

Early Morning Update:

The Nov17 natural gas contract is trading down \$0.07 at \$2.82.
The Dec17 crude contract is down \$0.13 at \$52.51.

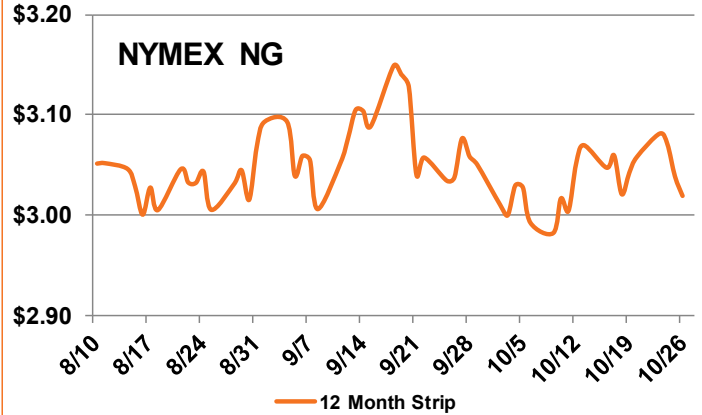
Summary: The prompt NG contract opened lower yesterday, and stayed lower throughout the day to close down \$.084 at \$2.89. Weather forecasts for the east coast have taken a warmer turn and that is the likely culprit for the downward move in price. The EIA reported a build into storage that was a touch below estimates (64 vs 68 Bcf), but still within the range. As has been the case recently, the move lower was limited to the near 12 months and the longer terms saw no movement. The Nov '17 will expire today and recent weather forecasts have been pressuring the contract lower, but volatility at the expiration is not uncommon. Monday will begin with Dec '17 as the prompt month.

Bullish Factors

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

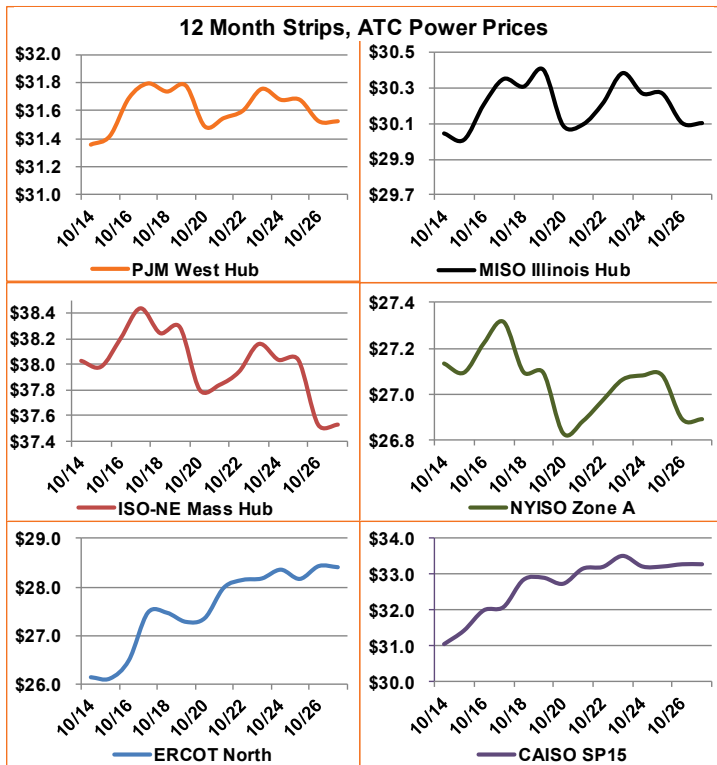
Bearish Factors

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



Next Day On-Peak Power (traded for 10/27/2017)

ISO-NE Mass Hub \$32.14	MISO Indiana Hub \$30.75	NYISO Zone G \$31.27
PJM West Hub \$28.00	ERCOT North \$22.44	CAISO SP15 \$44.31
NYMEX NG		
Nov-17	Close 2.890	Change -0.084
Dec-17	3.051	-0.084
12 Month	3.019	-0.052
Cal 18	3.044	-0.042
Cal 19	2.914	-0.002



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,710	3,646	3,899	3,756
Diff v. Current		64	-189	-46
% Diff			-4.8%	-1.2%

