

**Volume 627 September 8, 2016**

**Market-** Prices traded mixed this week but traded 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 7 rigs and horizontal drilling increased 16 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for October is higher this week at \$47.36 per barrel. Heating oil is higher at \$1.48 per gal. Unleaded gasoline futures are higher this week at \$1.41 and gasoline at the pump is around \$1.99...in Indiana. The natural gas storage report this week was an injection of 36BCF; storage is **196BCF higher** than last year and **306BCF higher** than the 5 year average.



Above Graph—Oct 2016 NYMEX gas futures

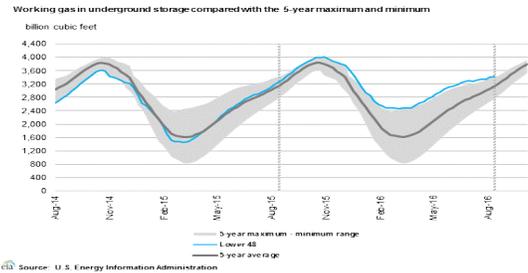
**Extended Temperature Forecast: Chicago Area**

|             | THU | FRI | SAT | SUN | MON |
|-------------|-----|-----|-----|-----|-----|
| <b>High</b> | 87  | 84  | 77  | 74  | 82  |
| <b>Low</b>  | 69  | 67  | 57  | 60  | 67  |

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

| This Week | Last Year | 5 Year Ave. |
|-----------|-----------|-------------|
| 3,437     | 3,241     | 3,131       |

The total is an increase of 36 BCF from last week.



Above Graph - Storage levels as of 9-8-16

**Comparative Fuels: Futures Prices for Oct**

|                     | Price          | Compared to Nat Gas |
|---------------------|----------------|---------------------|
| Natural Gas (therm) | <b>\$2.810</b> | <b>\$2.810</b>      |
| Propane (gal)       | <b>\$4.61</b>  | <b>\$5.025</b>      |
| Crude Oil (barrel)  | <b>\$47.36</b> |                     |
| Heating Oil (gal)   | <b>\$1.48</b>  | <b>\$1.065</b>      |
| Unleaded Gas (gal)  | <b>\$1.41</b>  |                     |

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

|                    |     |
|--------------------|-----|
| This week          | 88  |
| Last week          | 81  |
| Year Ago this week | 202 |

**US Horizontal Rig Count:**

|                    |     |
|--------------------|-----|
| This week          | 395 |
| Last week          | 379 |
| Year Ago this week | 659 |

**NGI Chicago for September 2016 \$2.810**

