

Volume 535 July 17, 2014

**Market-** Natural gas prices traded lower this week and are trading lower after the storage report this morning with a higher than expected injection. Only moderately warm weather and power plant outages caused demand for gas for electric generation to stay strong. 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 increased 0 rigs and horizontal drilling increased 8 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 higher this week at \$103.06 per barrel. Heating oil is lower at \$2.86 per gal. Unleaded gasoline futures are lower this week at \$2.88 and gasoline at the pump is around \$3.59...in Indiana. The natural gas storage report this week was an injection of **107BCF**; storage is **608 BCF lower** than last year and **727BCF lower** than the 5 year average.



Above Graph – August 2014 NYMEX gas futures

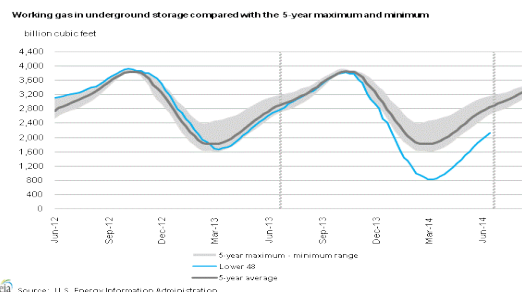
**Extended Temperature Forecast:  
Chicago Area**

	THU	FRI	SAT	SUN	MON
<b>High</b>	77	80	83	85	88
<b>Low</b>	61	63	65	68	72

**Storage Statistics: (BCF) Billion Cubic Ft**

This Week	Last Year	5 Year Ave.
2,129	2,737	2,856

The total is an increase of 107 BCF from last week.



Above Graph - Storage levels as of July 17

**Comparative Fuels: Futures Prices for Aug**

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$3.959</b>	<b>\$3.959</b>
Propane (gal)	<b>\$1.036</b>	<b>\$1.129</b>
Crude Oil (barrel)	<b>\$103.06</b>	
Heating Oil (gal)	<b>\$2.86</b>	<b>\$2.05</b>
Unleaded Gas (gal)	<b>\$2.88</b>	

**North American Traditional Nat. Gas Rig Count:**

This week	311
Last week	311
Year Ago this week	362

**US Horizontal Rig Count:**

This week	1,276
Last week	1,268
Year Ago this week	1,058

**NGI Chicago for July 2014 \$4.660**

