

Volume 631 October 6, 2016

Market- Prices traded mixed to higher this week and traded slightly higher today after the storage report was an injection into storage at expected levels. Downward pressure results from storage levels above last year and above the five year average. 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 4 rigs and horizontal drilling increased 5 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 \$50.44 per barrel. Heating oil is higher at \$1.60 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 **80BCF**; storage is **74BCF higher** than last year and **205BCF higher** than the 5 year average.



Above Graph—Nov 2016 NYMEX gas futures

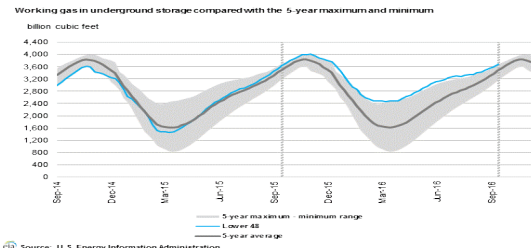
Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
High	82	71	62	65	70
Low	64	47	43	52	55

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,680	3,606	3,475

The total is an increase of 80 BCF from last week.



Above Graph - Storage levels as of 10-6-16

Comparative Fuels: Futures Prices for Nov

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.3032	\$.3032
Propane (gal)	\$.550	\$.5995
Crude Oil (barrel)	\$50.44	
Heating Oil (gal)	\$1.60	\$1.151
Coal (CLRP) (ton)	\$40.00	\$.2978
Unleaded Gas (gal)	\$1.50	

North American Traditional Nat. Gas Rig Count:

This week	96
Last week	92
Year Ago this week	195

US Horizontal Rig Count:

This week	407
Last week	402
Year Ago this week	609

NGI Chicago for October 2016 \$2,960

