

Early Morning Update:

The Dec17 natural gas contract is trading up \$0.07 at \$3.05. The Dec17 crude contract is up \$0.27 at \$55.91.

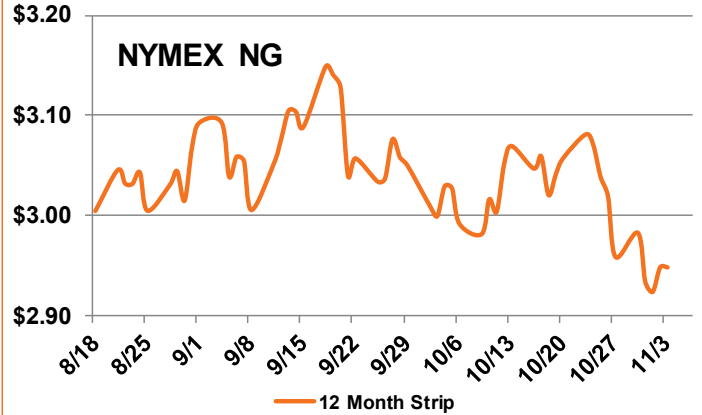
Summary: On Friday, NYMEX natural gas futures price for December gained 4.9 cents to settle at \$2.984/MMBtu. The gains continue this morning as the 1-5 and 6-10 day forecasts have flipped to colder-than-normal temperatures which will result in elevated heating demand for natural gas. This cold front is expected to be somewhat short lived, which some heat expect to return later next week. The majority of winter weather forecasts have been predicting there will be a La Nina weather pattern, but there still is no confidence in the exact effect this will have. US production has been sustaining its upward trend as the Rover pipeline is providing more takeaway capacity. On Saturday, production hit a new all-time high of 76.1 Bcf/d. The increase in heating demand for natural gas is expected to reflect in the storage report this week. For the close of October, should the report be in line with the five-year average injection, would be the lowest inventory level reported since 2014.

Bullish Factors

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

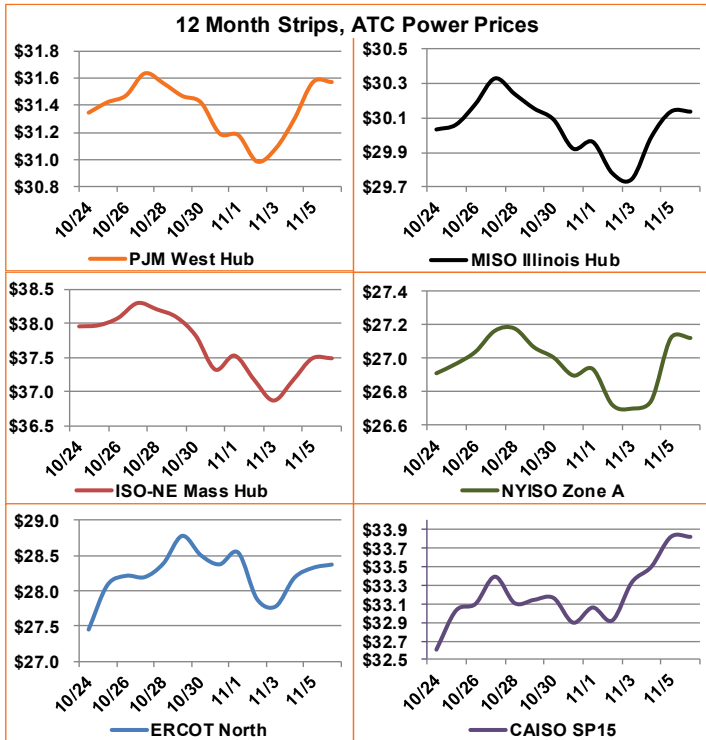
Bearish Factors

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



Next Day On-Peak Power (traded for 11/6/2017)

ISO-NE Mass Hub \$2826	MISO Indiana Hub \$34.48	NYISO Zone G \$27.15
PJM West Hub \$34.16	ERCOT North \$40.19	CAISO SP15 \$56.40
NYMEX NG	Close	Change
Dec-17	2.984	0.049
Jan-18	3.097	0.046
12 Month	2.979	0.031
Cal 18	2.993	0.028
Cal 19	2.906	0.004



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,775	3,710	3,955	3,816
Diff v. Current		65	-180	-41
% Diff			-4.6%	-1.1%

