

Volume 624 August 18, 2016

Market- Prices traded mixed to higher this week and are trading slightly higher today after the storage report was an injection into storage lower 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 increased 2 rigs 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 higher this week at \$48.95 per barrel. Heating oil is higher at \$1.52 per gal. Unleaded gasoline futures are higher this week at \$1.49 and gasoline at the pump is around \$2.13...in Indiana. The natural gas storage report this week was an injection of 22BCF; storage is **327BCF higher** than last year and **405BCF higher** than the 5 year average.



Above Graph—Sep 2016 NYMEX gas futures

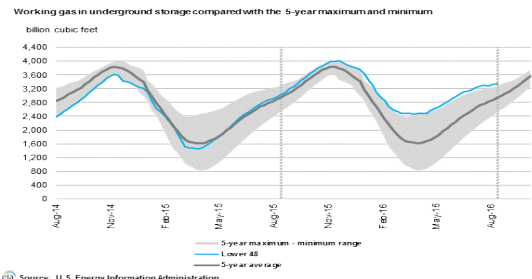
**Extended Temperature Forecast:
Chicago Area**

	THU	FRI	SAT	SUN	MON
High	90	92	84	75	78
Low	72	73	63	57	61

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,339	3,012	2,934

The total is an increase of 22 BCF from last week.



Source: U.S. Energy Information Administration

Above Graph - Storage levels as of 8-18-16

Comparative Fuels: Futures Prices for Sep

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.2662	\$.2662
Propane (gal)	\$.449	\$.4894
Crude Oil (barrel)	\$48.95	
Heating Oil (gal)	\$1.52	\$1.093
Unleaded Gas (gal)	\$1.49	

North American Traditional Nat. Gas Rig Count:

This week	83
Last week	81
Year Ago this week	211

US Horizontal Rig Count:

This week	375
Last week	362
Year Ago this week	676

NGI Chicago for August 2016 \$2.670

