

Early Morning Update:

The Nov17 natural gas contract is trading down \$0.05 at \$2.92.
The Dec17 crude contract is down \$0.28 at \$52.19.

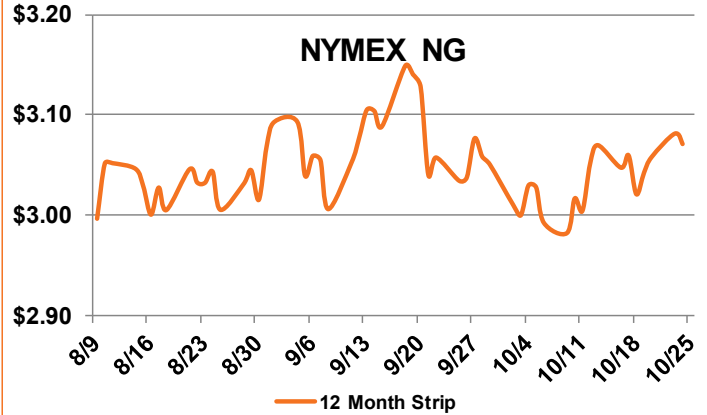
Summary: Domestic dry natural gas production set a new record high of 75.2 Bcf/d on Tuesday, and, after posting three consecutive days of gains, the NYMEX prompt month natural gas contract lost 1.7 cents, settling at \$2.974/MMBtu. Downside was limited as cooler temperatures increased US demand by 3.3 Bcf yesterday. The 6-10 day outlook, published by the National Weather Service, lowered the probability for below normal temperatures in most of the midcontinent and southeast from 40-90% to 30-60% probability. The 8-14 day outlook was mostly unchanged yesterday still forecasting below normal temperatures for most of the northern half of the country, excluding the northeast, which is one of the country's largest natural gas demand centers.

Bullish Factors

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

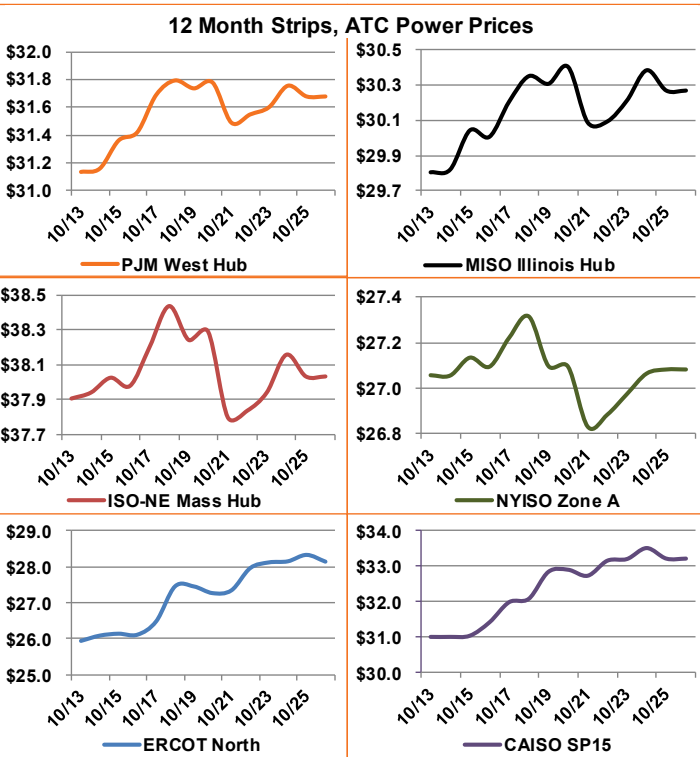
Bearish Factors

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



Next Day On-Peak Power (traded for 10/25/2017)

ISO-NE Mass Hub \$40.70	MISO Indiana Hub \$32.79	NYISO Zone G \$31.84
PJM West Hub \$31.14	ERCOT North \$23.00	CAISO SP15 \$102.32
NYMEX NG	Close	Change
Nov-17	2.974	-0.017
Dec-17	3.135	-0.021
12 Month	3.071	-0.010
Cal 18	3.086	-0.008
Cal 19	2.916	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%

