

Volume 440 August 23, 2012

Market- The natural gas market traded mixed all week and is now trading lower after the storage report. Hot weather is around for the next few days but 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 11 and horizontal drilling decreased 8 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 \$97.73 per barrel. Heating oil is higher at \$3.16 per gal. Unleaded gasoline futures are lower this week at \$2.96 and gasoline at the pump is around \$3.97...in Indiana. The natural gas storage report this week was an injection of 47 BCF; storage is **423CF higher** than last year and **357 BCF higher** than the 5 year average.



Above Graph – Sep 2012 NYMEX gas futures

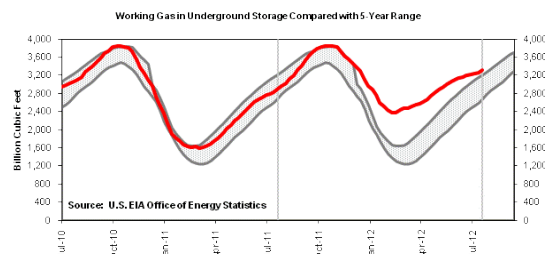
**Extended Temperature Forecast:
Chicago Area**

	Thu	Fri	Sat	Sun	Mon
High	93	94	91	79	84
Low	69	70	73	68	64

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,308	2,885	2,951

The total is an increase of 47 BCF from last week.



Above Graph - Storage levels as of August 23

Comparative Fuels: Futures Prices for Sept

	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.722	\$2.722
Propane (gal)	\$9.180	\$1.000
Crude Oil (barrel)	\$97.73	
Heating Oil (gal)	\$3.16	\$2.29
Unleaded Gas (gal)	\$2.96	

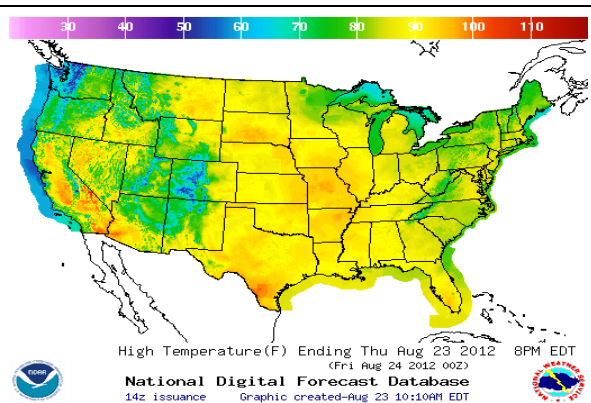
North American Traditional Nat. Gas Rig Count:

This week	484
Last week	495
Year Ago this week	900

US Horizontal Rig Count:

This week	1153
Last week	1161
Year Ago this week	1138

NGI for Aug 2012 \$3.170



High Temperature(F) Ending Thu Aug 23 2012 8PM EDT (Fri Aug 24 2012 09Z)
National Digital Forecast Database
14z issuance Graphic created-Aug 23 10:10AM EDT