

Volume 410 January 19, 2012

Market- Winter temperatures are having an effect on demand but there is strong production and over supply of storage and prices have collapsed. The storage report was a large withdrawal but we still have more gas in storage than last year and the 5 year average. The US gas traditional rig count was a big decrease this week of 20 putting the count at 791 but horizontal drilling continues to increase. Prices continue to be tempered by flat industrial demand and a sluggish economy. Gas production levels due mostly to shale drilling are still strong and exports continue. Natural gas is very attractive to fix at this time to protect this winter and beyond.

The Crude oil price for February is lower this week at \$101.46 per barrel. Heating oil is lower at \$3.03 per gal. Unleaded gasoline futures are higher this week at \$2.84 and gasoline at the pump is around \$3.45...in Indiana. The natural gas storage report today was a withdrawal of 87 BCF; storage is **539 BCF higher** than last year and **566 BCF higher** than the 5 year average.



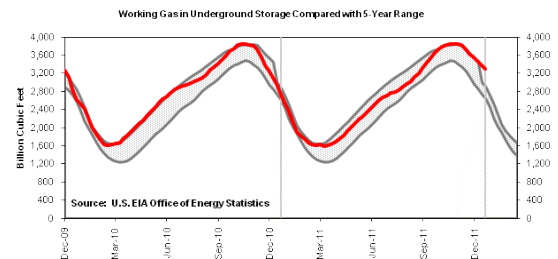
Above Graph – Feb 2012 NYMEX gas futures

Weather: Today: Becoming partly cloudy later with any flurries or snow showers ending by noontime. High 21F. Winds NW at 20 to 30 mph. Chance of snow 30%. **Tonight:** Partly cloudy skies this evening will become overcast overnight. Low 13F. Winds NNW at 10 to 15 mph. **Fri:** Snow likely. High near 25F. Winds ESE at 10 to 15 mph. Chance of snow 80%. 2 to 4 inches of snow expected. **Sat:** Partly cloudy. Highs in the upper 20s and lows in the mid 20s. **Sun:** Mostly Cloudy. Highs in the low 40s and lows in the low 30s.

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,290	2,751	2,724

The total is a decrease of 87 BCF from last week.



Above Graph - Storage levels as of 1-19-12

Comparative Fuels: Futures Prices for Feb

	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.406	\$2.406
Propane (gal)	\$1.25	\$1.37
Crude Oil (barrel)	\$101.46	
Heating Oil (gal)	\$3.03	\$2.18
Unleaded Gas (gal)	\$2.84	

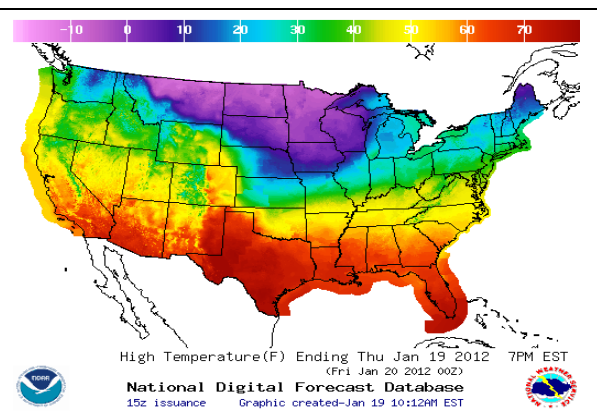
North American Natural Gas Rig Count:

This week	791
Last week	811
Year Ago this week	902

US Horizontal Rig Count:

This week	1161
Last week	1160
Year Ago this week	967

NGI for January 2012 \$3310



High Temperature (F) Ending Thu Jan 19 2012 7PM EST
(Fr 1 Jan 20 2012 00Z)
National Digital Forecast Database
15z issuance Graphic created-Jan 19 10:12AM EST