

**Early Morning Update:**

The Nov17 natural gas contract is trading up \$0.05 at \$2.89.  
The Nov17 crude contract is up \$0.57 at \$50.15.

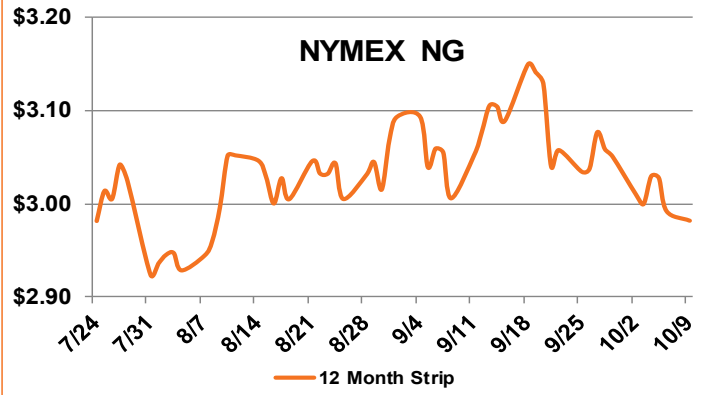
**Summary:** The November natural gas contract lost three cents on Monday, dropping to \$2.833/MMBtu on conjectures of persistent above-average temperatures through October. Near-term contracts through 2018 were slightly down, and 2019 and beyond gained up to a cent. The eastern two-thirds of the country will be encompassed in higher-than-normal temperatures through the 20-day forecast, with the West staying right around normal to slightly below. Despite the variance from average, fall high temperatures will dissuade climbing power burns and residential and commercial demand. Hurricane Nate is keeping the market at bay on the supply side, as about 65% of production in the Gulf region has come offline as of yesterday. This will likely limit storage builds during what is typically the time of year for largest injections into storage.

**Bullish Factors**

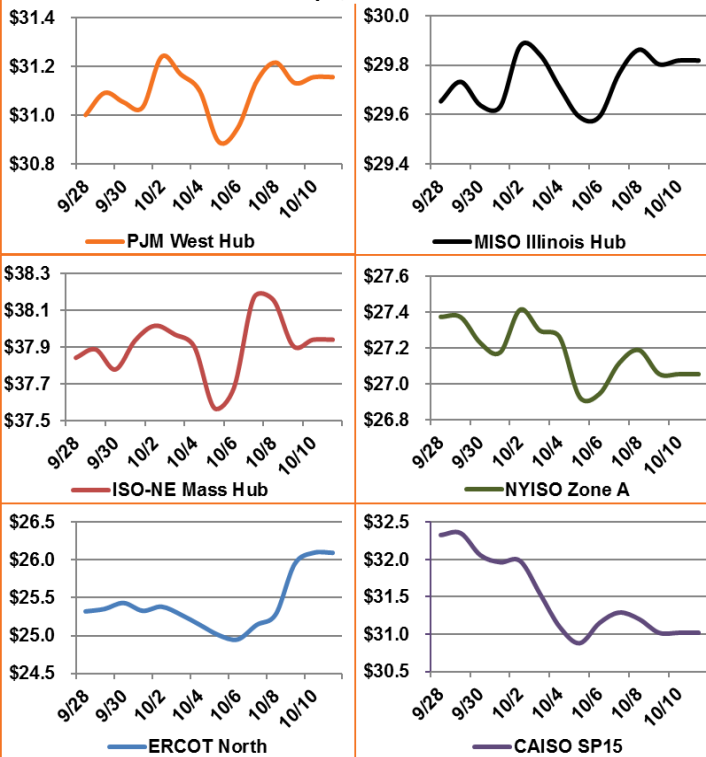
- Rising NG production costs
- Exports to Mexico at record high
- Attention turning toward winter

**Bearish Factors**

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



**12 Month Strips, ATC Power Prices**



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

<b>ISO-NE Mass Hub</b> \$55.75	<b>MISO Indiana Hub</b> \$41.25	<b>NYISO Zone G</b> \$38.64
<b>PJM West Hub</b> \$46.03	<b>ERCOT North</b> \$23.00	<b>CAISO SP15</b> \$37.50
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Nov-17</b>	2.833	-0.030
<b>Dec-17</b>	3.018	-0.028
<b>12 Month</b>	2.982	-0.010
<b>Cal 18</b>	3.009	-0.004
<b>Cal 19</b>	2.898	0.012

**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>	3,508	3,466	3,669	3,516
<b>Diff v. Current</b>		42	-161	-8
<b>% Diff</b>			-4.4%	-0.2%

