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*Week Ending September 8, 2017*

**Please contact me to review a joint RBN Energy daily publication detailing natural gas fundamentals.**

**Price Action:** The October contract rose 13.4 cents (4.6%) to \$3.024 on a decent 20.7 cent range.

**Price Outlook:** Prices this week posted a new high as Hurricane Irma did not inflict quite the damage feared along with exports rebounding. LNG exports reached near record levels as data indicated all 4 Trains were fully operational to end the week. However, prices did fall at the end of the week as storage inventory comparisons were bearish and will likely remain bearish in the near-term. While bullish longer-term, the market may chop and remain slightly defensive until inventory comparisons turn bullish. Updated CFTC data indicated a surge in the managed money net long position to the largest since July 4. Total combined open interest rose to 3.520 million as of September 12. Aggregated CME futures open interest fell to 1.326 million as of September 15. Open interest in the October \$3.50 Call rose 6,296 to 97,671. Open interest in the October \$3.25 call rose 1,222 to 83,043. Open interest in the October \$2.50 put fell 277 to 73,886.

**Weekly Storage:** US working gas storage for the week ending September 8 indicated a working gas storage injection of 91 bcf. Working gas inventories rose to 3,331 bcf. Current inventories fall (188) bcf (5.4%) below last year while surpassing the 5-year average by 48 bcf (1.5%).

**Storage Outlook:** Our EIA weekly storage estimate was mathematically 1 bcf smaller than the actual EIA implied flow and remained within our tolerance range. The 5-week summation of our error rose to 8 bcf and is within our tolerance. The EIA has reported a net implied flow of 282 bcf over the last 5 weeks compared to our estimated 274 bcf. Our forecast for early November inventories is now 3,806 bcf. The forecasts use a 10-year rolling temperature profile past the 15-day forecast. Above normal national temperatures at the end of the forecast will now be considered bearish.

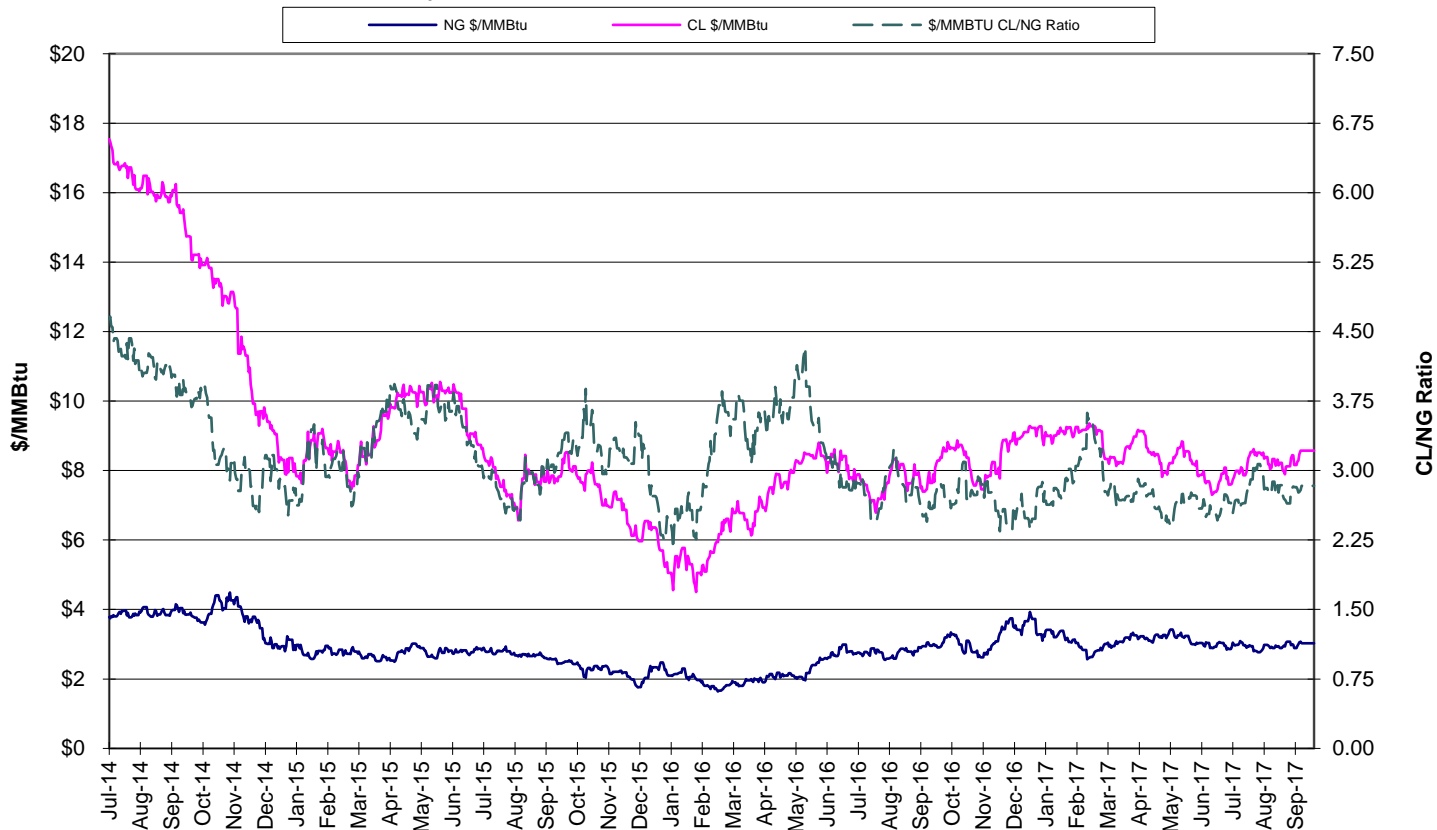
**Supply Trends:** Total supply rose +1.7 bcf to 74.1 bcf/d. US production and LNG exports were lower. Canadian imports were lower and Mexican exports were higher. LNG imports were unchanged. The US Baker Hughes rig count fell 8 with both oil and natural gas activity lower. The total US rig count now stands at 936. The Canadian rig count rose 10 to 212. Thus, the total North American rig count rose 2 to 1,148 and now exceeds last year by 510. **The higher efficiency US horizontal rig count rose 2 to 795 and rises 401 above last year.**

