

Early Morning Update:

The Oct17 natural gas contract is trading up \$0.02 at \$2.94. Nov17 crude is up \$0.02 at \$51.90.

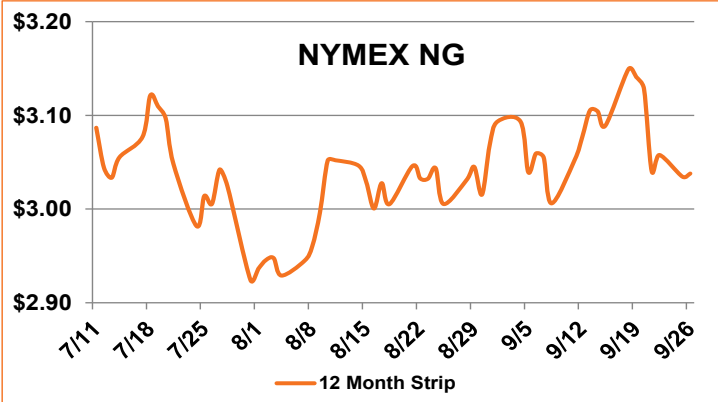
Summary: Without fundamental support to move NYMEX natural gas prices in either direction, the Oct17 contract was mostly unchanged throughout yesterday, ultimately settling down a penny at \$ 2.918/MMBtu on it's second to last day of trading. Short-term weather outlooks indicate the extreme above-normal temperatures felt across much of the Midwest and East Coast for the past week-and-a-half are expected to cool off dramatically after today. PJM wide, for example, has an average forecast high of 86 degrees today, 14 degrees above the 30-year-normal; tomorrow, the average high is more than ten degrees lower at 75, and only two degrees above the 30-year-normal. The lower temperatures are expected to reduce Midwest power burns by 35% tomorrow, helping to decrease national burns by 10%. Potentially increasing future natural gas demand, news came yesterday that Chenier Energy requested permission from U.S. regulators to place the fourth LNG export train into service at their Sabine Pass terminal. Sabine Pass will ultimately include six liquefaction trains for a total export capacity of ~3.8 Bcf/d.

Bullish Factors

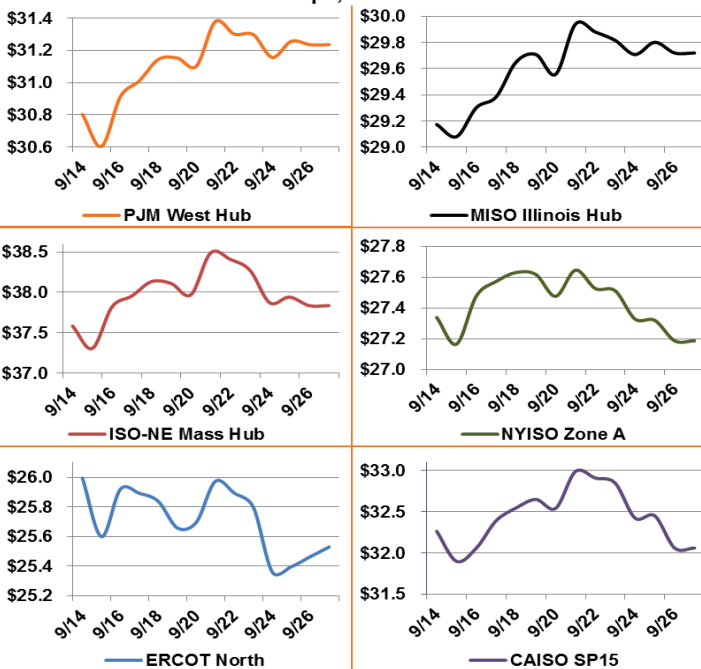
- Growing LNG exports
- Exports to Mexico at record high
- Late summer heat in the East

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 9/27/2017)

ISO-NE Mass Hub \$52.66	MISO Indiana Hub \$40.38	NYISO Zone G \$47.17
PJM West Hub \$41.27	ERCOT North \$25.50	CAISO SP15 \$38.02
NYMEX NG	Close	Change
Oct-17	2.918	-0.001
Nov-17	3.000	0.012
12 Month	3.038	0.003
Cal 18	3.040	0.002
Cal 19	2.899	0.002

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,408	3,311	3,544	3,341
Diff v. Current		97	-136	67
% Diff			-3.8%	2.0%

