

Volume 435 July 19, 2012

Market- The natural gas market traded mixed to higher this week as the hot weather and natural gas going to fuel peaking power increased demand. Over-supply is keeping prices low; but the summer weather, higher oil prices and the potential for an increase in liquefied natural gas exports 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 20 and horizontal drilling decreased 8 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 August is higher this week at \$91.32 per barrel. Heating oil is higher at \$2.91 per gal. Unleaded gasoline futures are higher this week at \$2.80 and gasoline at the pump is around \$3.69...in Indiana. The natural gas storage report this week was an injection of 28 BCF; storage is **509BCF higher** than last year and **470 BCF higher** than the 5 year average.



Above Graph – August 2012 NYMEX gas futures

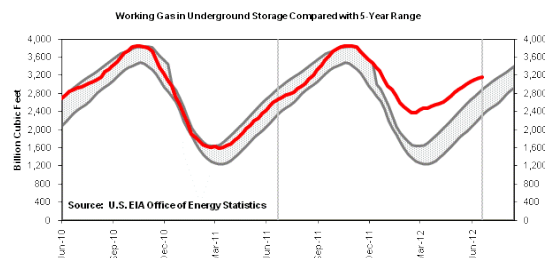
**Extended Temperature Forecast:
Chicago Area**

	Thu	Fri	Sat	Sun	Mon
High	91	81	90	98	102
Low	70	70	77	79	80

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,163	2,654	2,693

The total is an increase of 28 BCF from last week.



Above Graph - Storage levels as of July 19

Comparative Fuels: Futures Prices for July

	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.939	\$2.939
Propane (gal)	\$9200	\$1.002
Crude Oil (barrel)	\$91.32	
Heating Oil (gal)	\$2.91	\$2.094
Unleaded Gas (gal)	\$2.80	

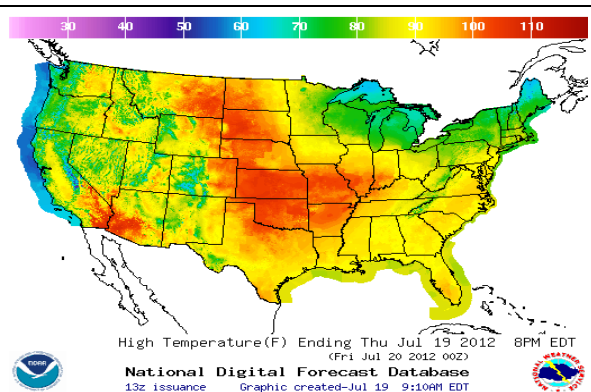
North American Traditional Nat. Gas Rig Count:

This week	522
Last week	542
Year Ago this week	885

US Horizontal Rig Count:

This week	1166
Last week	1174
Year Ago this week	1086

NGI for July 2012 **\$2.790**



High Temperature (F) Ending Thu Jul 19 2012 8PM EDT
(Fri Jul 20 2012 00Z)
National Digital Forecast Database
13z issuance Graphic created-Jul 19 9:10AM EDT