

Early Morning Update:

The Dec17 natural gas contract is trading up \$0.02 at \$3.10. The Dec17 crude contract is down \$0.13 at \$55.20.

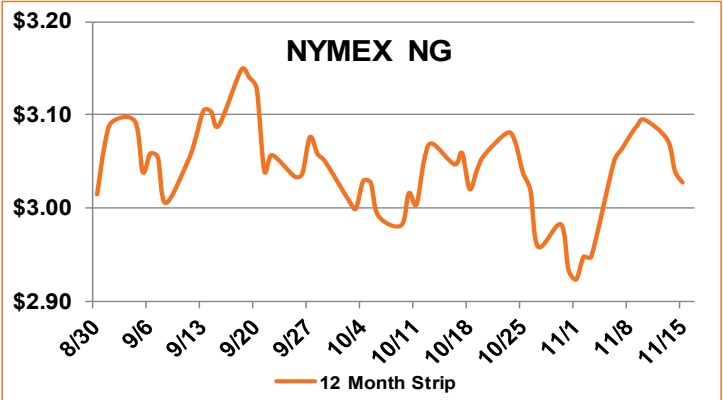
Summary: After rallying sharply last week, the Dec '17 natural gas contract has been drifting lower this week on warming weather forecasts. The prompt month finished trading on Wednesday at \$3.080/MMBtu, down nearly 13 cents from Friday's close. The market has been focused on weather forecasts to dictate near-term price movement, as longer-term fundamentals are being shaped by growing production and increased exports. Production has been setting records almost daily as pipeline expansions have allowed more gas to flow. LNG exports seem poised to grow, with the Cove Point LNG export facility on pace to ship an additional 0.7 Bcf/d out of the U.S., increasing LNG exports to nearly 4.0 Bcf/d. The market is expecting a 15 Bcf withdrawal when the EIA releases their weekly storage report later this morning. This would be the first withdrawal of the heating season and would represent a bullish signal when compared to last year's injection of 34 Bcf and the five-year average injection of 12 Bcf.

Bullish Factors

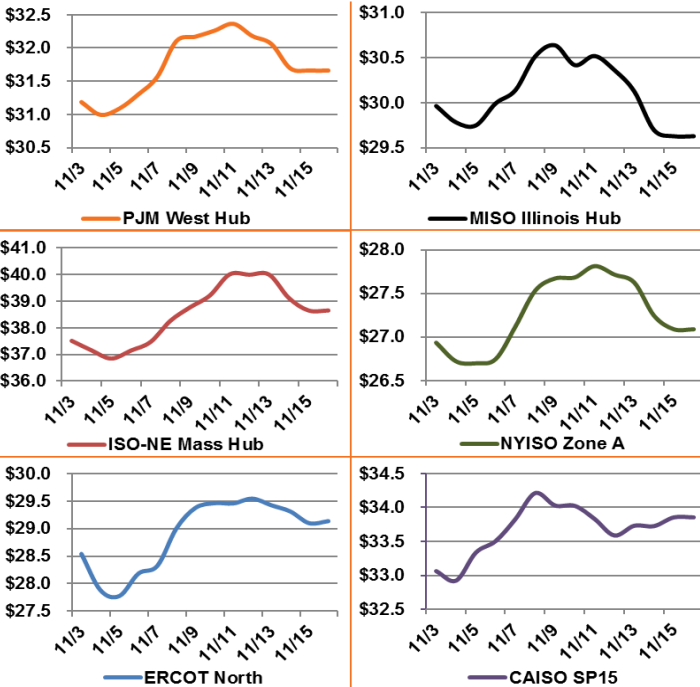
- Cold weather
- Exports to Mexico at record high
- Growing LNG exports

Bearish Factors

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



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 11/16/2017)

ISO-NE Mass Hub \$37.28	MISO Indiana Hub \$32.46	NYISO Zone G \$34.49
PJM West Hub \$35.33	ERCOT North \$26.88	CAISO SP15 \$45.40
NYMEX NG	Close	Change
Dec-17	3.080	-0.022
Jan-18	3.179	-0.024
12 Month	3.028	-0.012
Cal 18	3.036	-0.011
Cal 19	2.910	-0.002

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,790	3,775	4,009	3,861
Diff v. Current		15	-219	-71
% Diff			-5.5%	-1.8%

