

Volume 439 August 16, 2012

Market- The natural gas market traded lower all week and is now trading lower after the storage report. Hot weather across the country has subsided so natural gas going to fuel gas peaking power has decreased. 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 3 but horizontal drilling increased 6 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 \$94.98 per barrel. Heating oil is higher at \$3.09 per gal. Unleaded gasoline futures are higher this week at \$3.06 and gasoline at the pump is around \$3.99...in Indiana. The natural gas storage report this week was an injection of 20 BCF; storage is **442CF higher** than last year and **363 BCF higher** than the 5 year average.



Above Graph – Sep 2012 NYMEX gas futures

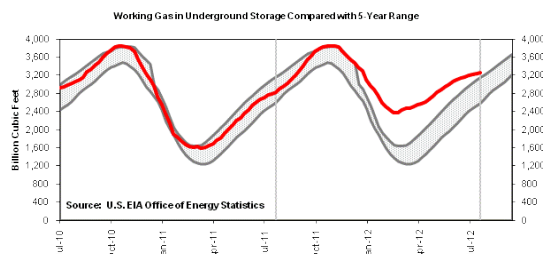
Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
High	79	77	77	76	76
Low	60	57	60	59	61

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,261	2,819	2,898

The total is an increase of 20 BCF from last week.



Above Graph - Storage levels as of August 16

Comparative Fuels: Futures Prices for Sept

	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.721	\$2.721
Propane (gal)	\$9490	\$1.034
Crude Oil (barrel)	\$94.98	
Heating Oil (gal)	\$3.09	\$2.223
Unleaded Gas (gal)	\$3.07	

North American Traditional Nat. Gas Rig Count:

This week	495
Last week	498
Year Ago this week	896

US Horizontal Rig Count:

This week	1161
Last week	1155
Year Ago this week	1123

NGI for Aug 2012 **\$3.170**

