

Early Morning Update:

The Oct17 natural gas contract is trading up \$0.01 at \$3.13. Oct17 crude is up \$0.57 at \$50.05.

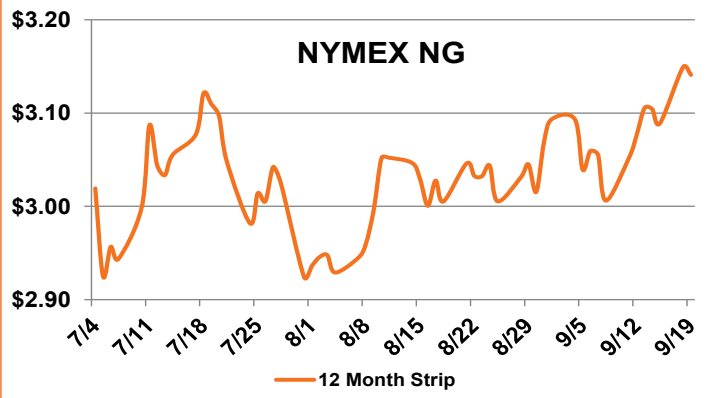
Summary: After October natural gas prices see-sawed throughout the day, support from warmer-than-normal weather outlooks appears to have run its course, as the prompt month settled at \$3.122/MMBtu, down 2.4 cents on the day. The 8-14 day outlook from the National Weather Service shows a significant dissipation of higher-than-average temperatures in the East compared to the 6-10 day outlook, with warm temperatures confined to the Southeast through the end of September. The market is beginning to focus more on end-of-season storage levels, with expectations that the U.S. Energy Information Administration will report storage builds for the next two weeks greater than, both, last year and the five-year average. According to the EIA, power burn declined 14% in the week to Sep.13 due to cooler weather and demand destruction from Hurricane Irma. Industrial demand was down 1% week-over week, and exports to Mexico also slipped 3%. The projected end-of-season level for natural gas storage inventories has been edging up lately, and now stands at 3.815 Tcf.

Bullish Factors

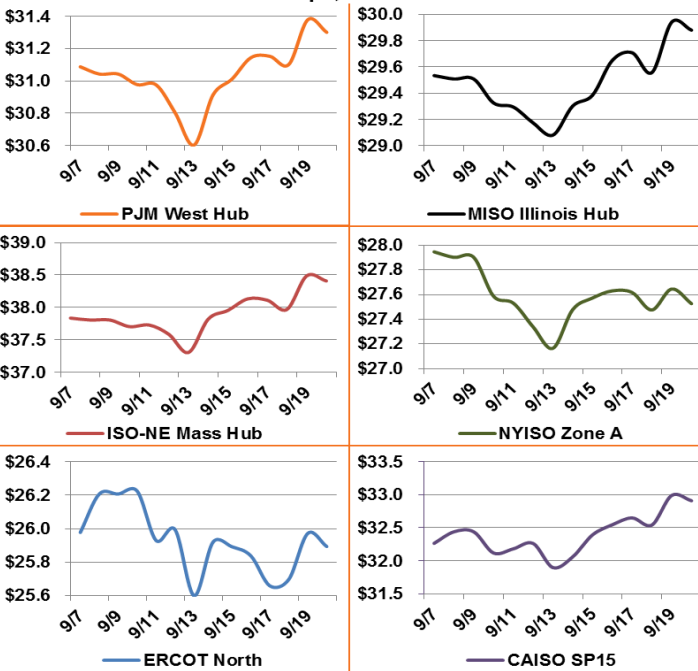
- Growing LNG exports
- Exports to Mexico at record high
- Late summer heat in the East

Bearish Factors

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



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 9/20/2017)

ISO-NE Mass Hub \$34.67	MISO Indiana Hub \$43.73	NYISO Zone G \$36.01
PJM West Hub \$44.40	ERCOT North \$30.50	CAISO SP15 \$30.03
NYMEX NG		
	Close	Change
Oct-17	3.122	-0.024
Nov-17	3.175	-0.020
12 Month	3.141	-0.008
Cal 18	3.108	-0.003
Cal 19	2.923	-0.001

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,311	3,220	3,490	3,268
Diff v. Current		91	-179	43
% Diff			-5.1%	1.3%

