

### Volume 634 October 27, 2016

**Market-** Prices traded lower this week as the weather in most parts of the country is warmer than normal but prices are trading a bit higher today after the storage report was an injection into storage at expected levels. November futures expired today at \$.2764 per therm; December is now the front month. 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 3 rigs and horizontal drilling increased 14 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for December is lower this week at \$49.50 per barrel. Heating oil is higher at \$1.57 per gal. Unleaded gasoline futures are the same this week at \$1.48 and gasoline at the pump is around \$2.09...in Indiana. The natural gas storage report this week was an injection of 73BCF; storage is 52BCF higher than last year and 182BCF higher than the 5 year average.



Above Graph—Dec 2016 NYMEX gas futures

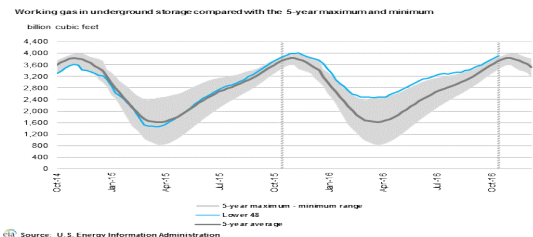
### Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
<b>High</b>	55	73	69	60	72
<b>Low</b>	45	60	48	49	54

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

This Week	Last Year	5 Year Ave.
3,909	3,857	3,727

The total is an increase of 73 BCF from last week.



Source: U.S. Energy Information Administration

### Above Graph - Storage levels as of 10-27-16

### Comparative Fuels: Futures Prices for Dec

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$.3063</b>	<b>\$.3063</b>
Propane (gal)	<b>\$.595</b>	<b>\$.6485</b>
Crude Oil (barrel)	<b>\$49.50</b>	
Heating Oil (gal)	<b>\$1.57</b>	<b>\$1.129</b>
Coal (CLRP) (ton)	<b>\$40.00</b>	<b>\$.2978</b>
Unleaded Gas (gal)	<b>\$1.48</b>	

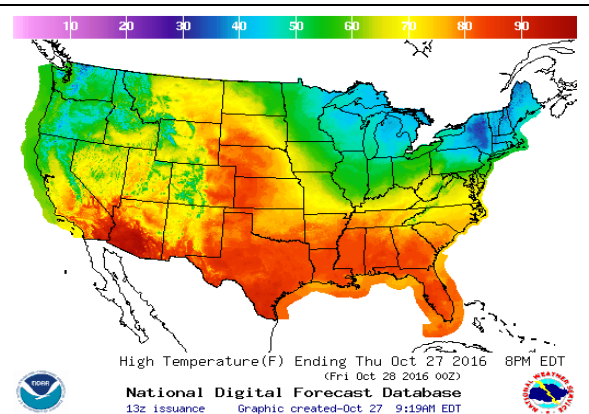
### North American Traditional Nat. Gas Rig Count:

This week	108
Last week	105
Year Ago this week	193

### US Horizontal Rig Count:

This week	445
Last week	431
Year Ago this week	591

### NGI Chicago for October 2016 \$2960



High Temperature (F) Ending Thu Oct 27 2016 8PM EDT (Fri Oct 28 2016 00Z)

National Digital Forecast Database  
13z Issuance Graphic created Oct 27 9:19AM EDT