

Early Morning Update:

The Oct17 natural gas contract is trading down \$0.04 at \$3.05. Nov17 crude is down \$0.29 at \$50.40.

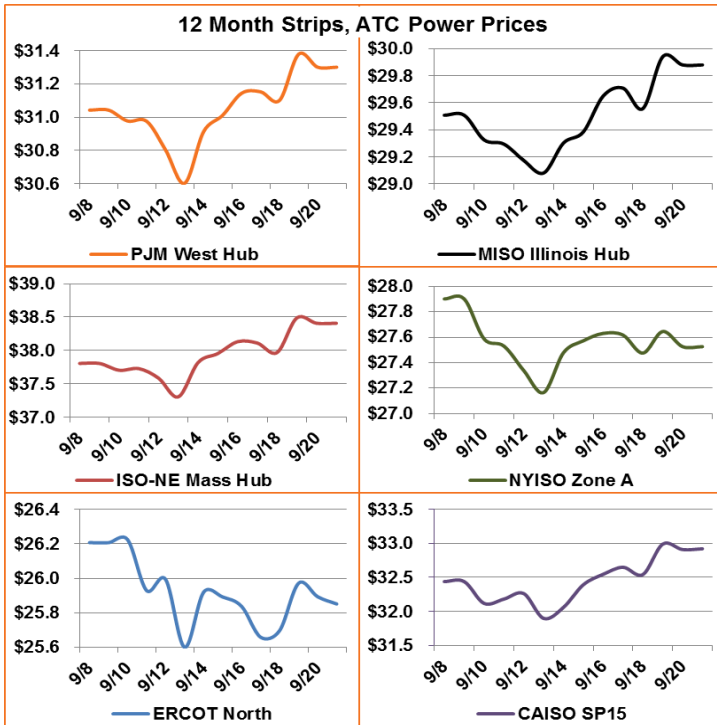
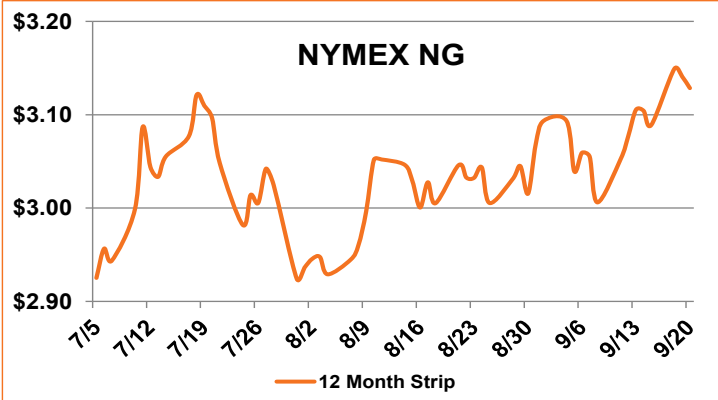
Summary: NYMEX natural gas futures for October continued their slide yesterday, dropping another 2.8 cents to settle at \$3.094/MMBtu. The drop in demand in the Southeast due to Hurricane Irma is expected to have left more gas available for storage. Estimates for the U.S. Energy Information Administration's weekly storage report, which is due to be released at 10:30 this morning, call for an injection close to 90 Bcf, which is significantly higher than the 54 Bcf build seen last year for the corresponding week, as well as the 73 Bcf five-year average. Record natural gas production and cooling temperatures across much of the country through the beginning of October should lead to better-than-average storage building as we wind down the injections season. U.S. dry production set a new all-time high yesterday at 74.6 Bcf/d, while power burn fell 1.7 Bcf/d day-over-day. After averaging 2.9 Bcf/d since Monday, LNG feedgas at Sabine Pass dropped 0.5 Bcf/d from yesterday to 2.4 Bcf/d today.

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



Next Day On-Peak Power (traded for 9/21/2017)

ISO-NE Mass Hub \$35.95	MISO Indiana Hub \$56.11	NYISO Zone G \$42.20
PJM West Hub \$44.20	ERCOT North \$26.25	CAISO SP15 \$29.55
NYMEX NG	Close	Change
Oct-17	3.094	-0.028
Nov-17	3.149	-0.026
12 Month	3.129	-0.012
Cal 18	3.103	-0.006
Cal 19	2.922	0.000

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%

