

Volume 629 September 22, 2016

Market- Prices traded higher this week and are trading slightly lower today after the storage report was an injection into storage at expected levels. Upward pressure results from the continued 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 3 rigs and horizontal drilling decreased 2 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 \$46.27 per barrel. Heating oil is higher at \$1.46 per gal. Unleaded gasoline futures are higher this week at \$1.41 and gasoline at the pump is around \$2.19...in Indiana. The natural gas storage report this week was an injection of 52BCF; storage is **140BCF higher** than last year and **268BCF higher** than the 5 year average.



Above Graph—Oct 2016 NYMEX gas futures

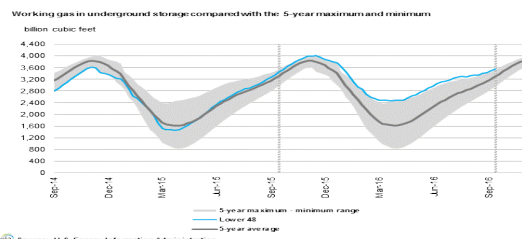
Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
High	88	80	77	80	71
Low	67	62	62	71	57

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,551	3,411	3,283

The total is an increase of 52 BCF from last week.



Source: U.S. Energy Information Administration

Above Graph - Storage levels as of 9-22-16

Comparative Fuels: Futures Prices for Oct

	Price	Compared to Nat Gas
Natural Gas (therm)	\$0.3057	\$0.3057
Propane (gal)	\$0.504	\$0.5493
Crude Oil (barrel)	\$46.27	
Heating Oil (gal)	\$1.46	\$1.050
Coal (CLRP) (ton)	\$40.00	\$2.978
Unleaded Gas (gal)	\$1.41	

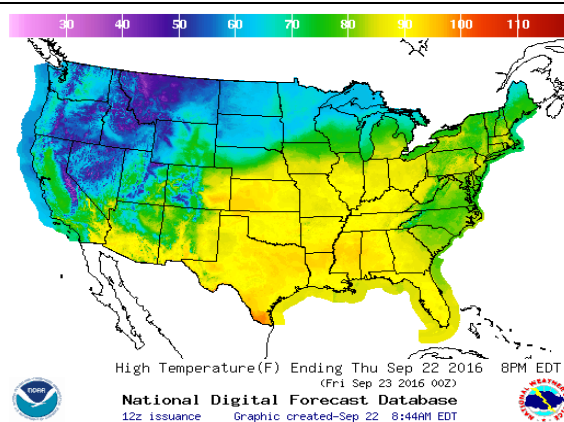
North American Traditional Nat. Gas Rig Count:

This week	89
Last week	92
Year Ago this week	198

US Horizontal Rig Count:

This week	394
Last week	396
Year Ago this week	640

NGI Chicago for September 2016 \$2810



High Temperature (F) Ending Thu Sep 22 2016 8PM EDT
(Fri Sep 23 2016 00Z)

National Digital Forecast Database
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