**Demand Trends:** Total demand fell 1.8 bcf/d to 61.2 bcf/d. Lower power and industrial demand offset higher R&C consumption. Electricity demand fell 1,695 gigawatt-hrs to 75,405 which trails last year by 9,964 (11.7%) while trailing the 5-year average by 8,102 (9.7%).

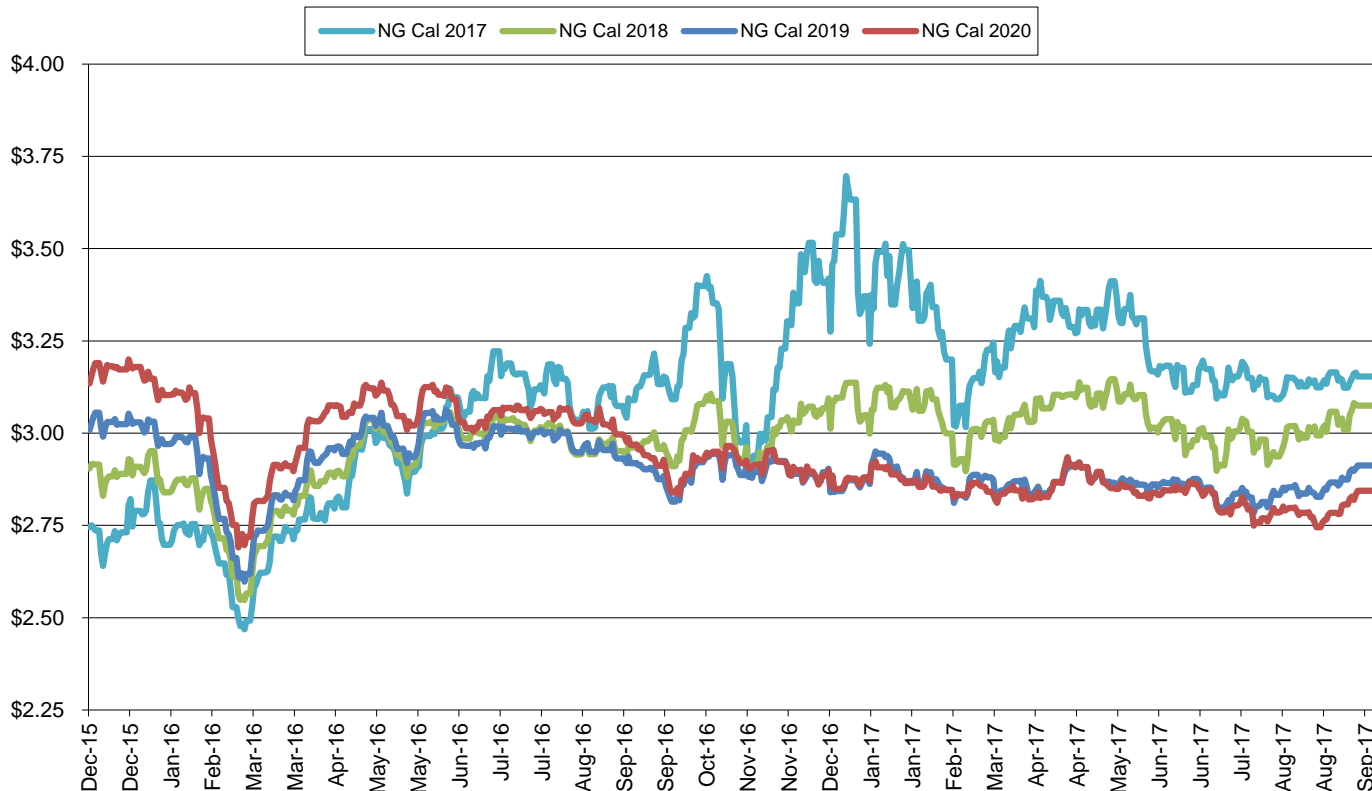
**Nuclear Generation:** Nuclear generation fell 1,383 MW in the reference week to 93,653 MW. This is 1,056 MW higher than last year and 186 MW lower than the 5-year average. Recent output was at 93,529 MW.

