

Early Morning Update:

The Jan18 natural gas contract is trading down \$0.03 at \$2.69. The Jan18 crude contract is down \$0.45 at \$56.15.

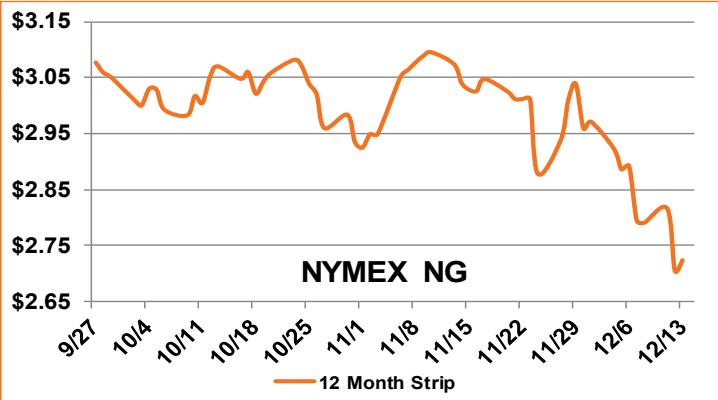
Summary: In just over a week, January natural gas futures lost 38 cents, or 13% of their value, and settled at a near 10-month low on Tuesday. Amid oversold conditions and taking advantage of the recent losses, the market reversed itself yesterday with renewed buying and short-covering. The midweek trading session settled at \$2.715/MMBtu, up 3.7 cents day-over-day. Colder weather forecasts also added support to Wednesday's push higher. Total U.S. demand is projected to reach 108.3 Bcf/d today, the highest seen so far this season. Most of the increase in demand is coming from the Res/Comm sector, which has seen continued growth due to the first blast of winter fanning out across the Midcon, Midwest, and Rockies regions. The U.S. Energy Information Administration will release their weekly storage data at 10:30 this morning, with estimates in the neighborhood of a mid 60s withdrawal. This is less than the 78 Bcf five-year average, and much smaller than the 132 Bcf pull from natural gas stockpiles seen last year for the same week.

Bullish Factors

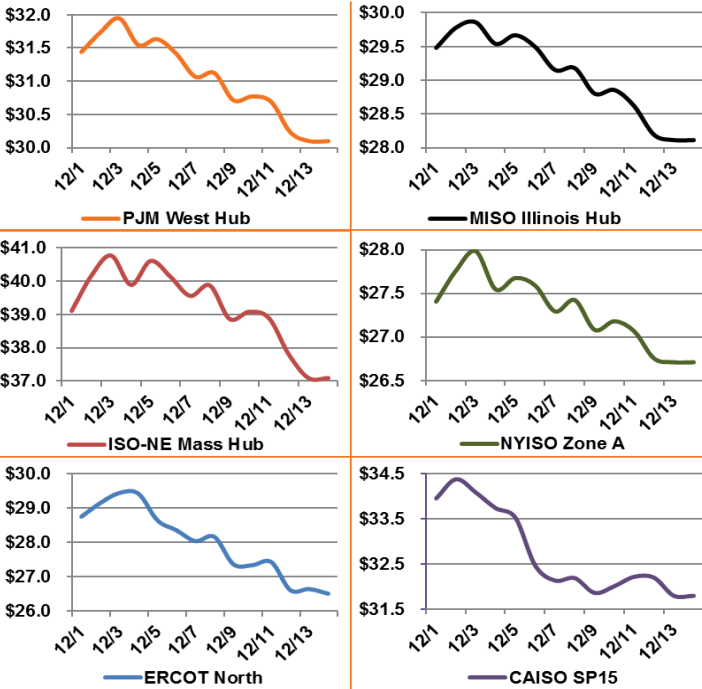
- Weather outlook turning colder
- LNG exports ramping up
- Exports to Mexico at all-time high

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 12/14/2017)

ISO-NE Mass Hub \$75.17	MISO Indiana Hub \$35.75	NYISO Zone G \$56.24
PJM West Hub \$38.66	ERCOT North \$22.00	CAISO SP15 \$47.58
NYMEX NG		
	Close	Change
Jan-18	2.715	0.037
Feb-18	2.732	0.038
12 Month	2.723	0.019
Cal 18	2.723	0.019
Cal 19	2.782	0.003

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%

