

Volume 616 June 23, 2016

Market- Prices traded mixed to higher this week but are trading lower for all months today after the storage report was an injection higher than expectations. Upward pressure results from the hurricane forecast indicating an average active season and oil prices are stronger. Downward pressure results from storage levels above last year and above the five year average. Additional 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 2 years 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 1 rig and horizontal drilling increased 3 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for July is higher this week at \$49.68 per barrel. Heating oil is higher at \$1.50 per gal. Unleaded gasoline futures are higher this week at \$1.59 and gasoline at the pump is around \$2.49...in Indiana. The natural gas storage report this week was an injection of 62BCF; storage is **618BCF higher** than last year and **678BCF higher** than the 5 year average.



Above Graph—July 2016 NYMEX gas futures

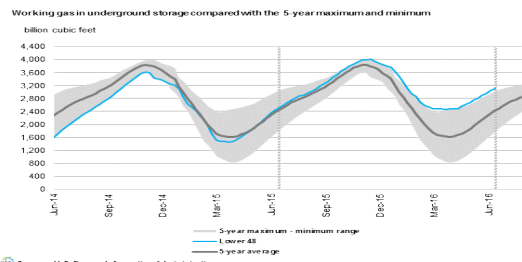
Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
High	70	83	90	91	84
Low	62	67	70	67	63

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,103	2,485	2,425

The total is an increase of 62 BCF from last week.



Source: U.S. Energy Information Administration

Above Graph - Storage levels as of 6-23-16

Comparative Fuels: Futures Prices for Jul

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.2649	\$.2649
Propane (gal)	\$.5110	\$.5567
Crude Oil (barrel)	\$49.68	
Heating Oil (gal)	\$1.50	\$1.079
Unleaded Gas (gal)	\$1.59	

North American Traditional Nat. Gas Rig Count:

This week	86
Last week	85
Year Ago this week	223

US Horizontal Rig Count:

This week	326
Last week	323
Year Ago this week	662

NGI Chicago for June 2016 \$1.940

