

Volume 417 March 8, 2012

Market- The natural gas market traded lower during the week due to warm weather and over supply; we still have more gas in storage than last year and the 5 year average. The US gas traditional rig count was another decrease this week of 19 putting the count at 691 but horizontal drilling increased. 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.

The Crude oil price for March is lower this week at \$106.46 per barrel. Heating oil is higher at \$3.24 per gal. Unleaded gasoline futures are higher this week at \$3.31 and gasoline at the pump is around \$3.89...in Indiana. The natural gas storage report today was a withdrawal of 80 BCF; storage is **739 BCF higher** than last year and **792 BCF higher** than the 5 year average.

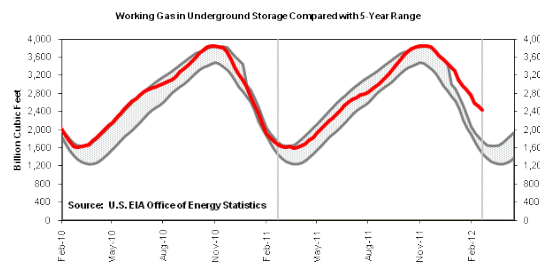


Above Graph – Apr 2012 NYMEX gas futures

Weather: Today: Some clouds this morning will give way to generally sunny skies for the afternoon. High 44F. Winds NW at 15 to 25 mph. **Tonight:** Some clouds this evening will give way to mainly clear skies overnight. Low 31F. Winds WNW at 10 to 20 mph. **Fri:** Sunny skies. High 41F. Winds N at 15 to 25 mph. **Sat:** Sunny. Highs in the mid 50s and lows in the low 40s. **Sun:** Showers possible. Highs in the low 50s and lows in the upper 40s. **Mon:** Showers. Highs in the low 60s and lows in the mid 50s.

Storage Statistics: (BCF) Billion Cubic Ft	This Week	Last Year	5 Year Ave.
	2,433	1,694	1,641

The total is a decrease of 80 BCF from last week.



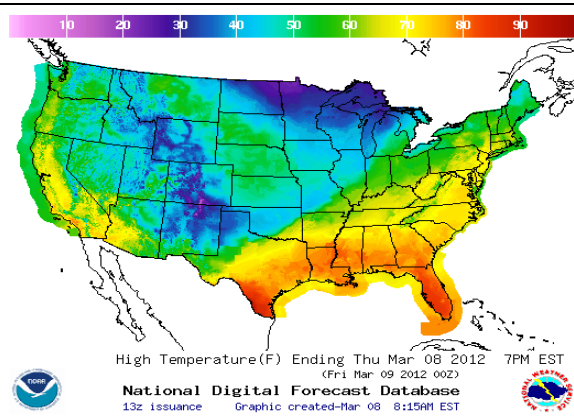
Above Graph - Storage levels as of 3-8-12

Comparative Fuels: Futures Prices for Apr	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.290	\$2.290
Propane (gal)	\$1.23	\$1.33
Crude Oil (barrel)	\$106.46	
Heating Oil (gal)	\$3.24	\$2.33
Unleaded Gas (gal)	\$3.31	

North American Traditional Nat. Gas Rig Count:	
This week	691
Last week	710
Year Ago this week	899

US Horizontal Rig Count:	
This week	1170
Last week	1165
Year Ago this week	970

NGI for March 2012 \$2.590



High Temperature(F) Ending Thu Mar 08 2012 7PM EST
(FRI Mar 09 2012 00Z)
National Digital Forecast Database
13z Issuance Graphic created-Mar 08 8:15PM EST