

Early Morning Update:

The Nov17 natural gas contract is trading up \$0.09 at \$3.00. The Nov17 crude contract is up \$0.11 at \$51.95.

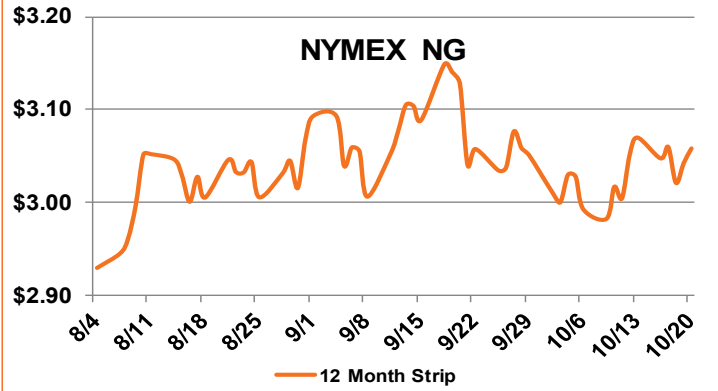
Summary: Colder mid-term weather outlooks helped push the prompt month natural gas contract higher on Friday, as the market anticipates the advent of the heating demand season. Only New England and areas west of the Rocky Mountains will be spared from temperatures up to eight degrees below normal, according to the National Weather Service's 6-10 day outlook. The cooler weather will most likely put a damper on storage building, with less gas available for underground inventories as heating demand ramps up. The price of gas for November delivery climbed 4.2 cents on Friday, settling the last trading day of the week at \$2.915/MMBtu. Total U.S. natural gas demand is down today from last week, but is expected to climb higher as this week progresses. Demand in the residential/commercial sector is expected to grow by 7.7 Bcf/d by Friday to 23 Bcf/d, although power burn is projected to drop 1.5 Bcf/d throughout the week to 21 Bcf/d. Dry production is down to 73.9 Bcf/d today, a steep decline from the record high 74.9 Bcf/d seen last Wednesday.

Bullish Factors

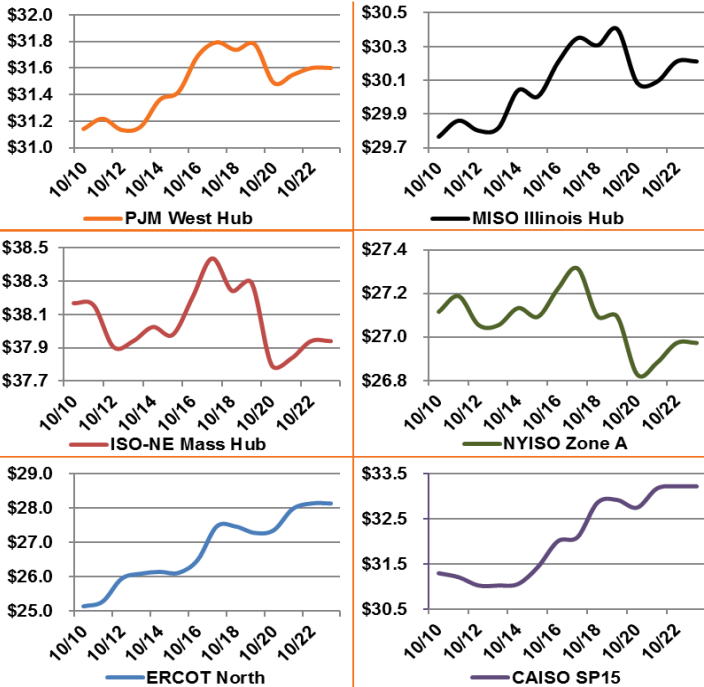
- Rising NG production costs
- Exports to Mexico at record high
- Attention turning toward winter

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 10/23/2017)

ISO-NE Mass Hub \$37.49	MISO Indiana Hub \$32.52	NYISO Zone G \$30.39
PJM West Hub \$31.20	ERCOT North \$23.50	CAISO SP15 \$78.11
NYMEX NG	Close	Change
Nov-17	2.915	0.042
Dec-17	3.113	0.027
12 Month	3.058	0.016
Cal 18	3.080	0.011
Cal 19	2.925	-0.001

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,646	3,595	3,825	3,681
Diff v. Current		51	-179	-35
% Diff			-4.7%	-1.0%

