

Volume 448 October 25, 2012

Market- The natural gas market traded lower this week as seen in the graph below. Prices are reflecting some record high temperatures in parts of the country tempered by 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 5 and horizontal drilling increased 2 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 lower this week at \$86.37 per barrel. Heating oil is lower at \$3.05 per gal. Unleaded gasoline futures are lower this week at \$2.62 and gasoline at the pump is around \$3.39...in Indiana. The natural gas storage report this week was an injection of 67BCF; storage is **153BCF higher** than last year and **251 BCF higher** than the 5 year average.



Above Graph – Nov 2012 NYMEX gas futures

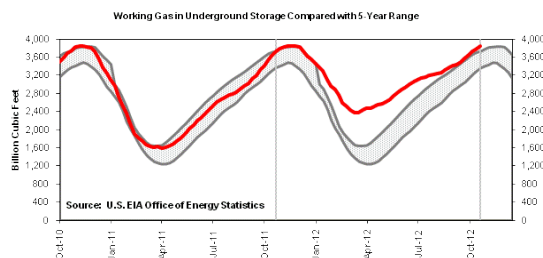
**Extended Temperature Forecast:
Chicago Area**

	Thu	Fri	Sat	Sun	Mon
High	78	51	49	46	45
Low	40	41	41	39	33

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,843	3,690	3,592

The total is an increase of 67BCF from last week.



Above Graph - Storage levels as of October 25

Comparative Fuels: Futures Prices for Nov

	Price	Compared to Nat Gas
Natural Gas (therm)	\$3.427	\$3.427
Propane (gal)	\$9.550	\$1.038
Crude Oil (barrel)	\$86.37	
Heating Oil (gal)	\$3.05	\$2.19
Unleaded Gas (gal)	\$2.62	

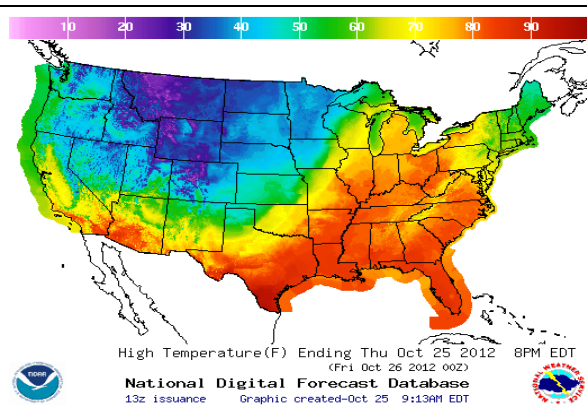
North American Traditional Nat. Gas Rig Count:

This week	427
Last week	422
Year Ago this week	927

US Horizontal Rig Count:

This week	1114
Last week	1112
Year Ago this week	1142

NGI for Oct 2012 \$3.170



High Temperature (F) Ending Thu Oct 25 2012 8PM EDT
 (Fri Oct 26 2012 00Z)
 National Digital Forecast Database
 13z issuance Graphic created-Oct 25 9:13AM EDT