

Early Morning Update:

The Dec17 natural gas contract is trading up \$0.03 at \$3.20. The Dec17 crude contract is up \$0.09 at \$56.90.

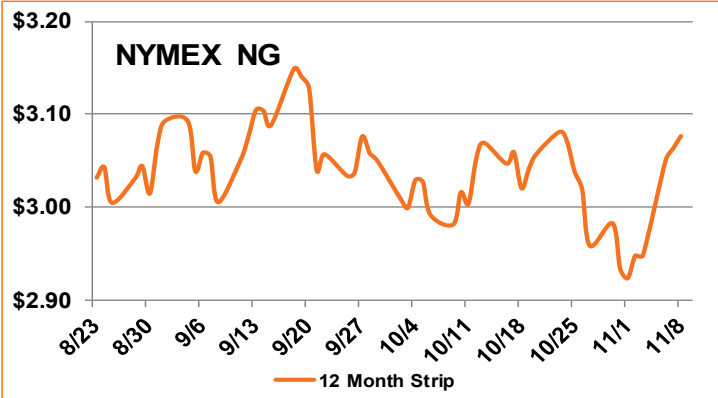
Summary: As cold weather in the eastern half of the U.S. pushes demand for natural gas higher, the prompt month continued its march higher yesterday. The December natural gas contract settled at \$3.175/MMBtu on Wednesday, up 2.3 cents from the previous day's close. Total demand is projected to be 2.3 Bcf/d higher day-over-day, with demand from the res/comm sector leading the way, up 1.7 Bcf/d today. Increased demand in the Northeast and Midwest has helped push Canadian imports higher, as well, which are up nearly 1.0 Bcf/d since Monday. The U.S. Energy Information Administration is expected to report the last storage build of the season this morning. Estimates range from a 3 Bcf withdrawal to a 26 Bcf injection for the week to Nov. 3, with a consensus formed around a 14 Bcf growth in inventories. Last year saw a 54 Bcf build for the same week, and the five-year average is a 45 Bcf injection. With a build at consensus, natural gas stockpiles would begin the winter withdrawal season at 3,789 Bcf, 220 Bcf (5.5%) below last year, and 72 Bcf (1.9%) less than the five-year average.

Bullish Factors

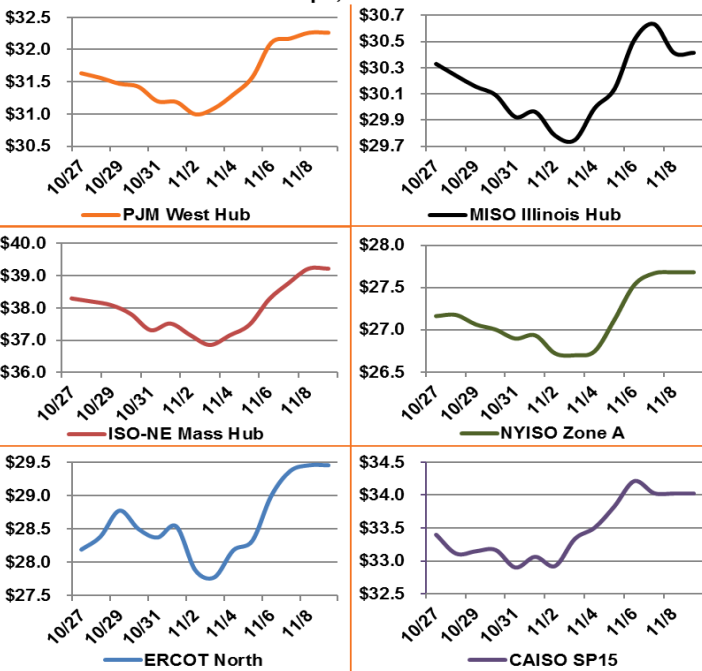
- Rising NG production costs
- Exports to Mexico at record high
- Attention turning toward winter

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 11/9/2017)

ISO-NE Mass Hub \$38.25	MISO Indiana Hub \$37.13	NYISO Zone G \$39.20
PJM West Hub \$48.41	ERCOT North \$27.33	CAISO SP15 \$48.79
NYMEX NG	Close	Change
Dec-17	3.175	0.023
Jan-18	3.272	0.021
12 Month	3.077	0.013
Cal 18	3.079	0.012
Cal 19	2.913	0.002

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%

