

Volume 436 July 26, 2012

**Market-** The natural gas market traded higher this week as the hot weather and natural gas going to fuel peaking power increased demand. August futures will expire Friday July 27. 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 4 and horizontal drilling decreased 2 rigs. Prices continue to be tempered by flat industrial demand; but the economy is improving and fertilizer and chemical production are increasing. 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 lower this week at \$90.15 per barrel. Heating oil is lower at \$2.88 per gal. Unleaded gasoline futures are lower this week at \$2.75 and gasoline at the pump is around \$3.65...in Indiana. The natural gas storage report this week was an injection of 26 BCF; storage is **487CF higher** than last year and **433 BCF higher** than the 5 year average.



Above Graph – August 2012 NYMEX gas futures

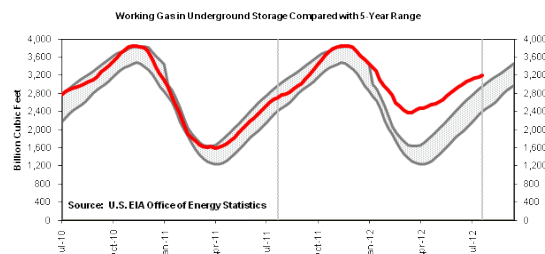
### Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
<b>High</b>	85	84	85	87	86
<b>Low</b>	70	70	69	75	76

### Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,189	2,702	2,754

The total is an increase of 26 BCF from last week.



Above Graph - Storage levels as of July 26

### Comparative Fuels: Futures Prices for July

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$.3101</b>	<b>\$.3101</b>
Propane (gal)	<b>\$.9050</b>	<b>\$.9864</b>
Crude Oil (barrel)	<b>\$90.05</b>	
Heating Oil (gal)	<b>\$2.88</b>	<b>\$2.074</b>
Unleaded Gas (gal)	<b>\$2.75</b>	

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

This week	518
Last week	522
Year Ago this week	889

### US Horizontal Rig Count:

This week	1164
Last week	1166
Year Ago this week	1102

**NGI for July 2012** **\$.2790**

