

**Early Morning Update:**

The Nov17 natural gas contract is trading down \$0.01 at \$2.84.  
The Nov17 crude contract is down \$0.74 at \$51.30.

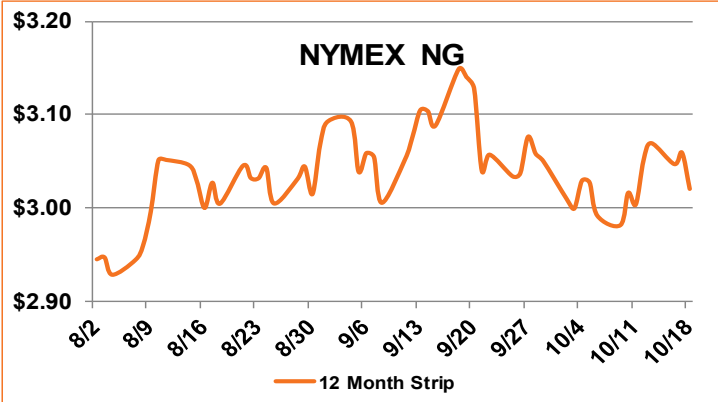
**Summary:** The NYMEX prompt month dropped 10.8 cents in trading on Wednesday to close at \$2.854/MMBtu, as seasonally mild weather continues across the eastern U.S. and further delaying any meaningful heating demand. Power burns are expected to drop off as temperatures moderate in key areas, including Texas. While prices for the winter months followed suit, ending down five cents, the more pronounced shift down in November may indicate market participants are expecting the slow start to winter to continue into November. Winter weather forecasts show mild to near-normal conditions with several vendors favoring a mild November. The market is expecting an injection into storage in the mid-40s when the EIA releases their weekly storage report later this morning. This would be well below last year's build of 77 Bcf, as well as the 78 Bcf five-year average. Early indications show estimates for next week's storage build near 64 Bcf, which would also be below the five-year average of 75 Bcf. The end-of-season storage projection has been adjusted downward recently, now projected to be 3.8 Tcf.

**Bullish Factors**

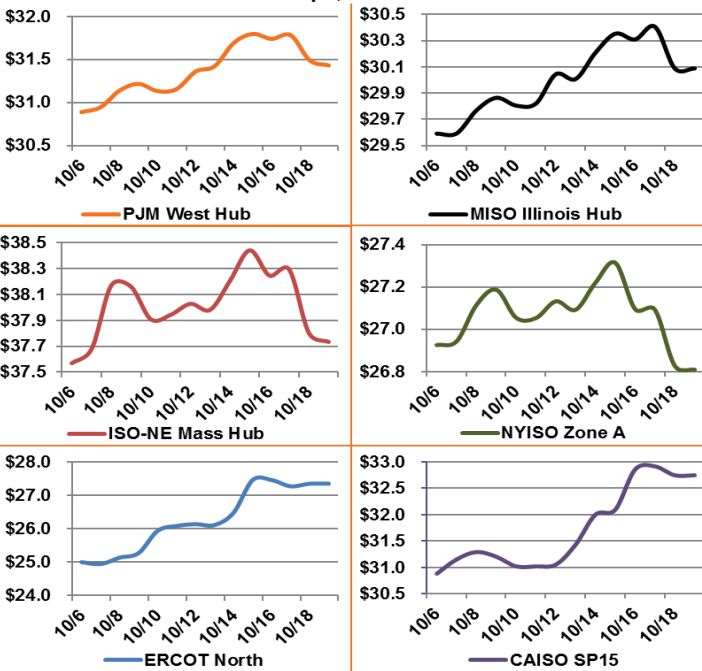
- Rising NG production costs
- Exports to Mexico at record high
- Attention turning toward winter

**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 10/19/2017)**

<b>ISO-NE Mass Hub</b> \$33.13	<b>MISO Indiana Hub</b> \$32.50	<b>NYISO Zone G</b> \$29.36
<b>PJM West Hub</b> \$28.81	<b>ERCOT North</b> \$22.50	<b>CAISO SP15</b> \$40.99
<b>NYMEX NG</b>		
	<b>Close</b>	<b>Change</b>
<b>Nov-17</b>	2.854	-0.108
<b>Dec-17</b>	3.065	-0.063
<b>12 Month</b>	3.021	-0.039
<b>Cal 18</b>	3.048	-0.026
<b>Cal 19</b>	2.915	0.001

**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%

