

Volume 432 June 28, 2012

**Market-** The July natural gas futures contract expired Wednesday at \$.2774 per therm; August is now the front month. The natural gas market traded higher this week due to hot weather but is falling after the storage report this morning. Over-supply is keeping prices low; but hot weather is keeping prices supported. We still have more gas in storage than last year and the 5 year average. The US gas traditional rig count was a decrease this week of 21 but horizontal drilling increased 3 rigs. Prices continue to be tempered by flat industrial demand; but the economy is improving. 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 July is lower this week at \$78.43 per barrel. Heating oil is lower at \$2.55 per gal. Unleaded gasoline futures are lower this week at \$2.47 and gasoline at the pump is around \$3.39...in Indiana. The natural gas storage report today was an injection of 57 BCF; storage is **653BCF higher** than last year and **613 BCF higher** than the 5 year average.



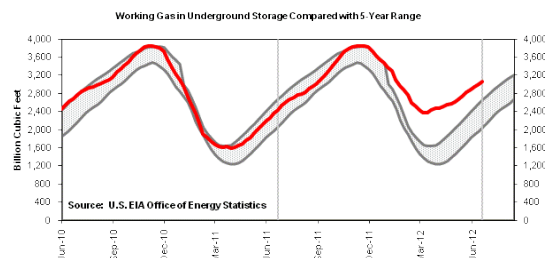
Above Graph – August 2012 NYMEX gas futures

### Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
High	98	90	90	87	93
Low	78	75	75	76	73

Storage Statistics: (BCF) Billion Cubic Ft	This Week	Last Year	5 Year Ave.
	3,063	2,410	2,450

The total is an increase of 57 BCF from last week.



Above Graph - Storage levels as of 6-28-12

### Comparative Fuels: Futures Prices for July

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$.2723</b>	<b>\$.2723</b>
Propane (gal)	<b>\$.7970</b>	<b>\$.9041</b>
Crude Oil (barrel)	<b>\$78.43</b>	
Heating Oil (gal)	<b>\$2.55</b>	<b>\$1.82</b>
Unleaded Gas (gal)	<b>\$2.47</b>	

### North American Traditional Nat. Gas Rig Count:

This week	541
Last week	562
Year Ago this week	873

### US Horizontal Rig Count:

This week	1165
Last week	1162
Year Ago this week	1081

NGI for July 2012 estimate **\$.2835**

