$0.01 at \$3.03. Oct17 crude is down \$0.09 at \$47.14.

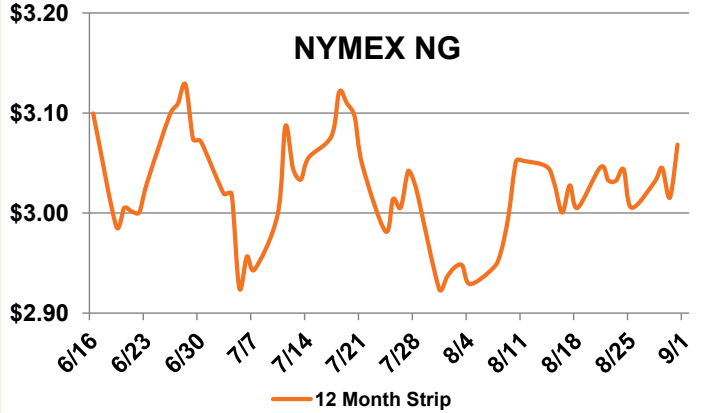
**Summary:** The NYMEX prompt NG contract saw its biggest one day rise in over a month as the EIA reported a storage injection that was roughly in line with expectations. The median estimate of injections was 30 Bcf and the actual injection was 30 Bcf. Weather forecasts continue the same pattern of scorching conditions in the West and below-average in the East. The difference is born out in power prices, as short term prices in CA have been higher than they've been in years and prices in Nepoch are stuck in the teens. The CAISO is anticipating that they will break their 11-year old demand record. I find this to be very surprising, given the amount of rooftop solar that has been installed in the last decade, so it's a real testament to how hot it actually is in California.

**Bullish Factors**

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

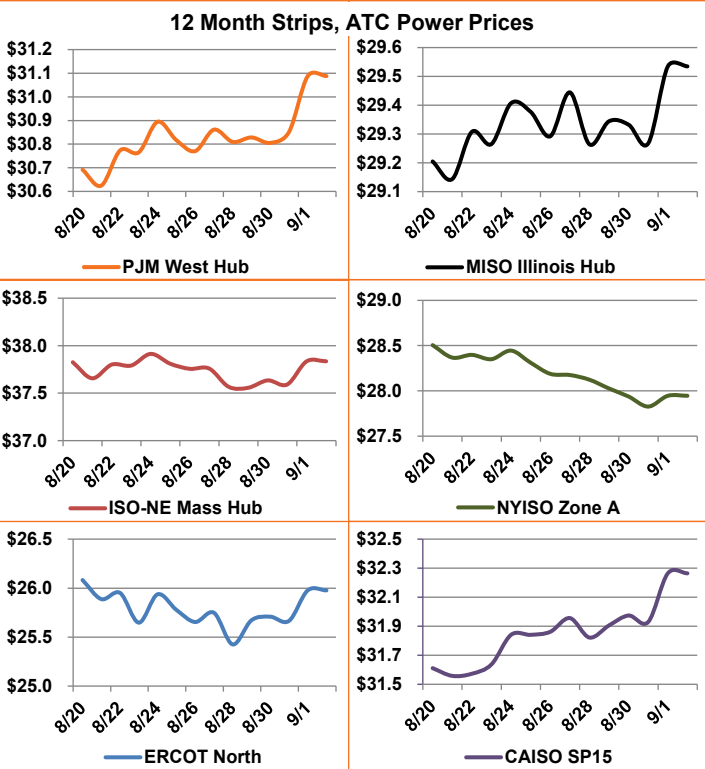
**Bearish Factors**

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



**Next Day On-Peak Power (traded for 9/1/2017)**

<b>ISO-NE Mass Hub</b> \$18.50	<b>MISO Indiana Hub</b> \$25.55	<b>NYISO Zone G</b> \$21.37
<b>PJM West Hub</b> \$24.15	<b>ERCOT North</b> \$31.00	<b>CAISO SP15</b> \$105.54
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Oct-17	3.040	0.101
Nov-17	3.102	0.088
12 Month	3.068	0.053
Cal 18	3.040	0.036
Cal 19	2.860	0.013



**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	3,155	3,125	3,394	3,146
<b>Diff v. Current</b>		30	-239	9
<b>% Diff</b>			-7.0%	0.3%

