

Early Morning Update:

The Nov17 natural gas contract is down \$.02 at \$2.90. Nov17 crude is down \$1.07 at \$49.71.

Summary: The EIA yesterday reported a build into storage that just missed estimates, adding just 42 Bcf. The market barely moved on the news and ultimately settled down \$.017, closing the day at \$2.923. After falling sharply on Monday, this has been a very quiet week with the prompt month trading in a 5c range. Total US storage has slipped below the 5-year average for the first time since January (3,508 bcf vs 3,516 bcf). We're expected to finish the year at a slight deficit to the 5-year average (3.84 Tcf vs 3.87 Tcf).

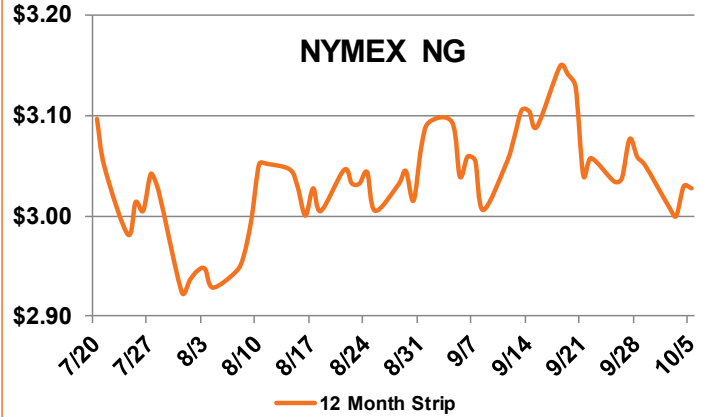
Several weather vendors have published winter weather forecasts and we haven't seen any calling for extreme cold along the east coast, although there is disagreement whether temps will be average or above-average.

Bullish Factors

- Growing LNG exports
- Exports to Mexico at record high
- Attention turning toward winter

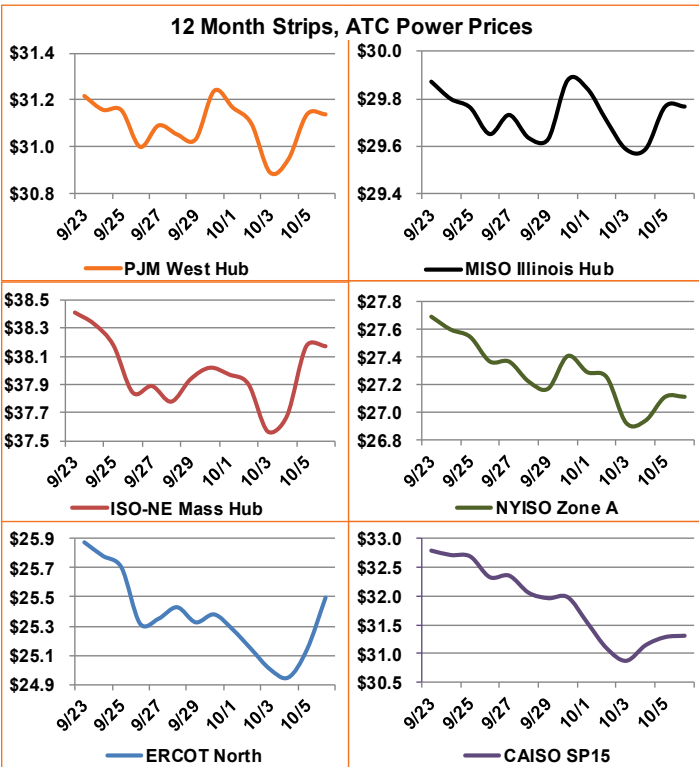
Bearish Factors

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



Next Day On-Peak Power (traded for 10/6/2017)

ISO-NE Mass Hub \$32.22	MISO Indiana Hub \$36.92	NYISO Zone G \$29.13
PJM West Hub \$38.43	ERCOT North \$25.00	CAISO SP15 \$35.50
NYMEX NG	Close	Change
Nov-17	2.923	-0.017
Dec-17	3.103	-0.019
12 Month	3.028	-0.002
Cal 18	3.042	0.002
Cal 19	2.895	0.003



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,508	3,466	3,669	3,516
Diff v. Current		42	-161	-8
% Diff			-4.4%	-0.2%