- The cooling season is entering its final weeks. With a forecast through September 29, the 2017 total cooling index is at 4,593 compared to 5,483 for 2016, 4,300 for 2015, 3,370 for 2014, 4,804 for 2013, 7,150 for 2012 and 6,677 for 2011.

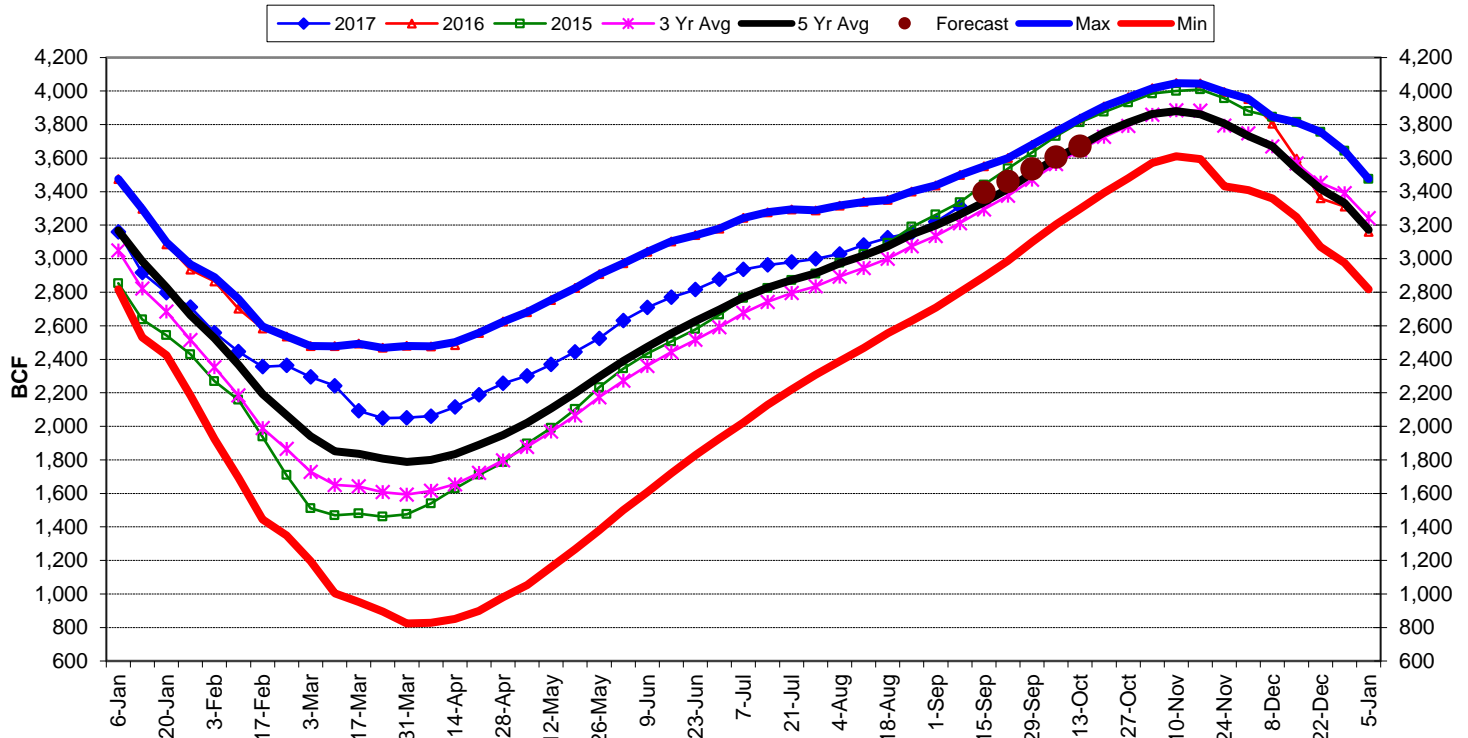
## \$/MMBtu Ratio of NYMEX CL and NG



