

Early Morning Update:

The Oct17 natural gas contract is trading down \$0.01 at \$3.05. Oct17 crude is up \$0.45 at \$49.75.

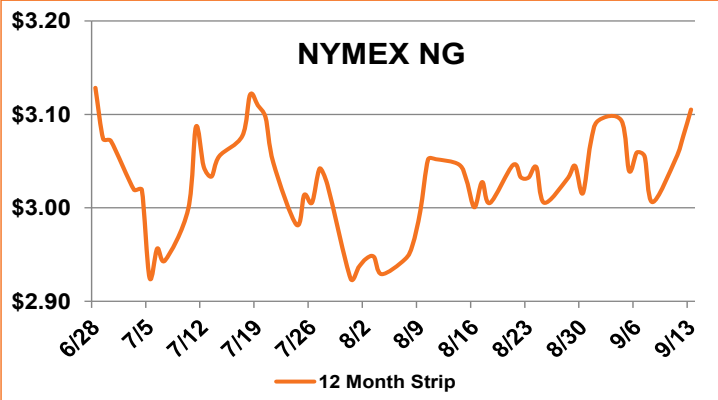
Summary: Prices for the Oct17 natural gas contract continued higher in trading on Wednesday to close up an additional 5.7 cents at \$3.058/MMBtu. After closing down nine cents on Friday, prices this week have rallied sharply, as temperatures are expected to start warming across the country once again. Weather-related demand is increasing, as crews continue to bring service back on line to many of the customers affected by the recent hurricanes. Temperatures across Texas are expected to reach the mid-90s in the coming weeks after finishing August well below normal. As demand increases, production has stepped down from recent highs near 74 Bcf/day to closer to 73 Bcf/day. Storage injections in the next couple of weeks are expected to come in above the 5-year average due to demand reductions caused by the recent hurricanes and healthy gas production. The market is expecting an injection of about 82 Bcf when the EIA release their weekly storage report later this morning. Last year's injection for the same week was 58 Bcf, and the 5 year-average is 63 Bcf. Forward calendar strips have bounced off recent lows, but remain fairly range-bound, which may represent a good buying opportunity for customers interested in locking in year-over-year savings before winter weather forecasts are released.

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 9/14/2017)

ISO-NE Mass Hub \$26.70	MISO Indiana Hub \$34.53	NYISO Zone G \$28.50
PJM West Hub \$34.07	ERCOT North \$26.72	CAISO SP15 \$33.44
NYMEX NG		
	Close	Change
Oct-17	3.058	0.057
Nov-17	3.118	0.051
12 Month	3.105	0.028
Cal 18	3.082	0.018
Cal 19	2.898	-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%

