

**Volume 633 October 20, 2016**

**Market-** Prices traded strong this week and are trading a bit lower this morning after the storage report was an injection into storage at expected levels. Gas production right now is the lowest since 2014 putting pressure on prices to rise. 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 11 rigs and horizontal drilling increased 18 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 \$50.54 per barrel. Heating oil is the same at \$1.56 per gal. Unleaded gasoline futures are the same this week at \$1.48 and gasoline at the pump is around \$1.99...in Indiana. The natural gas storage report this week was an injection of 77BCF; storage is **46BCF higher** than last year and **185BCF higher** than the 5 year average.



Above Graph—Nov 2016 NYMEX gas futures

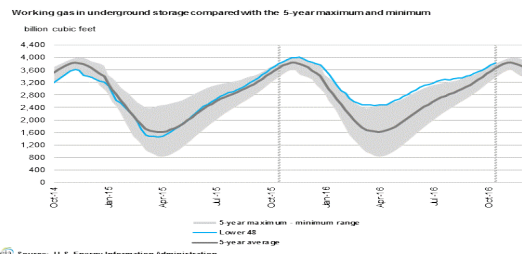
**Extended Temperature Forecast:  
Chicago Area**

	THU	FRI	SAT	SUN	MON
<b>High</b>	57	54	61	66	60
<b>Low</b>	42	41	47	51	49

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

This Week	Last Year	5 Year Ave.
3,856	3,790	3,651

The total is an increase of 77 BCF from last week.



Above Graph - Storage levels as of 10-20-16

**Comparative Fuels: Futures Prices for Nov**

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$0.3124</b>	<b>\$0.3124</b>
Propane (gal)	<b>\$0.531</b>	<b>\$0.5788</b>
Crude Oil (barrel)	<b>\$50.54</b>	
Heating Oil (gal)	<b>\$1.58</b>	<b>\$1.136</b>
Coal (CLRP) (ton)	<b>\$40.00</b>	<b>\$2.978</b>
Unleaded Gas (gal)	<b>\$1.48</b>	

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

This week	105
Last week	94
Year Ago this week	192

**US Horizontal Rig Count:**

This week	431
Last week	413
Year Ago this week	591

**NGI Chicago for October 2016 \$2960**

