Nordic Energy
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ENERGY MATTERS NATURAL GAS NEWSLETTER

Volume 636 November 10, 2016

Market- Prices traded lower this week as the weather in most parts of the country is warmer than normal. Prices continued trading just a bit lower today after the storage report was an injection into storage at expected levels; storage is now over 4,000 BCF. 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 9 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 $44.48 per barrel. Heating oil is lower at $1.43 per gal. Unleaded gasoline futures are lower this week at $1.34 and gasoline at the pump is around $1.99…in Indiana. The natural gas storage report this week was an injection of **54BCF**; storage is **47BCF higher** than last year and **189BCF higher** than the 5 year average.

Above Graph–Dec 2016 NYMEX gas futures

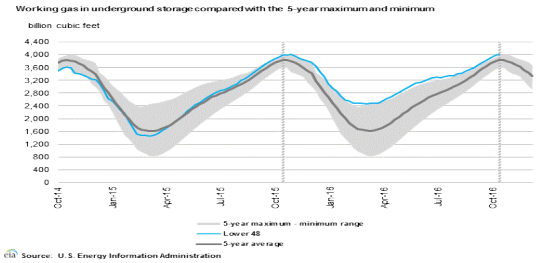
Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
High	67	49	55	62	57
Low	47	30	39	47	42

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
4,017	3,970	3,828

The total is an increase of 54 BCF from last week.



Above Graph - Storage levels as of 11-10-16

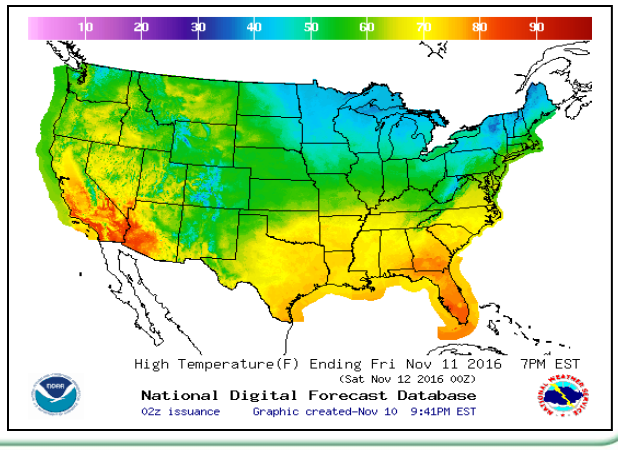
Comparative Fuels: Futures Prices for Dec

	Price	Compared to Nat Gas
Natural Gas (therm)	**$.2644**	**$.2644**
Propane (gal)	**$.553**	**$.6029**
Crude Oil (barrel)	**$44.48**	
Heating Oil (gal)	**$1.43**	**$1.028**
Coal (CLRP) (ton)	**$40.00**	**$.2978**
Unleaded Gas (gal)	**$1.34**	

North American Traditional Nat. Gas Rig Count:

This week	117
Last week	114
Year Ago this week	199

US Horizontal Rig Count:

This week	459
Last week	450
Year Ago this week	585

NGI Chicago for November 2016 $.2800