

**Early Morning Update:**

The Jan18 natural gas contract is trading up \$0.08 at \$3.21. The Jan18 crude contract is down \$0.19 at \$57.80.

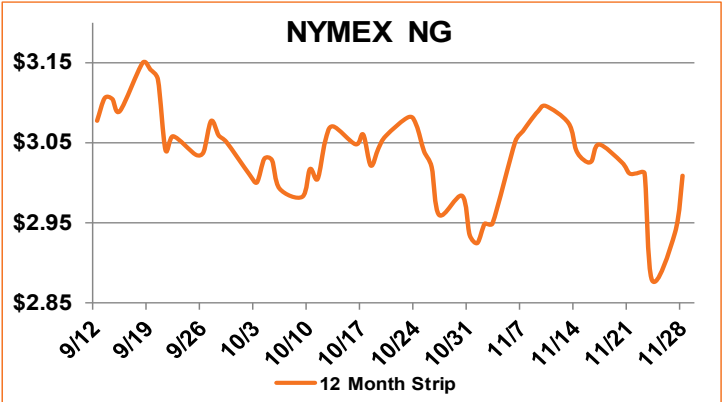
**Summary:** Supported by short-covering and bullish revisions to weather forecasts, the December 2017 NYMEX natural gas contract soared to expiration yesterday, gaining 14.6 cents and finishing at \$3.074/MMBtu. The National Weather Service's 8-14 day outlook published yesterday predicting a drastic flip from the typical La Nina, cool Northwest, warm East weather pattern the country is currently experiencing. While forecasts remain on track for one of the warmest first weeks of December on record, the flip in the 8-14 day outlook has the potential to bring significant heating demand to the second half of December, as most eastern U.S. homes consume natural gas for heat. Gains in the natural gas market yesterday were not confined to the prompt month, as Q1 2018 increased by 11 cents to \$3.12/MMBtu, and 2018 increased by six cents, now just above \$3, as it had been before the Thanksgiving holiday.

**Bullish Factors**

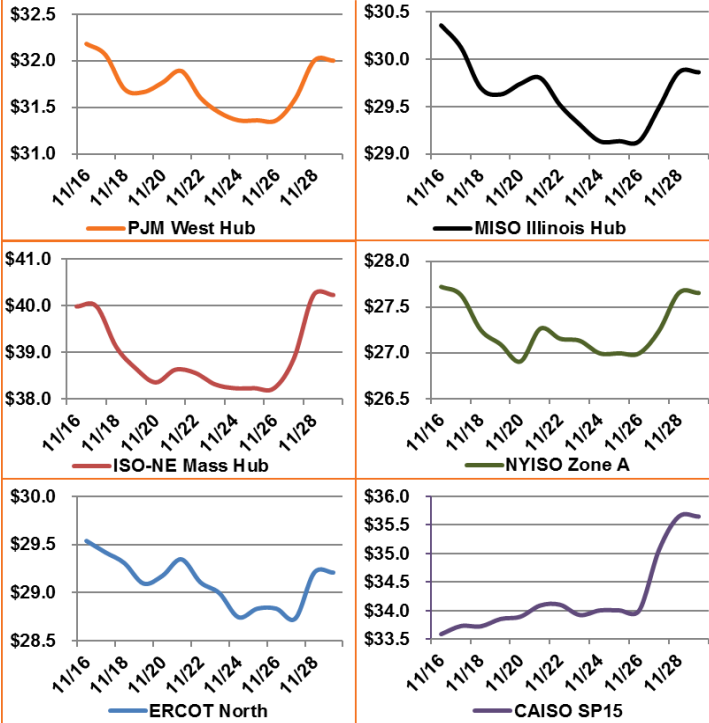
- LNG exports ramping up
- Exports to Mexico at record high
- Growing LNG exports

**Bearish Factors**

- Mild weather forecasts
- Increased renewable energy gen
- NG production at record levels



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 11/29/2017)**

<b>ISO-NE Mass Hub</b> \$29.64	<b>MISO Indiana Hub</b> \$29.25	<b>NYISO Zone G</b> \$28.09
<b>PJM West Hub</b> \$27.87	<b>ERCOT North</b> \$24.18	<b>CAISO SP15</b> \$54.49
<b>NYMEX NG</b>		
<b>Dec-17</b>	<b>Close</b> 3.074	<b>Change</b> 0.146
<b>Jan-18</b>	<b>3.128</b>	<b>0.111</b>
<b>12 Month</b>	<b>3.016</b>	<b>0.062</b>
<b>Cal 18</b>	<b>3.016</b>	<b>0.062</b>
<b>Cal 19</b>	<b>2.917</b>	<b>0.011</b>

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	<b>3,726</b>	<b>3,772</b>	<b>4,045</b>	<b>3,874</b>
<b>Diff v. Current</b>		<b>-46</b>	<b>-319</b>	<b>-121</b>
<b>% Diff</b>			<b>-7.9%</b>	<b>-3.1%</b>

