

**Volume 619 July 14, 2016**

**Market-** Prices traded mixed this week but are trading slightly lower for all months today after the storage report was an injection higher than expectations. Upward pressure results from the hot weather causing more gas to be used for electric generation. 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 much higher than last year and much higher than the five-year average as seen on the graph to the right. The US gas traditional rotary rig count decreased 1 rig and horizontal drilling increased 11 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for August is lower this week at \$46.05 per barrel. Heating oil is lower at \$1.40 per gal. Unleaded gasoline futures are lower this week at \$1.41 and gasoline at the pump is around \$2.09...in Indiana. The natural gas storage report this week was an injection of 64BCF; storage is **507BCF higher** than last year and **586BCF higher** than the 5 year average.



Above Graph—Aug 2016 NYMEX gas futures

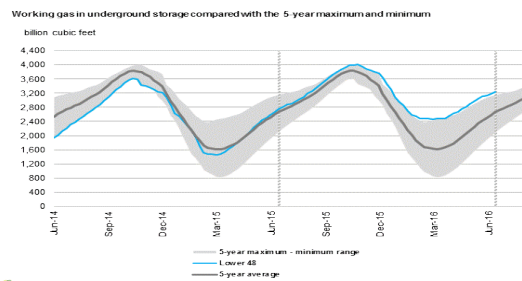
**Extended Temperature Forecast:  
Chicago Area**

	THU	FRI	SAT	SUN	MON
<b>High</b>	87	79	83	87	90
<b>Low</b>	64	62	64	70	70

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

This Week	Last Year	5 Year Ave.
3243	2,736	2,657

The total is an increase of 64 BCF from last week.



Source: U.S. Energy Information Administration

**Above Graph - Storage levels** as of 7-14-16

**Comparative Fuels: Futures Prices for Aug**

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$2.721</b>	<b>\$2.721</b>
Propane (gal)	<b>\$4.950</b>	<b>\$5.395</b>
Crude Oil (barrel)	<b>\$46.05</b>	
Heating Oil (gal)	<b>\$1.40</b>	<b>\$1.007</b>
Unleaded Gas (gal)	<b>\$1.41</b>	

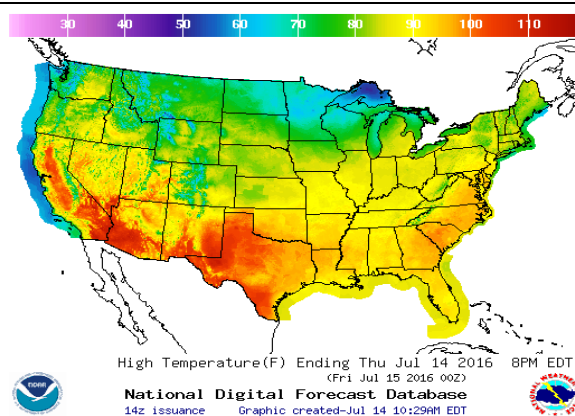
**North American Traditional Nat. Gas Rig Count:**

This week	88
Last week	89
Year Ago this week	217

**US Horizontal Rig Count:**

This week	343
Last week	332
Year Ago this week	654

**NGI Chicago for July 2016 \$2.800**



High Temperature(F) Ending Thu Jul 14 2016 8PM EDT  
(Fri Jul 15 2016 00Z)  
National Digital Forecast Database  
14z issuance Graphic created-Jul 14 10:29AM EDT