

Volume 438 August 9, 2012

**Market-** The natural gas market traded lower all week but is rising this morning after the storage report. The hot weather across the country and natural gas going to fuel gas peaking power was increasing demand. Over-supply is keeping prices low; but the summer weather, 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 7 but horizontal drilling increased 4 rigs. Prices continue to be tempered by flat industrial demand; but fertilizer and chemical production are increasing. Gas production levels due mostly to shale drilling are still strong. Natural gas is very attractive to fix at this time.

The Crude oil price for September is higher this week at \$94.03 per barrel. Heating oil is higher at \$3.02 per gal. Unleaded gasoline futures are higher this week at \$2.98 and gasoline at the pump is around \$3.99...in Indiana. The natural gas storage report this week was an injection of 24 BCF; storage is **465CF higher** than last year and **386 BCF higher** than the 5 year average.



Above Graph – Sep 2012 NYMEX gas futures

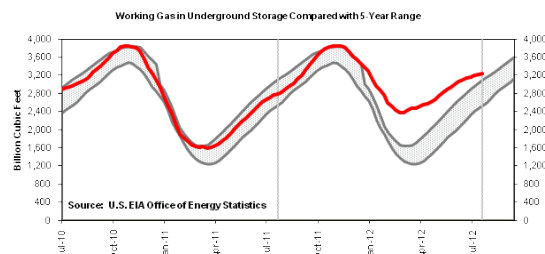
### Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
High	76	75	80	82	78
Low	64	59	63	67	66

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

This Week	Last Year	5 Year Ave.
3,241	2,776	2,855

The total is an increase of 25 BCF from last week.



Above Graph - Storage levels as of August 9

### Comparative Fuels: Futures Prices for Sept

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$.3070</b>	<b>\$.3070</b>
Propane (gal)	<b>\$.9290</b>	<b>\$1.012</b>
Crude Oil (barrel)	<b>\$.94.03</b>	
Heating Oil (gal)	<b>\$3.02</b>	<b>\$2.172</b>
Unleaded Gas (gal)	<b>\$2.98</b>	

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

This week	498
Last week	505
Year Ago this week	883

### US Horizontal Rig Count:

This week	1155
Last week	1151
Year Ago this week	1099

**NGI for Aug 2012** **\$.3170**

