Month	Settle	10/23/2017		Strip Avg,
Nov-17	2.991		Nov17-Mar18	3.190
Dec-17	3.156		Apr18-Oct18	3.004
Jan-18	3.280		Nov18-Mar19	3.203
Feb-18	3.284		Apr19-Oct19	2.773
Mar-18	3.240			
Apr-18	2.992		Nov17-Oct18	3.082
May-18	2.966		Calendar 2018	3.094
Jun-18	2.994		Calendar 2019	2.915
Jul-18	3.022		Calendar 2020	2.849
Aug-18	3.023		Calendar 2021	2.880
Sep-18	3.005		Calendar 2022	2.910
Oct-18	3.027		Calendar 2023	2.974

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NEXT DAY GAS PRICES (ICE weighted average):

TETCO M2 (rec)	1.0801	Henry Hub	2.9379	Dom-SP	1.0819

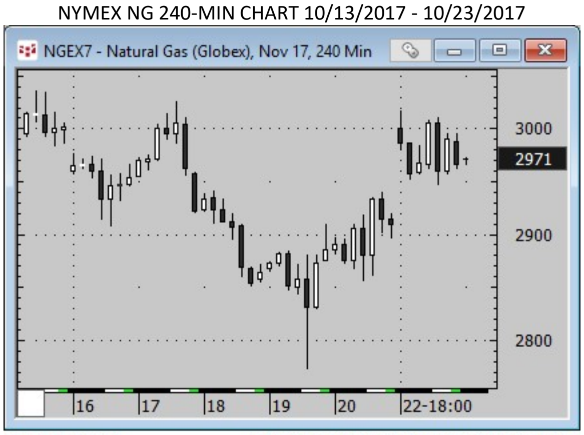
ICE BASIS FUTURES PRICES:

Tetco M2 Basis	10/23/2017	Dominion-South Basis	
Nov-17	-0.8850	Nov-17	-0.8950
Dec-17	-0.4750	Dec-17	-0.5125
Nov17-Mar18	-0.5035	Nov17-Mar18	-0.5445
Apr18-Oct18	-0.6057	Apr18-Oct18	-0.5804
Nov17-Oct18	-0.5604	Nov17-Oct18	-0.5644
Calendar 2018	-0.5321	Calendar 2018	-0.5321
Calendar 2019	-0.5229	Calendar 2019	-0.5158

As of Week Ending:	10/13/2017		Build/(Draw)	
Current Storage	3,646	Bcf	+51	Bcf
			Surplus/(Deficit)	
Last Year Storage	3,825	Bcf	(179)	Bcf
5-Year Avg. Storage	3,681	Bcf	(35)	Bcf

Market Commentary: Consider the old saying that "if you don't like the weather in [pick the city or state of your choice], then just wait five minutes". The same could probably be said of natural gas price action of late; it goes on long runs to the upside, long runs to the downside, and then has spent an even greater deal of time doing a whole lot of nothing. So there really has been something for everyone in the NG market in recent weeks: something for bulls, something for bears, and something for those looking for a valid reason to sit on their hands and wait. Weather has been stellar for those looking to enjoy conditions outdoors, but until Friday it has been less than ideal for energy market bulls, who typically begin to look for early signs of cold weather and increased heating demand at this stage in the year, and both of those phenomena have been in hiding recently. After finishing up two weeks ago around the 3-dollar mark, last week opened lower but didn't stay down for long, with a run down into the low 2.90's initially, then a pop back above 3.00 that did not last long at all either, and we then spent the next few days drifting lower ahead of the weekly storage report. By the time storage arrived the market had already sunk down into the mid-2.80's which was "on the ropes" for the Nov contract, as we had entered a vulnerable technical level on the charts that suggested that perhaps a further washout was imminent. The +51 Bcf storage injection was not far from consensus but provided the data point the market needed to justify fresh short sales, and NG traded down to a 2.773 intraday low, which ultimately turned out to be a key reversal point as prices turned from there, and did so sharply, eventually finishing up slightly on the day (as unlikely as that may have seemed just a few hours prior). Friday was not a big day to finish out last week, but the market did post another small up day and finished above the 2.90 level. Last night's open saw any hope for the bears to see prices drift back toward the Thursday lows summarily dashed, with a gap higher on the continuation chart that held up as the day unfolded. The below 6 to 10 day forecast map from NOAA shows the first widespread blue on the maps that we have seen in some time, suggesting that the market's apparent writing-off of winter as early as last week may have been just a little bit premature, given that we are not yet even into November. The forward NG curve continues to suggest that expected tightness in the S&D balance is not anticipated to persist into perpetuity, but rather should be most pronounced until next year, then moderate into 2019, and lighten up further in 2020 based on current market assumptions (as can be seen looking at the Cal18, Cal19, and Cal20 NG strips). That is to say that tightness going into this winter still has the potential to put a bid under the market that could last for some time depending on the demand implications resulting from periods of intense, demand-driving cold weather, but the uncertainty around supply diminishes the farther you go out into the future. The curve shape well into the future reflects the market's confidence in the ability of energy producers to continue to crank output higher, suggesting that unlike in the past when production potential was limited by resource availability and technology, NG now appears to have the ability to respond to pricing cues more quickly as a traditional manufactured good would be able to. And volatility has been curtailed as a result.

NYMEX NG 240-MIN CHART 10/13/2017 - 10/23/2017



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