

Volume 623 August 11, 2016

Market- Prices traded lower this week and are trading slightly lower today after the storage report was an injection into storage higher than expected. 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 5 rigs and horizontal drilling increased 8 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 \$41.82 per barrel. Heating oil is higher at \$1.33 per gal. Unleaded gasoline futures are lower this week at \$1.29 and gasoline at the pump is around \$2.03...in Indiana. The natural gas storage report this week was an injection of 29BCF; storage is **361BCF higher** than last year and **440BCF higher** than the 5 year average.



Above Graph—Sep 2016 NYMEX gas futures

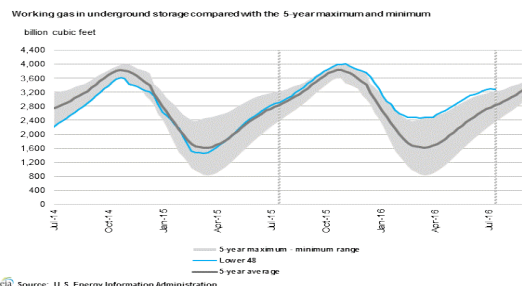
Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
High	92	90	84	83	81
Low	75	72	67	66	62

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,317	2,956	2,877

The total is an increase of 29 BCF from last week.



Above Graph - Storage levels as of 8-11-16

Comparative Fuels: Futures Prices for Sep

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.2542	\$.2542
Propane (gal)	\$.443	\$.4828
Crude Oil (barrel)	\$41.82	
Heating Oil (gal)	\$1.33	\$.9568
Unleaded Gas (gal)	\$1.29	

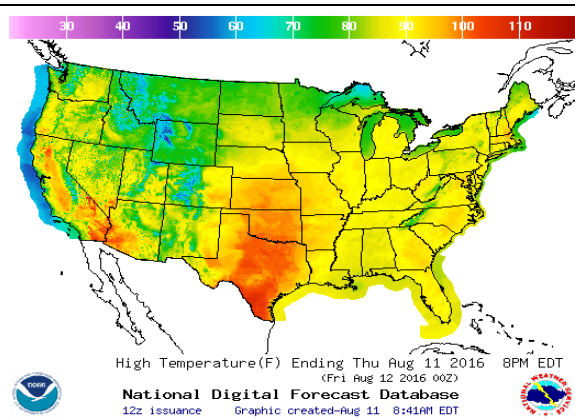
North American Traditional Nat. Gas Rig Count:

This week	81
Last week	86
Year Ago this week	213

US Horizontal Rig Count:

This week	362
Last week	354
Year Ago this week	672

NGI Chicago for August 2016 \$2.670



High Temperature (F) Ending Thu Aug 11 2016 8PM EDT
(Fri Aug 12 2016 00Z)
National Digital Forecast Database
12z issuance Graphic created—Aug 11 8:41AM EDT