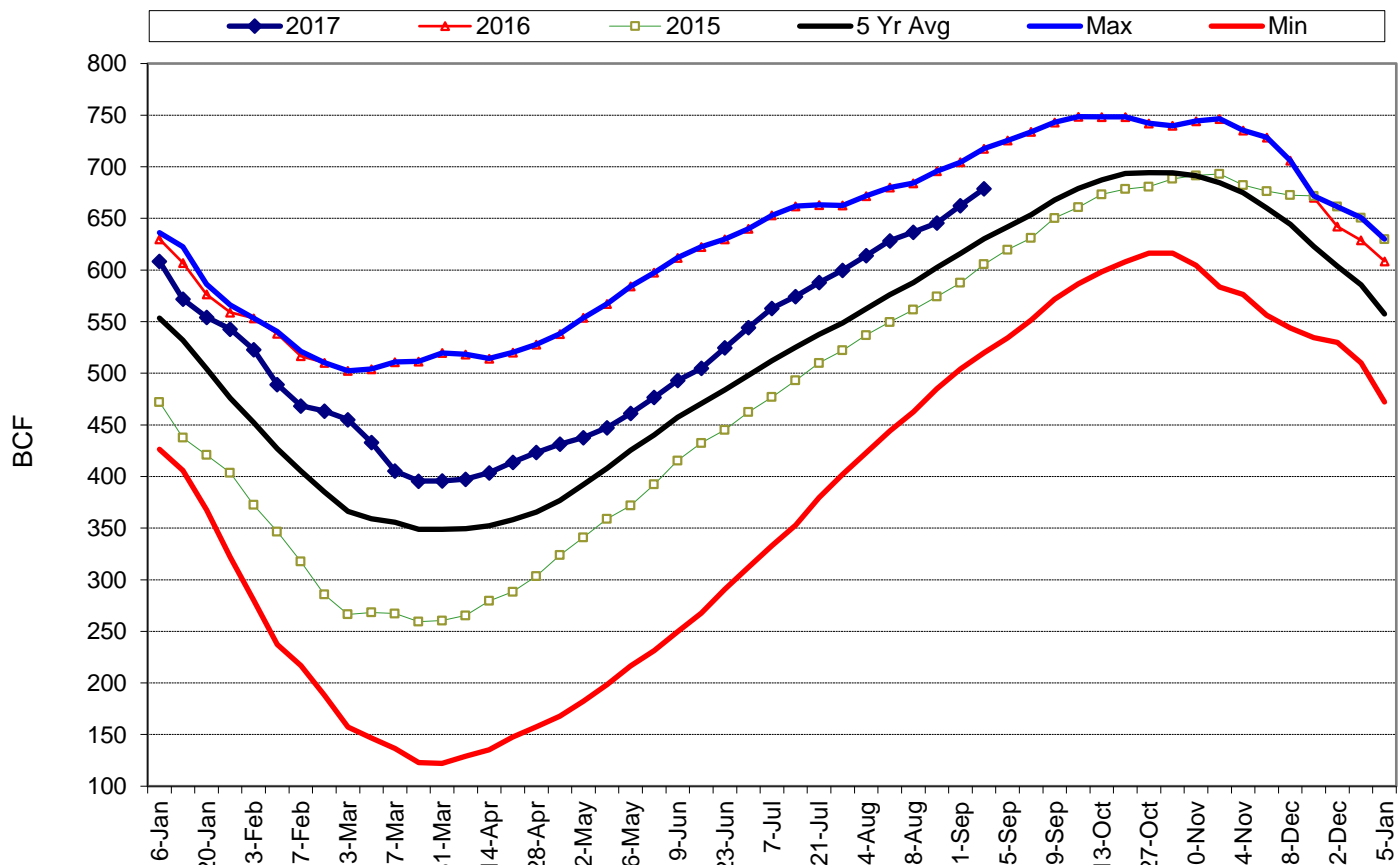
## NYMEX Calendar Strips



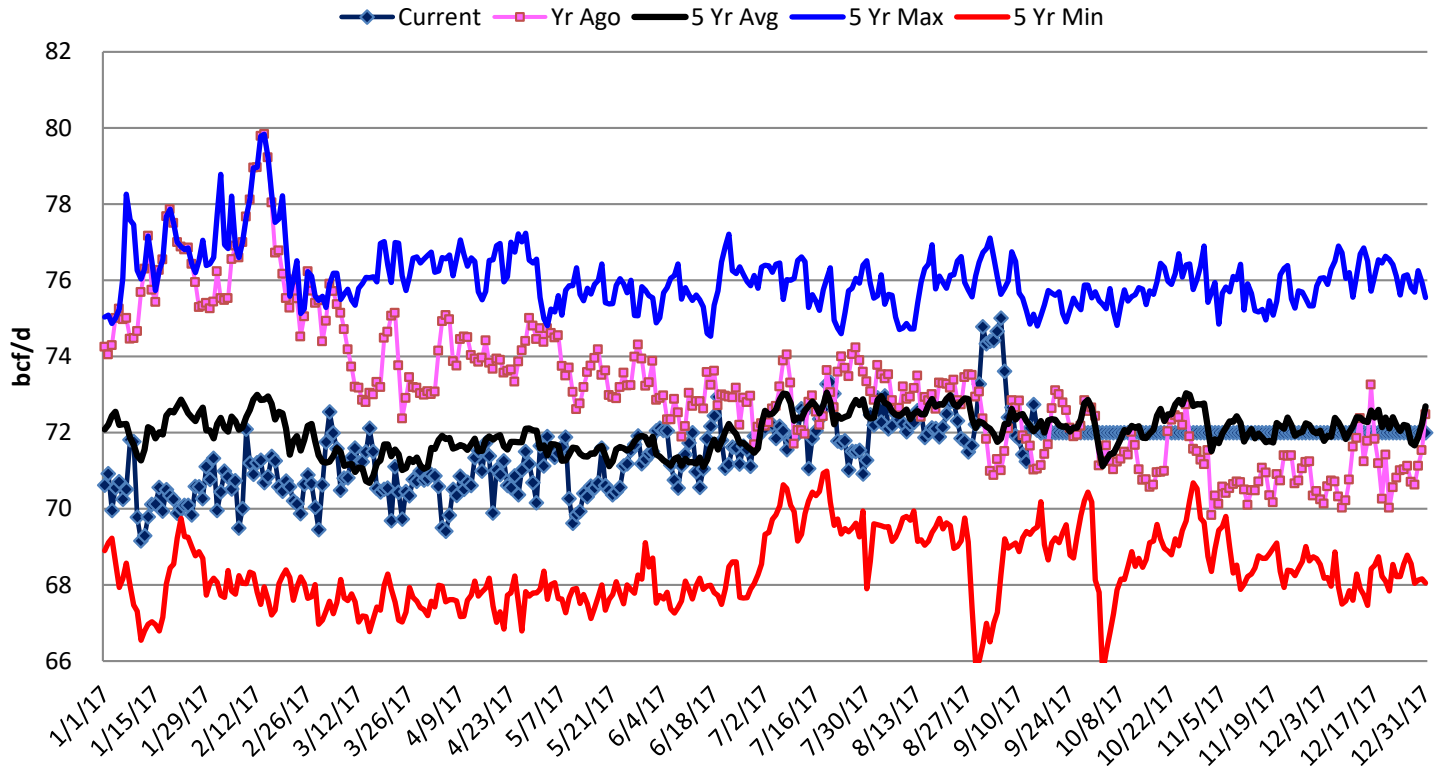
## US Total Working Gas Storage - Source - EIA



