

Early Morning Update:

The Jan18 natural gas contract is trading down \$0.01 at \$2.82. The Jan18 crude contract is up \$0.31 at \$58.30.

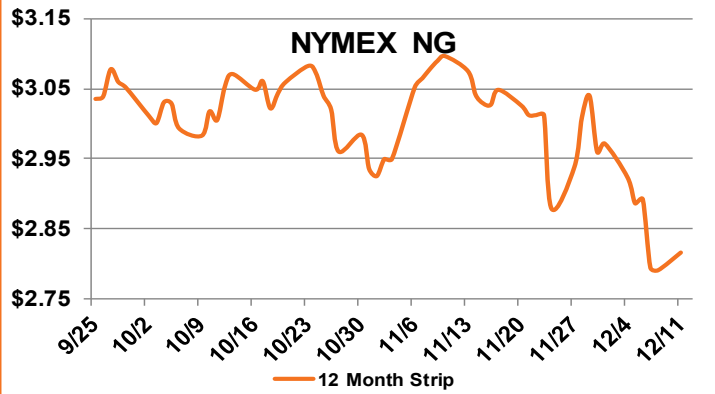
Summary: The prompt month halted its recent dive on Monday, recovering by 5.6 cents to settle at \$2.828/MMBtu in the first trading session of the week. Most of the market gains were concentrated in Q1'18, as the remainder of 2018 lost between 1-2 cents, and outer years crept ups less than a cent. The Midwest's snow and low temperatures in the teens are expected to move over to the East Coast and New England by Tuesday, and stick around through the end of the week. After the weekend, temperatures in the eastern half of the country are expected to reverse their colder persuasion and move to normal to slightly-above-normal temperatures through the 11-15 day forecast. Nationwide demand has risen as a result of the more recent cold, though, adding another 5.0 Bcf/d of demand day-over-day. Northeast production hit another all-time high over the weekend of 27.3 Bcf/d, centered mainly in West Virginia. Northeast production currently accounts for over a third of total national production, and is expected to continue its healthy contributions.

Bullish Factors

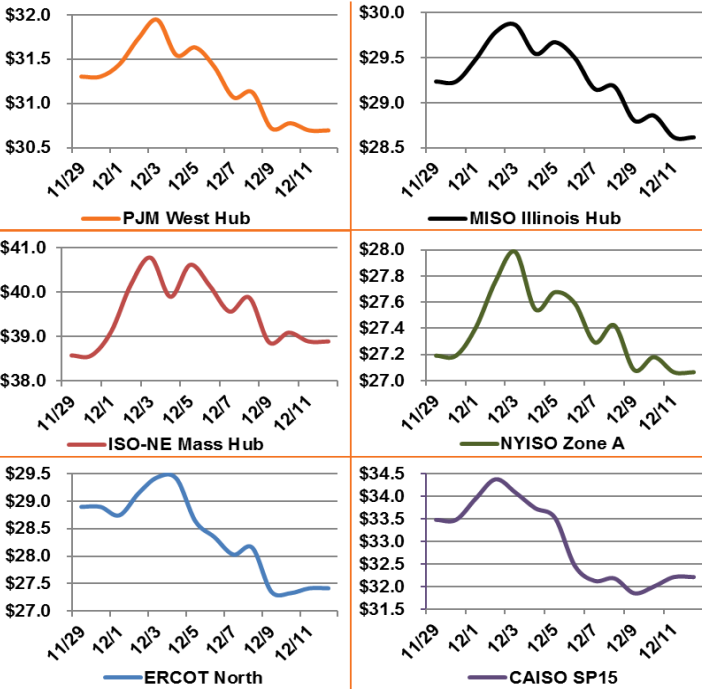
- Weather outlook turning colder
- LNG exports ramping up
- Exports to Mexico at all-time high

Bearish Factors

- NG production at record levels
- Growing renewable energy generation
- Increased NG pipeline capacity



12 Month Strips, ATC Power Prices



Next Day On-Peak Power (traded for 12/12/2017)

ISO-NE Mass Hub \$56.67	MISO Indiana Hub \$34.75	NYISO Zone G \$46.50
PJM West Hub \$35.20	ERCOT North \$22.00	CAISO SP15 \$56.39
NYMEX NG		
	Close	Change
Jan-18	2.828	0.056
Feb-18	2.847	0.055
12 Month	2.815	0.025
Cal 18	2.815	0.025
Cal 19	2.825	0.009

EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,695	3,693	3,959	3,731
Diff v. Current		2	-264	-36
% Diff			-6.7%	-1.0%

