

**Early Morning Update:**

The Nov17 natural gas contract is down \$0.08 at \$2.92. The Nov17 crude contract is up \$0.83 at \$52.28.

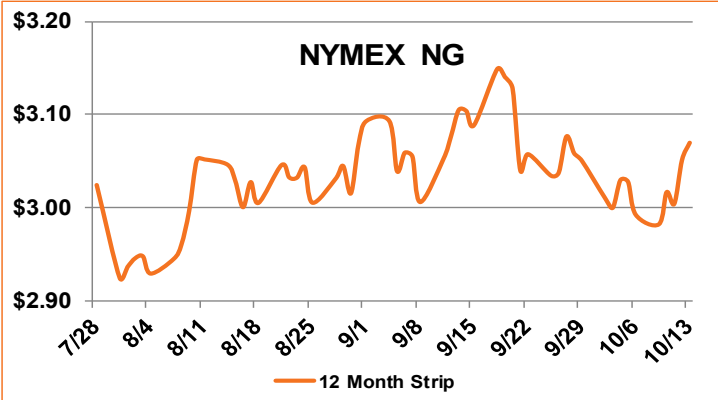
**Summary:** On Friday, NYMEX natural gas futures price for November gained 1.1 cents to settle at \$3.00/MMBtu. This gain appears to be short lived due to the overbought conditions in the market along with bearish fundamentals regarding the weather which will result in lower overall natural gas demand. FERC has approved two Eastern gas pipelines, the Atlantic Coast and Mountain Valley, and both will provide new infrastructure to move gas from the Appalachian to the Mid-Atlantic and Southeast. The 6-10 and 11-15 day forecasts, are anticipating above-normal heat for the mid-con and northeast, both are major demand centers for natural gas and will keep heating demand levels low. Power markets are expected to see some downside following the natural gas market. U.S. production has been declining with the majority of the dip in the Northeast, and is another bearish factor reducing power-related gas demand. Sabine Pass LNG exports hit an all-time high on Friday of 3.1 Bcf, which was a day-over-day increase of about 0.33 Bcf.

**Bullish Factors**

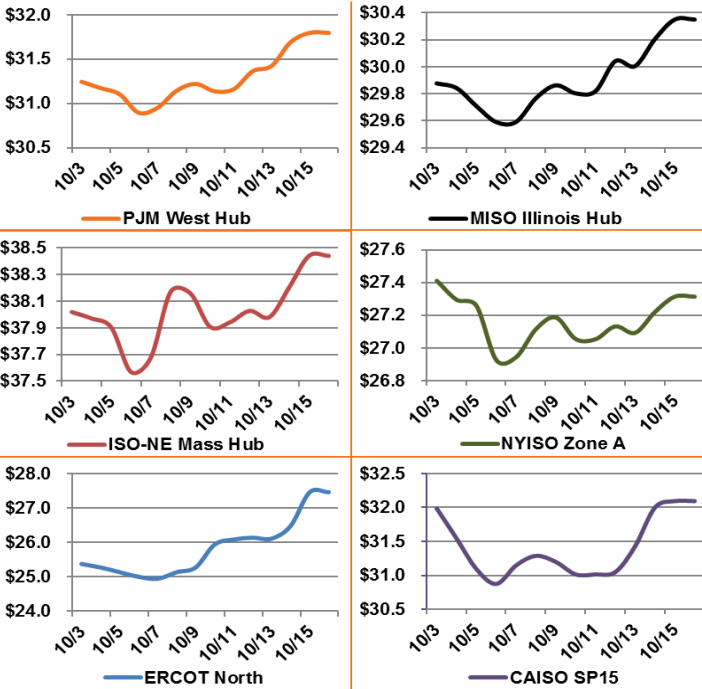
- Rising NG production costs
- Exports to Mexico at record high
- Attention turning toward winter

**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 10/16/2017)**

<b>ISO-NE Mass Hub</b> \$44.38	<b>MISO Indiana Hub</b> \$33.14	<b>NYISO Zone G</b> \$32.48
<b>PJM West Hub</b> \$31.27	<b>ERCOT North</b> \$20.68	<b>CAISO SP15</b> \$46.84
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Nov-17	3.000	0.011
Dec-17	3.160	0.016
12 Month	3.070	0.019
Cal 18	3.078	0.020
Cal 19	2.913	0.014

**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>	3,595	3,508	3,748	3,603
<b>Diff v. Current</b>		87	-153	-8
<b>% Diff</b>			-4.1%	-0.2%

