

Early Morning Update:

The Nov17 natural gas contract is up \$.01 at \$2.87. Nov17 crude is up \$0.04 at \$49.33.

Summary: The prompt NG contract ended the week on a down note, finish the day lower by \$.06 to close the week at \$2.863. That's the low point for prompt month since early August. Near-term prices have been driven lower due mostly to mild weather forecasts, which is keeping demand low. We're also seeing high NG production with daily levels coming in over 74 bcf. There has been a small drop in production recently due to Hurricane Nate, but this should be temporary and workers should be returning to the rigs this week.

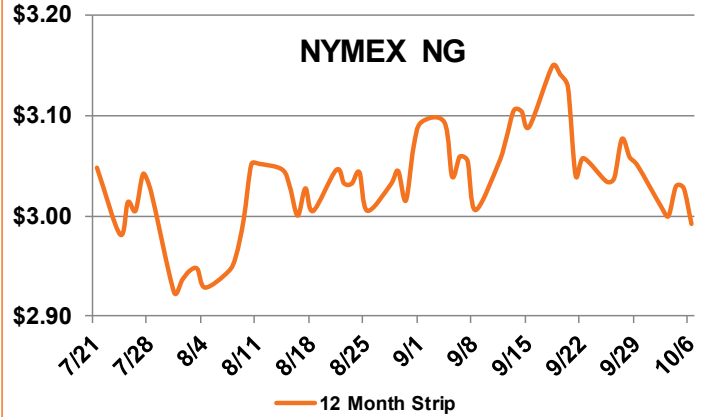
On the power side, we did see a sharp rise in ERCOT pricing as Luminant announced the retirement of the Monticello Power Plant. Monticello is a coal-fired plant capable of generating 1,800MW and the retirement is scheduled for January 2018. Heat rates rose as a result of the announced retirement.

Bullish Factors

- Rising NG production costs
- Exports to Mexico at record high
- Attention turning toward winter

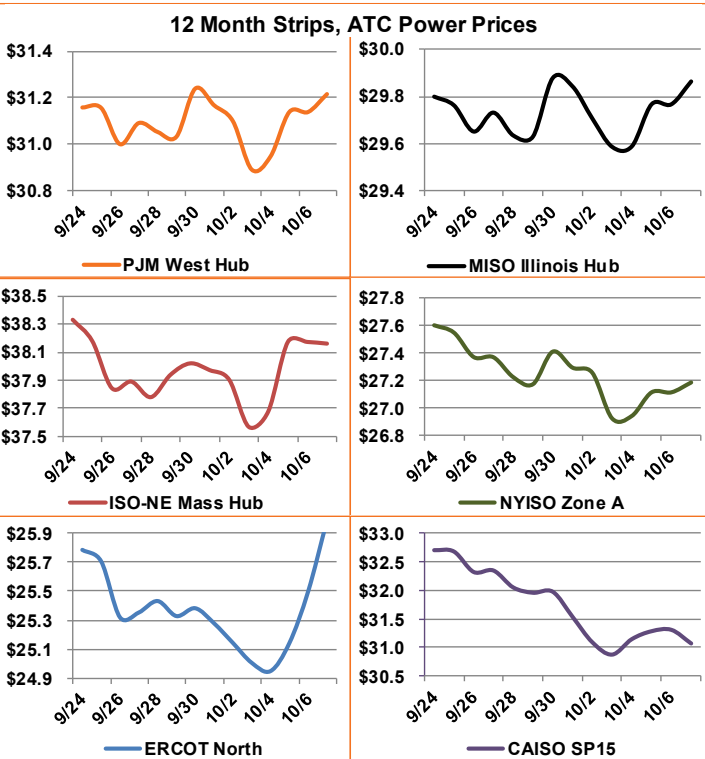
Bearish Factors

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



Next Day On-Peak Power (traded for 10/9/2017)

ISO-NE Mass Hub \$46.03	MISO Indiana Hub \$43.29	NYISO Zone G \$36.59
PJM West Hub \$47.53	ERCOT North \$36.00	CAISO SP15 \$36.44
NYMEX NG	Close	Change
Nov-17	2.863	-0.060
Dec-17	3.046	-0.057
12 Month	2.992	-0.035
Cal 18	3.013	-0.028
Cal 19	2.886	-0.009



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%

