

MARKET UPDATE



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Market News

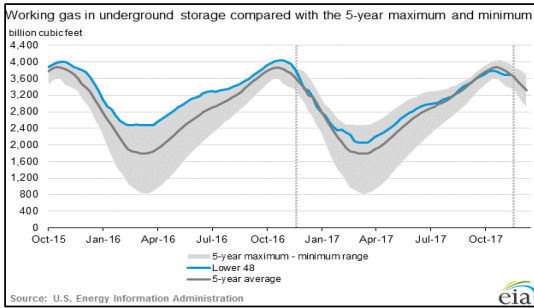
Market Recap - Overall natural gas spot price movements were mixed this report week (Wednesday, November 29 to Wednesday, December 6, 2017). The Henry Hub national benchmark spot price fell from \$3.06 per million British thermal units (MMBtu) over the report week to \$2.92/MMBtu. At the New York Mercantile Exchange (Nymex), the January 2018 contract price fell 2¢ from \$3.179/MMBtu over the report week to \$2.922/MMBtu yesterday.

Storage Report - Working gas in storage was 3,695 Bcf as of Friday, December 1, 2017, according to EIA estimates. This represents a net increase of 2 Bcf from the previous week. Stocks were 264 Bcf less than last year at this time and 36 Bcf below the five-year average of 3,731 Bcf. At 3,695 Bcf, total working gas is within the five-year historical range.

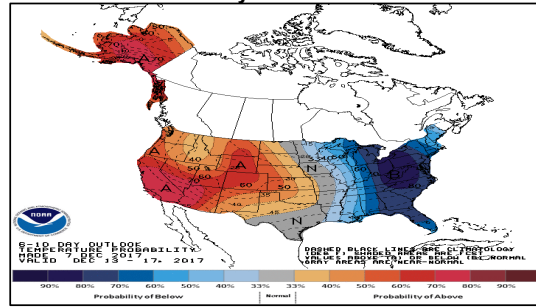
Word on the Street - January Henry natural gas was lower overnight as it extends the decline off the late-November high. Stochastics and the RSI are oversold but remain neutral to bearish signaling that sideways to lower prices are possible near-term. If January extends the decline off November's high, the February-2016 low crossing at 2.720 is the next downside target. Closes above the 20-day moving average crossing at 3.093 would confirm that a short-term low has been posted.

Observations - Electricity demand in California (CAISO) reached 50 GW on September 1, just short of an all-time record, as an extreme heat wave enveloped the state. Wholesale electricity prices exceeded \$170/MWh in CAISO on September 1 due to the heat wave. Net generation in the United States decreased by 4.9% compared to September 2016, in part because the country experienced a cooler September in 2017 than it did the previous year. Some chilly winter weather is in store for the Northeast and mid-Atlantic, with January threatening to bring the coldest air of the season. Although however cold, low temperatures will pale in comparison to those in the northern Plains where the mercury is set to dip to minus 30 degrees Fahrenheit at times. Meanwhile, the southern Plains, Southwest and California can expect a milder and drier winter than last season.

Inventories



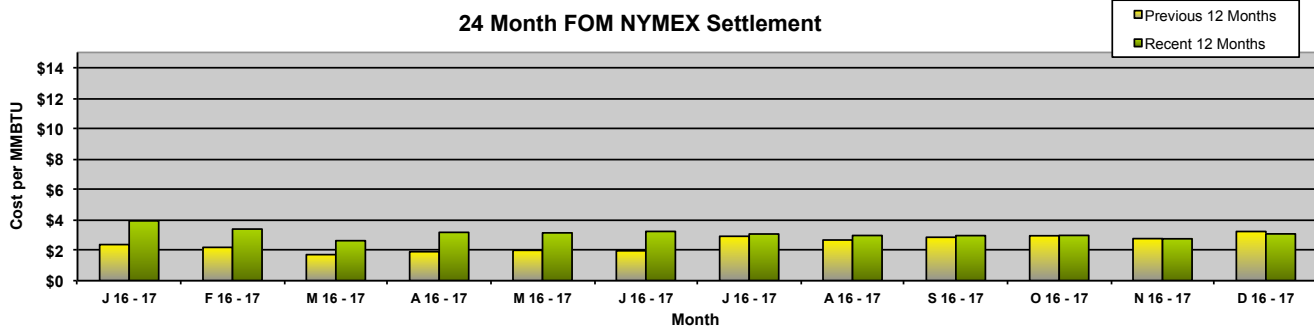
6-10 Day Forecast



Month	Last Price	Change	Updated - 12/07/2017 3:30 PM EST																							
Jan-18	\$2.77	-0.16	<table border="1"> <thead> <tr> <th colspan="2">Summer / Winter</th> </tr> </thead> <tbody> <tr> <td>Jan -18 - March 18</td> <td>\$2.77</td> </tr> <tr> <td>April 18 - Oct 18</td> <td>\$2.77</td> </tr> <tr> <td>Nov 18 - March 19</td> <td>\$3.02</td> </tr> <tr> <th colspan="2">Strip Prices</th> </tr> <tr> <td>3 Month</td> <td>\$2.77</td> </tr> <tr> <td>6 Month</td> <td>\$2.75</td> </tr> <tr> <td>9 Month</td> <td>\$2.76</td> </tr> <tr> <td>1 Year</td> <td>\$2.80</td> </tr> <tr> <td>2 Year</td> <td>\$2.80</td> </tr> <tr> <td>3 Year</td> <td>\$2.80</td> </tr> </tbody> </table>		Summer / Winter		Jan -18 - March 18	\$2.77	April 18 - Oct 18	\$2.77	Nov 18 - March 19	\$3.02	Strip Prices		3 Month	\$2.77	6 Month	\$2.75	9 Month	\$2.76	1 Year	\$2.80	2 Year	\$2.80	3 Year	\$2.80
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Feb-18	\$2.79	-0.14																								
Mar-18	\$2.77	-0.13																								
Apr-18	\$2.71	-0.09																								
May-18	\$2.72	-0.09																								
Jun-18	\$2.76	-0.08																								
Jul-18	\$2.79	-0.08																								
Aug-18	\$2.80	-0.08																								
Sep-18	\$2.78	-0.08																								
Oct-18	\$2.81	-0.08																								
Oct-18	\$2.87	-0.07																								
Dec-18	\$3.01	-0.06																								

Source: Nymex

24 Month FOM NYMEX Settlement



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