

Early Morning Update:

The Nov17 natural gas contract is flat at \$3.01. Nov17 crude is flat at \$51.56.

Summary: The prompt NG contract slipped a few cents yesterday, closing down \$.044 to end the day at \$3.017. The EIA reported a somewhat disappointing injection of 58 Bcf. And while that may have caused the market to rally, traders appeared to realize that over the past three weeks, in aggregate storage injections have lined with estimates almost exactly (Bloomberg = 245, actual reports = 246). Current end-of-season estimates are roughly 3.83 Tcf.

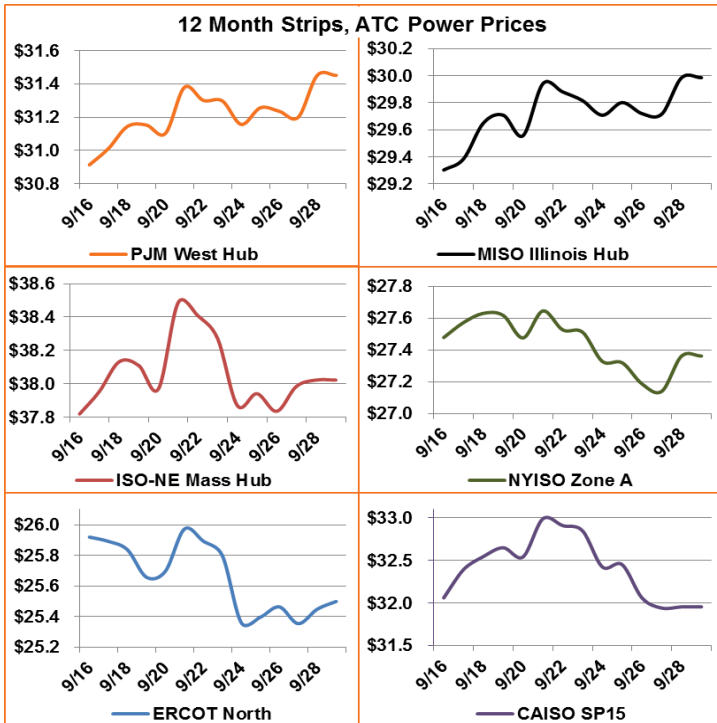
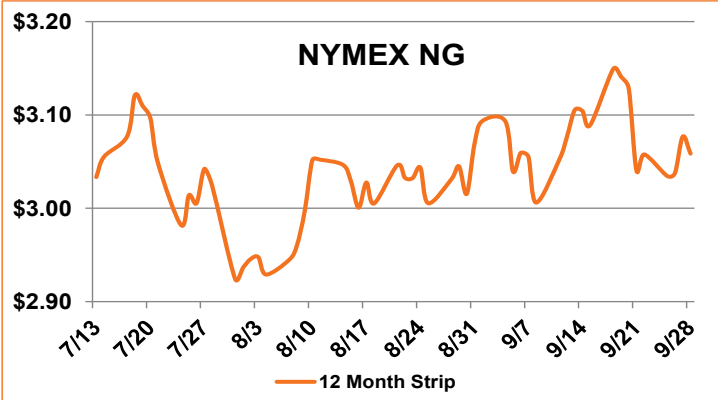
Current weather forecasts show the east coast getting a break from the high temperatures for a few days, but above average temperatures are forecast to return starting next week. It won't be as hot (90+) as this week but could still trigger a/c demand. NG production has levelled off a bit and is currently hovering around 74 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



Next Day On-Peak Power (traded for 9/29/2017)

ISO-NE Mass Hub \$22.41	MISO Indiana Hub \$34.00	NYISO Zone G \$25.60
PJM West Hub \$27.41	ERCOT North \$23.75	CAISO SP15 \$33.46
NYMEX NG	Close	Change
Nov-17	3.017	-0.044
Dec-17	3.184	-0.034
12 Month	3.059	-0.018
Cal 18	3.056	-0.013
Cal 19	2.898	-0.011

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,466	3,408	3,593	3,425
Diff v. Current		58	-127	41
% Diff			-3.5%	1.2%

