

Volume 534 July 10, 2014

Market- Natural gas prices traded lower this week and are trading lower after the storage report this morning with an expected injection. Only moderately warm weather and power plant outages caused demand for gas for electric generation to stay strong; but not extremely causing prices to fall. Uncertainty long term about the gas storage levels will keep prices supported and natural gas storage inventories are at record lows as seen on the graph to the right and are below last year levels and below five-year average. Prices are also supported by global increasing demand for Liquefied Natural Gas (LNG). The US gas traditional rotary rig count decreased 3 rigs and horizontal drilling increased 5 rigs. Gas production levels due to shale drilling are still strong. Natural gas is very attractive to fix now and for next winter.

The Crude oil price for Aug is lower this week at \$102.40 per barrel. Heating oil is lower at \$2.88 per gal. Unleaded gasoline futures are lower this week at \$2.93 and gasoline at the pump is around \$3.69...in Indiana. The natural gas storage report this week was an injection of **93BCF**; storage is **653 BCF lower** than last year and **769BCF lower** than the 5 year average.



Above Graph – August 2014 NYMEX gas futures

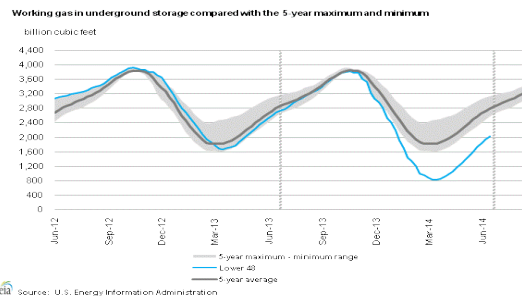
**Extended Temperature Forecast:
Chicago Area**

	THU	FRI	SAT	SUN	MON
High	81	83	82	87	83
Low	59	67	70	67	58

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,022	2,675	2,791

The total is an increase of 93 BCF from last week.



Source: U.S. Energy Information Administration

Above Graph - Storage levels as of July 10

Comparative Fuels: Futures Prices for Aug

	Price	Compared to Nat Gas
Natural Gas (therm)	\$4.134	\$4.134
Propane (gal)	\$1.035	\$1.128
Crude Oil (barrel)	\$102.40	
Heating Oil (gal)	\$2.88	\$2.07
Unleaded Gas (gal)	\$2.93	

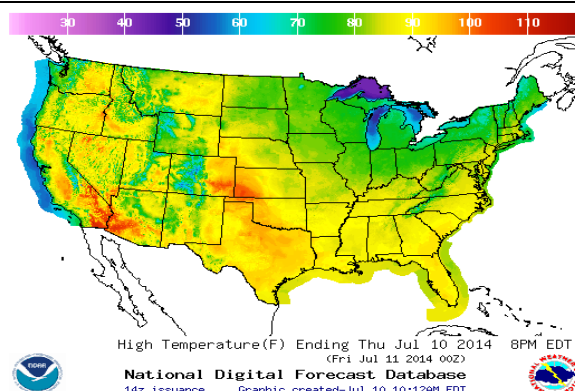
North American Traditional Nat. Gas Rig Count:

This week	311
Last week	314
Year Ago this week	355

US Horizontal Rig Count:

This week	1,268
Last week	1,263
Year Ago this week	1,068

NGI Chicago for July 2014 \$4.660



High Temperature(F) Ending Thu Jul 10 2014 8PM EDT (Fri Jul 11 2014 00Z)
National Digital Forecast Database
14z issuance Graphic created-Jul 10 10:12AM EDT