

**Volume 625 August 25, 2016**

**Market-** Prices traded 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 and a possible Tropical Storm Hermine entering the Gulf next week. 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 0 rigs and horizontal drilling increased 7 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 \$46.94 per barrel. Heating oil is lower at \$1.50 per gal. Unleaded gasoline futures are higher this week at \$1.50 and gasoline at the pump is around \$2.29...in Indiana. The natural gas storage report this week was an injection of **11BCF**; storage is **275BCF higher** than last year and **350BCF higher** than the 5 year average.



Above Graph—Sep 2016 NYMEX gas futures

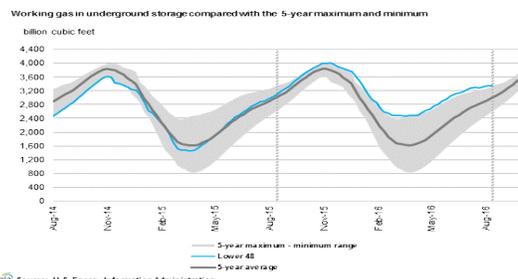
**Extended Temperature Forecast:  
Chicago Area**

|             | THU | FRI | SAT | SUN | MON |
|-------------|-----|-----|-----|-----|-----|
| <b>High</b> | 83  | 78  | 82  | 85  | 85  |
| <b>Low</b>  | 60  | 63  | 68  | 69  | 68  |

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

| This Week | Last Year | 5 Year Ave. |
|-----------|-----------|-------------|
| 3,350     | 3,075     | 3,000       |

The total is an increase of 11 BCF from last week.



Source: U.S. Energy Information Administration

**Above Graph - Storage levels as of 8-25-16**

**Comparative Fuels: Futures Prices for Sep**

|                     | Price          | Compared to Nat Gas |
|---------------------|----------------|---------------------|
| Natural Gas (therm) | <b>\$.2842</b> | <b>\$.2842</b>      |
| Propane (gal)       | <b>\$.455</b>  | <b>\$.4959</b>      |
| Crude Oil (barrel)  | <b>\$46.94</b> |                     |
| Heating Oil (gal)   | <b>\$1.50</b>  | <b>\$1.079</b>      |
| Unleaded Gas (gal)  | <b>\$1.50</b>  |                     |

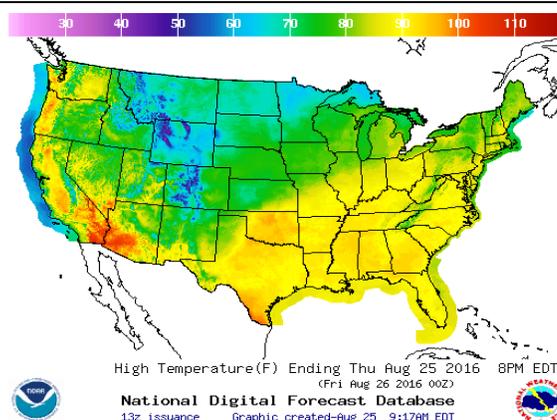
**North American Traditional Nat. Gas Rig Count:**

|                    |     |
|--------------------|-----|
| This week          | 83  |
| Last week          | 83  |
| Year Ago this week | 211 |

**US Horizontal Rig Count:**

|                    |     |
|--------------------|-----|
| This week          | 382 |
| Last week          | 375 |
| Year Ago this week | 677 |

**NGI Chicago for August 2016 \$2.670**



High Temperature (F) Ending Thu Aug 25 2016 8PM EDT  
(Fri Aug 26 2016 00Z)  
National Digital Forecast Database  
13z issuance Graphic created-Aug 25 9:17AM EDT