

Early Morning Update:

The Nov17 natural gas contract is down \$0.05 at \$2.91. The Nov17 crude contract is up \$0.22 at \$52.10.

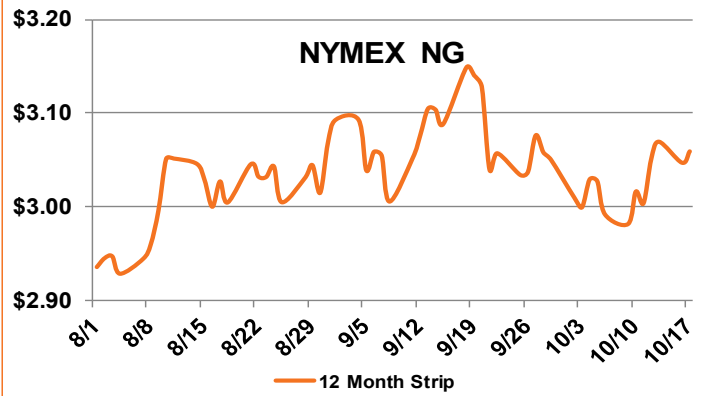
Summary: Mixed fundamentals caused the November '17 NYMEX natural gas contract to trade on either side of the mark yesterday, before ultimately settling 1.6 cents higher at \$2.962/MMBtu. The latest near-term weather forecasts from the National Weather Service call for warm temperatures blanketing the western half of the country, and cooler temperatures in the eastern half, with the exception of the Northeast, where the weather service predicts warmer temperatures. Analysts believe these outlooks should allow for lingering cooling demand, but not enough to offset the suppressed heating demand that is normal for this time of year. On the supply side, natural gas production has rebounded above 74 Bcf/d, after a 30-day force majeure on Texas Eastern Transmission was lifted Sunday evening. Regional constraints are likely to continue through this fall, as pipelines prepare for the upcoming winter.

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 10/18/2017)

ISO-NE Mass Hub \$36.57	MISO Indiana Hub \$30.11	NYISO Zone G \$31.32
PJM West Hub \$28.79	ERCOT North \$22.00	CAISO SP15 \$55.56
NYMEX NG	Close	Change
Nov-17	2.962	0.016
Dec-17	3.128	0.020
12 Month	3.060	0.012
Cal 18	3.074	0.010
Cal 19	2.914	-0.004

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,595	3,508	3,748	3,603
Diff v. Current		87	-153	-8
% Diff			-4.1%	-0.2%