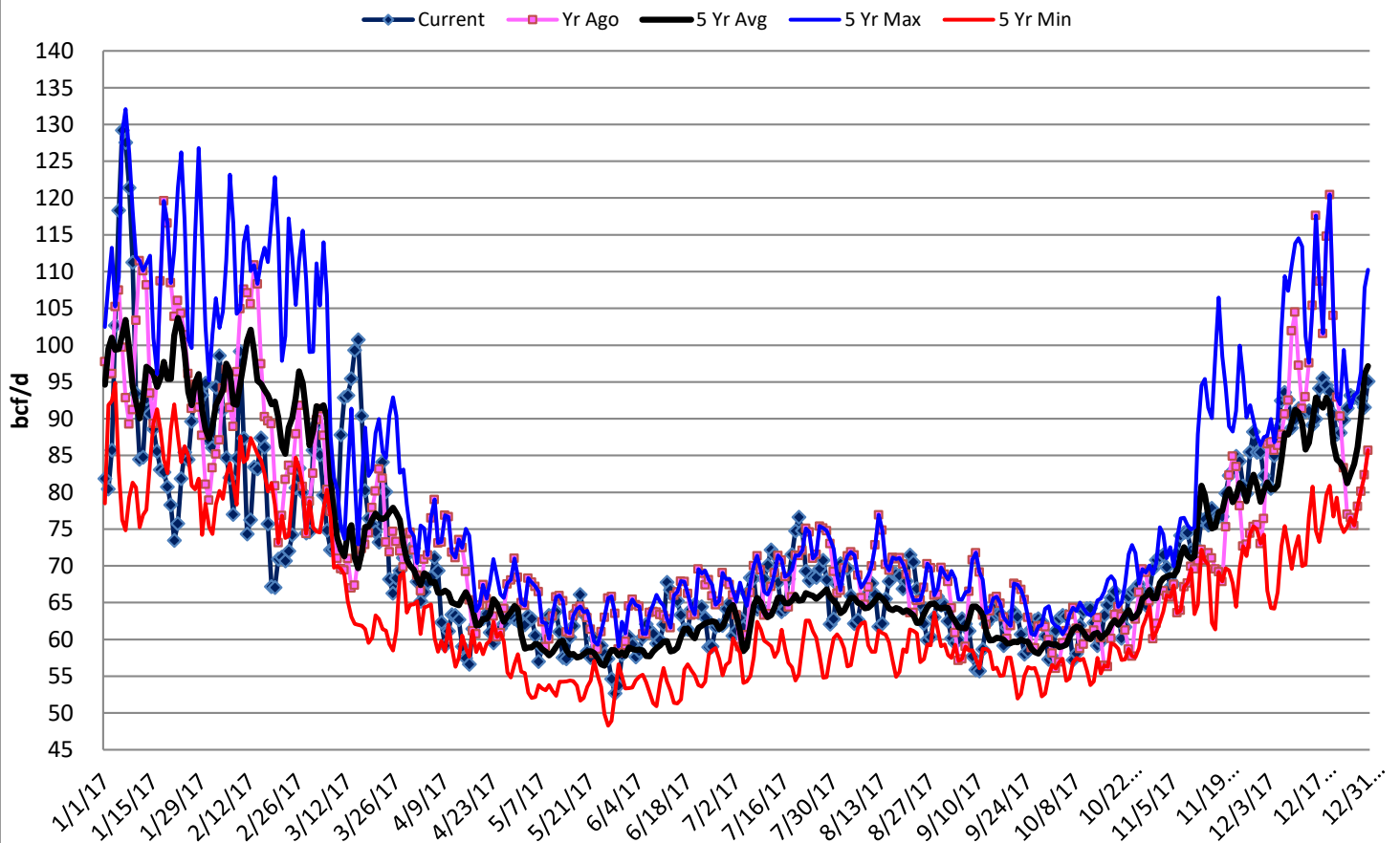
## Canadian Working Gas Storage - Enerdata



## US Total Supply



## US Total Demand



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**ADDITIONAL INFORMATION AVAILABLE UPON REQUEST**

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