

Volume 441 August 30, 2012

Market- September natural gas futures expired Wednesday at \$.2634 per therm; October is now the front month. The natural gas market traded mixed all week and is now trading higher 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 an increase this week of 2 and horizontal drilling increased 6 rigs. 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 October is lower this week at \$95.13 per barrel. Heating oil is lower at \$3.14 per gal. Unleaded gasoline futures are lower this week at \$2.92 and gasoline at the pump is around \$4.15...in Indiana. The natural gas storage report this week was an injection of 66 BCF; storage is **429CF higher** than last year and **361 BCF higher** than the 5 year average.



Above Graph – Oct 2012 NYMEX gas futures

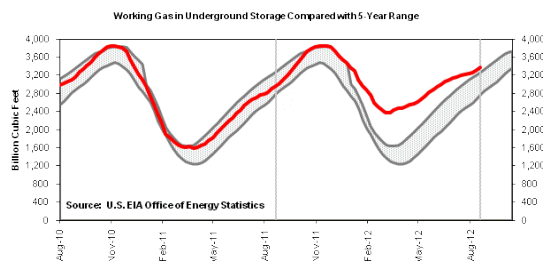
Extended Temperature Forecast: Chicago Area

	Thu	Fri	Sat	Sun	Mon
High	92	94	82	82	87
Low	69	73	71	71	69

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,374	2,945	3,016

The total is an increase of 66 BCF from last week.



Above Graph - Storage levels as of August 30

Comparative Fuels: Futures Prices for Oct

	Price	Compared to Nat Gas
Natural Gas (therm)	\$2.677	\$2.677
Propane (gal)	\$8.460	\$9.220
Crude Oil (barrel)	\$95.13	
Heating Oil (gal)	\$3.14	\$2.26
Unleaded Gas (gal)	\$2.92	

North American Traditional Nat. Gas Rig Count:

This week	486
Last week	484
Year Ago this week	898

US Horizontal Rig Count:

This week	1159
Last week	1153
Year Ago this week	1140

NGI for Sep 2012 (est.) **\$2.830**

