

Early Morning Update:

The Jan18 natural gas contract is trading up \$0.08 at \$2.72. The Feb18 crude contract is down \$0.36 at \$59.61.

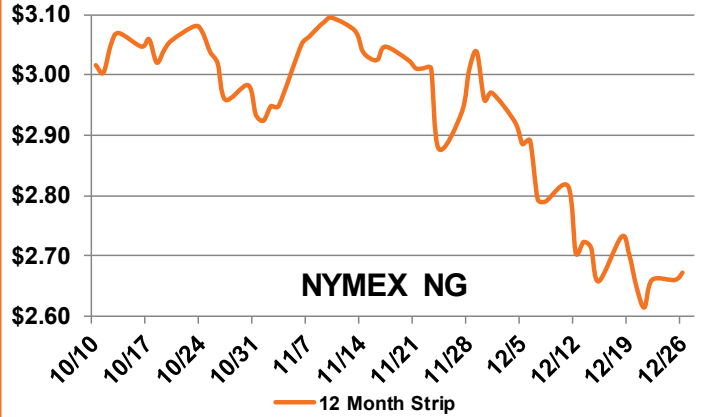
Summary: Yesterday, natural gas prices traded on either side of the line again, in a range from \$2.78/MMBtu to \$2.643/MMBtu before ultimately losing 2.4 cents to settle at \$2.643/MMBtu. The contract was heavily traded in the morning as buyers covered positions ahead of today's contract expiration and bullish January weather outlooks. No changes were made to the National Weather Service's 6-10 day outlook yesterday; however, the 8-14 day outlook was revised limiting the probability of extreme cold conditions for the eastern half of the United States and Midwest. Nevertheless, heating related demand is expected to remain strong in the coming weeks and will attribute to large withdrawals from the natural gas storage supply that is already 2% lower than the five year average and 5% lower than last year.

Bullish Factors

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

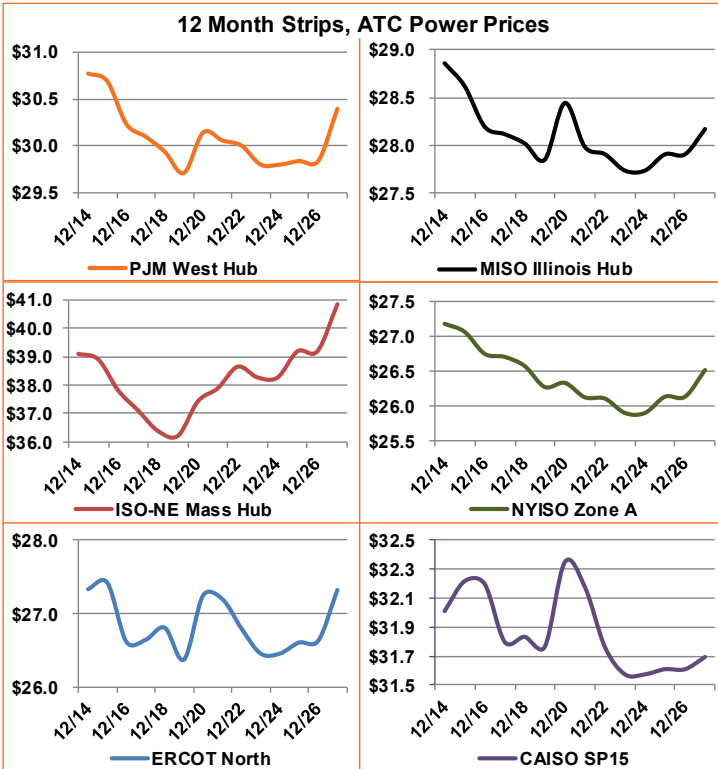
Bearish Factors

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



Next Day On-Peak Power (traded for 12/27/2017)

ISO-NE Mass Hub \$191.40	MISO Indiana Hub \$37.68	NYISO Zone G \$77.69
PJM West Hub \$68.85	ERCOT North \$25.97	CAISO SP15 \$39.63
NYMEX NG		
	Close	Change
Jan-18	2.643	-0.024
Feb-18	2.654	-0.004
12 Month	2.672	0.012
Cal 18	2.672	0.012
Cal 19	2.758	0.001



EIA Natural Gas Storage

EIA Reported Storage (Bcf)	This Week	Last Week	Last Year	5-Year Avg.
Total	3,444	3,626	3,627	3,528
Diff v. Current		-182	-183	-84
% Diff			-5.0%	-2.4%

