

Early Morning Update:

The Dec17 natural gas contract is trading down \$0.02 at \$3.03. The Jan18 crude contract is up \$0.08 at \$56.50.

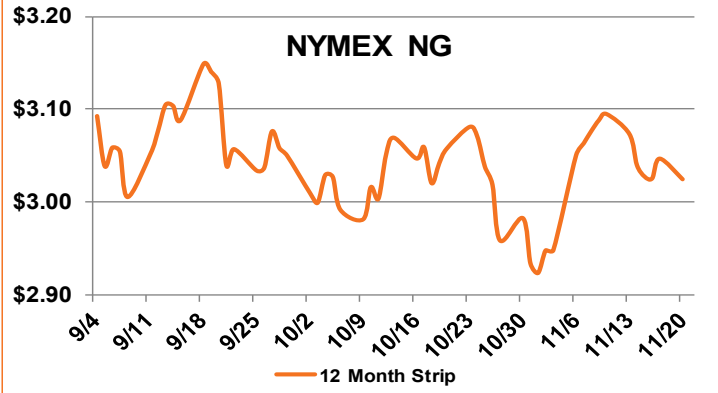
Summary: The natural gas market crept lower on Monday, influenced by relatively normal weather and record-breaking production forecasts. The prompt month lost five cents on the day to settle at \$3.047/MMBtu, while Cal'18 lost nearly 2 cents to \$3.037. Outer calendar years lost less than a cent or remained flat. Most of the country is expecting to experience above-normal temperatures in the short term forecast, but the Northeast still holds on to slightly colder temperatures through the 14-day forecast. After that, normal temperatures look to reign in the largest gas demanding region. Total gas demand for the U.S. is over 9.0 Bcf/d higher than 2016 month-to-date, but new production expectations are helping to stymie the flow of gas out of storage. Dry production estimates for the next two weeks are close to 76 Bcf/d, over 4.0 Bcf/d higher than 2016. Rig counts are up over 50% year-over-year, showing at least a more steady source of supply for the upcoming winter months.

Bullish Factors

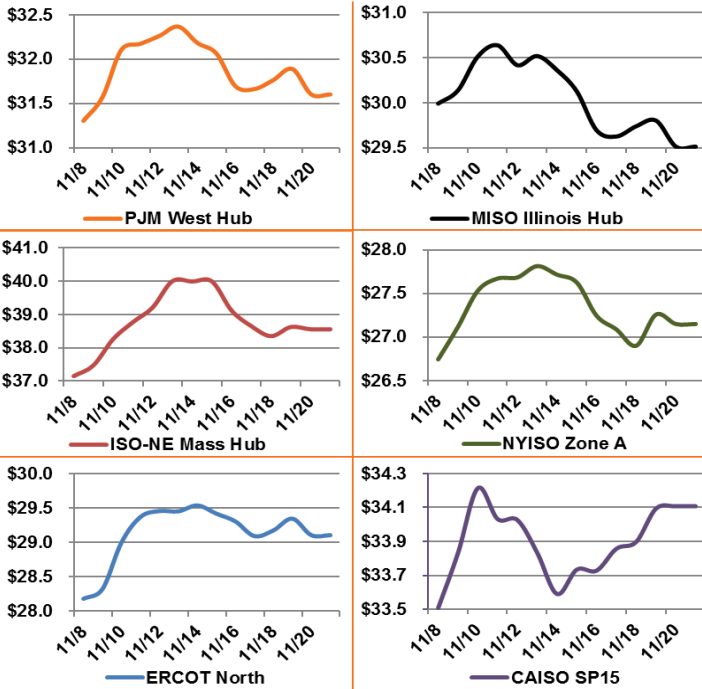
- Cold weather
- Exports to Mexico at record high
- Growing LNG exports

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 11/21/2017)

ISO-NE Mass Hub \$32.85	MISO Indiana Hub \$29.56	NYISO Zone G \$31.52
PJM West Hub \$27.93	ERCOT North \$23.00	CAISO SP15 \$54.01
NYMEX NG		
	Close	Change
Dec-17	3.047	-0.050
Jan-18	3.140	-0.051
12 Month	3.025	-0.022
Cal 18	3.037	-0.019
Cal 19	2.918	-0.003

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,772	3,790	4,042	3,874
Diff v. Current		-18	-270	-102
% Diff			-6.7%	-2.6%

