

**Early Morning Update:**

The Oct17 natural gas contract is flat at \$2.95. Nov17 crude is down \$0.18 at \$50.37.

**Summary:** The NG market saw a sharp sell-off yesterday for the front 12 months as the EIA reported a larger-than-expected build into storage of 97 Bcf. That build has caused a small upward revision in end-of-season storage figures, now at 3.83 Tcf. We're still expecting a deficit to the 5-year average but that deficit has been shrinking as demand has been low and production continues to increase. The latest production data shows the daily rate at 74.6 Bcf, a new all-time high.

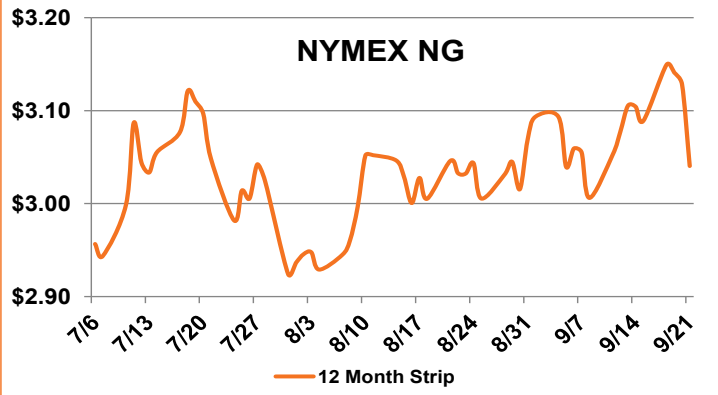
We are seeing a bit of late summer heat in the eastern half of the country. This is causing some higher real-time pricing, notable in Ohio where the on-peak RT average was near \$200. ComEd pricing cleared \$134 and eastern PJM was near \$100. In some cases, these were the highest RT prices all year, caused by a combination of high heat and generator outages due to maintenance. Looking ahead, we're expecting high heat through early next week so the potential for elevated prices will remain for a few more days.

**Bullish Factors**

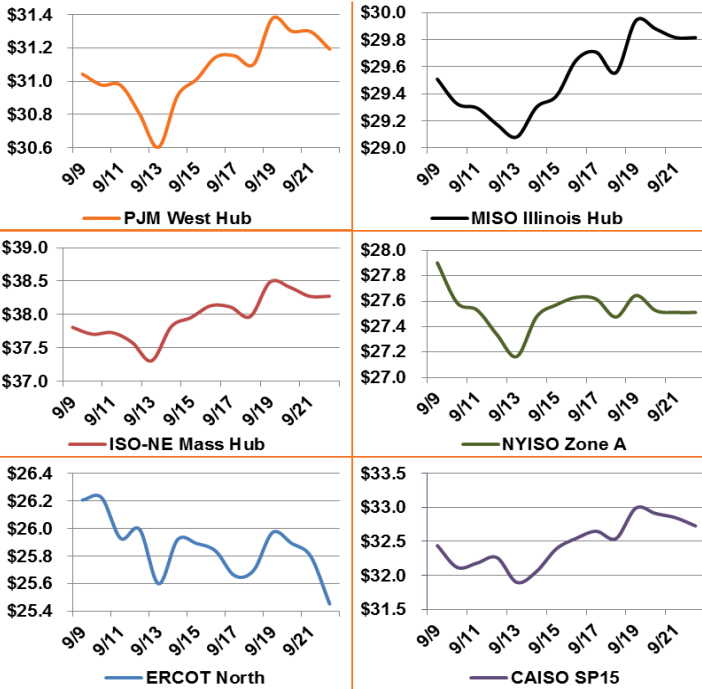
- Growing LNG exports
- Exports to Mexico at record high
- Late summer heat in the East

**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 9/22/2017)**

<b>ISO-NE Mass Hub</b> \$28.88	<b>MISO Indiana Hub</b> \$78.49	<b>NYISO Zone G</b> \$34.22
<b>PJM West Hub</b> \$57.66	<b>ERCOT North</b> \$25.01	<b>CAISO SP15</b> \$31.28
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Oct-17	2.946	-0.148
Nov-17	3.007	-0.142
12 Month	3.040	-0.088
Cal 18	3.039	-0.064
Cal 19	2.903	-0.020

**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>	3,408	3,311	3,544	3,341
<b>Diff v. Current</b>		97	-136	67
<b>% Diff</b>			-3.8%	2.0%

