

**Volume 630 September 29, 2016**

**Market-** October natural gas futures expired Wednesday at \$.2952 per therm; November is now the front month. Prices traded mixed to lower this week and are trading slightly lower today after the storage report was an injection into storage below 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 increased 3 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 November is higher this week at \$47.15 per barrel. Heating oil is higher at \$1.50 per gal. Unleaded gasoline futures are higher this week at \$1.45 and gasoline at the pump is around \$2.19...in Indiana. The natural gas storage report this week was an injection of **49BCF**; storage is **90BCF higher** than last year and **220BCF higher** than the 5 year average.



Above Graph—Nov 2016 NYMEX gas futures

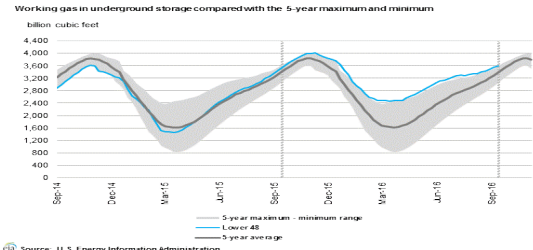
**Extended Temperature Forecast: Chicago Area**

	THU	FRI	SAT	SUN	MON
<b>High</b>	64	65	66	70	72
<b>Low</b>	56	57	55	55	57

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

This Week	Last Year	5 Year Ave.
3,600	3,510	3,380

The total is an increase of 49 BCF from last week.



Above Graph - Storage levels as of 9-29-16

**Comparative Fuels: Futures Prices for Nov**

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$.2977</b>	<b>\$.2977</b>
Propane (gal)	<b>\$.528</b>	<b>\$.5755</b>
Crude Oil (barrel)	<b>\$47.15</b>	
Heating Oil (gal)	<b>\$1.50</b>	<b>\$1.079</b>
Coal (CLRP) (ton)	<b>\$40.00</b>	<b>\$.2978</b>
Unleaded Gas (gal)	<b>\$1.45</b>	

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

This week	92
Last week	89
Year Ago this week	197

**US Horizontal Rig Count:**

This week	402
Last week	394
Year Ago this week	629

**NGI Chicago for September 2016 \$2810**

