

Volume 613 June 2, 2016

Market- June natural gas futures expired last week at \$.1963 per therm; July is now the front month. Prices traded sharply higher this week and are trading a bit higher in the front months and lower in the later months today after the storage report was an injection into storage less than expectations. The Colorado State University hurricane forecast indicates an average active season and oil prices are rising. Downward pressure results from storage levels above last year and above the five year average. Upward pressure on natural gas prices results from exported liquefied natural gas (LNG). Rig counts for both traditional and horizontal have dropped significantly over the last 23 months indicating continued ample supply of natural gas. Natural gas storage inventories are higher than last year and slightly higher than the five-year average as seen on the graph to the right. The US gas traditional rotary rig count increased 2 rigs and horizontal drilling increased 0 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for July is lower this week at \$48.14 per barrel. Heating oil is lower at \$1.49 per gal. Unleaded gasoline futures are lower this week at \$1.60 and gasoline at the pump is around \$2.45...in Indiana. The natural gas storage report this week was an injection of 82BCF; storage is **712BCF higher** than last year and **753BCF higher** than the 5 year average.



Above Graph - July 2016 NYMEX gas futures

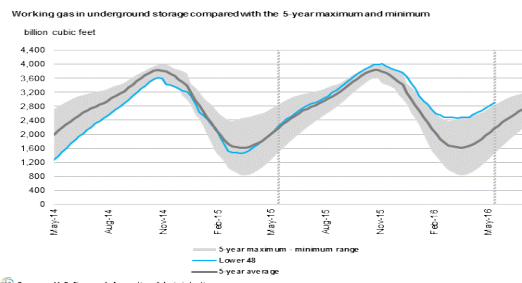
Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
High	77	81	80	73	72
Low	56	62	58	56	52

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,907	2,195	2,154

The total is an increase of 82 BCF from last week.



Source: U.S. Energy Information Administration

Above Graph - Storage levels as of 6-2-16

Comparative Fuels: Futures Prices for Jul

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.2406	\$.2406
Propane (gal)	\$.5080	\$.5537
Crude Oil (barrel)	\$48.14	
Heating Oil (gal)	\$1.49	\$1.071
Unleaded Gas (gal)	\$1.60	

North American Traditional Nat. Gas Rig Count:

This week	87
Last week	85
Year Ago this week	225

US Horizontal Rig Count:

This week	314
Last week	314
Year Ago this week	674

NGI Chicago for June 2016 \$1.940

