

Volume 447 October 11, 2012

Market- The natural gas market traded higher this week as seen in the graph below. Prices are reflecting the expectation of winter. The once touted over-supply of gas in storage is coming back in line as seen on the graph to the right. We still have more gas in storage than last year and the five-year average. The US gas traditional rig count was an increase this week of 2 and horizontal drilling decreased 10 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 November is higher this week at \$92.55 per barrel. Heating oil is higher at \$3.26 per gal. Unleaded gasoline futures are higher this week at \$2.96 and gasoline at the pump is around \$3.79...in Indiana. The natural gas storage report this week was an injection of 72BCF; storage is **236BCF higher** than last year and **269 BCF higher** than the 5 year average.



Above Graph – Nov 2012 NYMEX gas futures

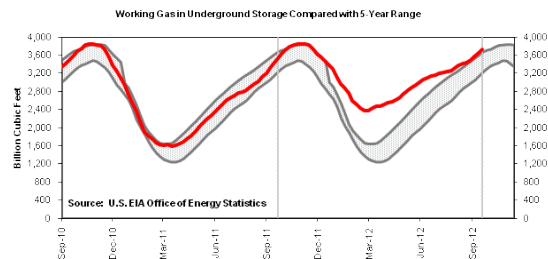
**Extended Temperature Forecast:
Chicago Area**

	Thu	Fri	Sat	Sun	Mon
High	65	55	73	64	61
Low	40	44	63	47	49

Storage Statistics: (BCF) Billion Cubic Ft

<u>This Week</u>	<u>Last Year</u>	<u>5 Year Ave.</u>
3,725	3,489	3,456

The total is an increase of 72BCF from last week.



Above Graph - Storage levels as of October 11

Comparative Fuels: Futures Prices for Nov

	Price	Compared to Nat Gas
Natural Gas (therm)	\$3.602	\$3.602
Propane (gal)	\$9.580	\$1.044
Crude Oil (barrel)	\$92.55	
Heating Oil (gal)	\$3.26	\$2.34
Unleaded Gas (gal)	\$2.96	

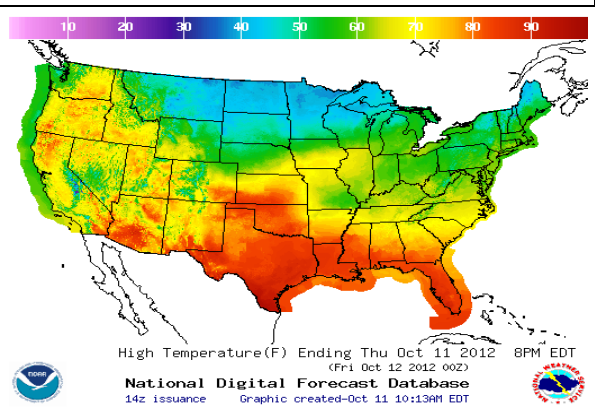
North American Traditional Nat. Gas Rig Count:

This week	437
Last week	435
Year Ago this week	935

US Horizontal Rig Count:

This week	1132
Last week	1144
Year Ago this week	1148

NGI for Oct 2012 \$3.170



High Temperature (F) Ending Thu Oct 11 2012 8PM EDT
 (Fri Oct 12 2012 00Z)
 National Digital Forecast Database
 14z issuance Graphic created-Oct 11 10:13AM EDT