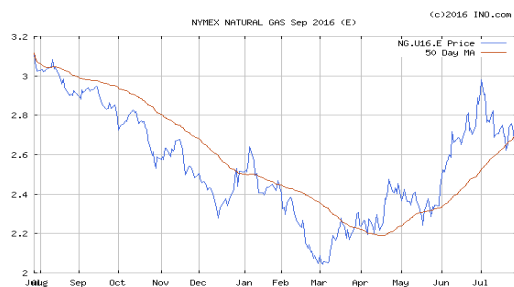


**Volume 621 July 28, 2016**

**Market-** August natural gas futures expired Wednesday at \$.2672 per therm; September is now the front month. Prices traded mixed this week but are trading much higher for all months today after the storage report was an injection lower 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 increased production from fewer wells and 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 13 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for September is lower this week at \$41.39 per barrel. Heating oil is lower at \$1.28 per gal. Unleaded gasoline futures are lower this week at \$1.33 and gasoline at the pump is around \$1.95...in Indiana. The natural gas storage report this week was an injection of **17BCF**; storage is **436BCF higher** than last year and **524BCF higher** than the 5 year average.



Above Graph—Sep 2016 NYMEX gas futures

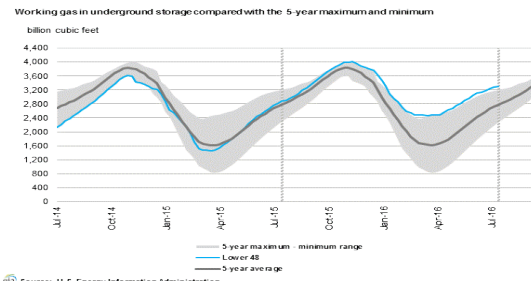
**Extended Temperature Forecast:  
Chicago Area**

	THU	FRI	SAT	SUN	MON
<b>High</b>	79	78	81	82	86
<b>Low</b>	64	65	64	66	72

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

This Week	Last Year	5 Year Ave.
3,294	2,858	2,770

The total is an increase of 17 BCF from last week.



Source: U.S. Energy Information Administration

**Above Graph - Storage levels as of 7-28-16**

**Comparative Fuels: Futures Prices for Sep**

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$.2853</b>	<b>\$.2853</b>
Propane (gal)	<b>\$.466</b>	<b>\$.5079</b>
Crude Oil (barrel)	<b>\$41.39</b>	
Heating Oil (gal)	<b>\$1.28</b>	<b>\$.9208</b>
Unleaded Gas (gal)	<b>\$1.33</b>	

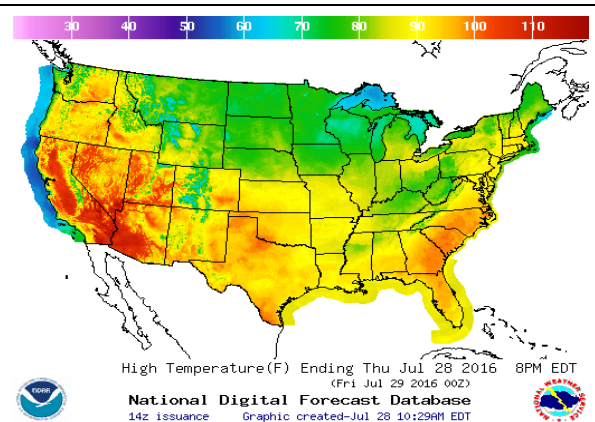
**North American Traditional Nat. Gas Rig Count:**

This week	88
Last week	89
Year Ago this week	216

**US Horizontal Rig Count:**

This week	357
Last week	344
Year Ago this week	662

**NGI Chicago for July 2016 \$\$.2800**



High Temperature (F) Ending Thu Jul 28 2016 8PM EDT  
(Fri Jul 29 2016 00Z)  
National Digital Forecast Database  
14z issuance Graphic created-Jul 28 10:29AM EDT