

Volume 638 December 1, 2016

Market- December natural gas futures expired Monday at \$.3232 per therm; January is now the front month. Colder weather is causing prices to rise. Prices continued trading just a bit higher today after the storage report was a withdrawal from storage at expected levels. Crude oil, heating oil and propane are all higher. 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 2 rigs and horizontal drilling increased 2 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for January is higher this week at \$50.82 per barrel. Heating oil is higher at \$1.57 per gal. Unleaded gasoline futures are higher this week at \$1.57 and gasoline at the pump is around \$2.19...in Indiana. The natural gas storage report this week was an injection of **30BCF**; storage is **51BCF higher** than last year and **216BCF higher** than the 5 year average.



Above Graph—Jan 2017 NYMEX gas futures

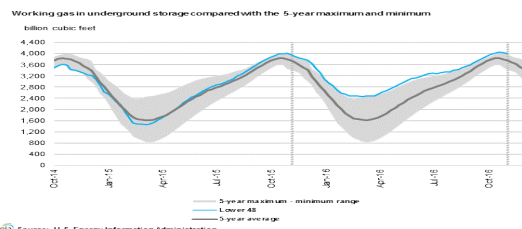
Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
High	40	39	42	41	45
Low	29	29	33	31	35

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
3,995	3,971	3,760

The total is a decrease of 50 BCF from last week.



Above Graph - Storage levels as of 12-1-16

Comparative Fuels: Futures Prices for Jan

	Price	Compared to Nat Gas
Natural Gas (therm)	\$0.3488	\$3.488
Propane (gal)	\$0.543	\$5.918
Crude Oil (barrel)	\$50.82	
Heating Oil (gal)	\$1.57	\$1.129
Coal (CLRP) (ton)	\$40.00	\$2.978
Unleaded Gas (gal)	\$1.49	

North American Traditional Nat. Gas Rig Count:

This week	118
Last week	116
Year Ago this week	189

US Horizontal Rig Count:

This week	475
Last week	470
Year Ago this week	569

NGI Chicago for November 2016 \$2.800

(December NGI will be out until tomorrow)

