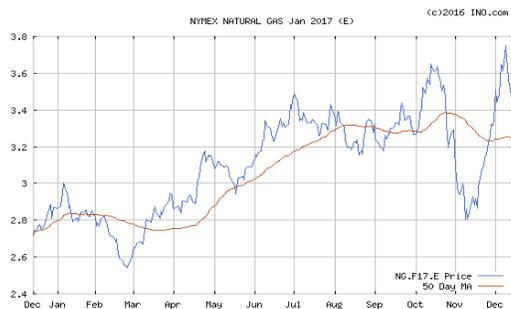


**Volume 640 December 15, 2016**

**Market-** Cold weather across the northern area of the country is supporting prices. Natural gas continued trading just a bit higher this morning then is now down after the storage report was a withdrawal from storage higher than 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 6 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 January is higher this week at \$52.04 per barrel. Heating oil is lower at \$1.57 per gal. Unleaded gasoline futures are lower this week at \$1.49 and gasoline at the pump is around \$2.29...in Indiana. The natural gas storage report this week was a withdrawal of **147BCF**; storage is **50BCF lower** than last year and **186BCF higher** than the 5 year average.



Above Graph—Jan 2017 NYMEX gas futures

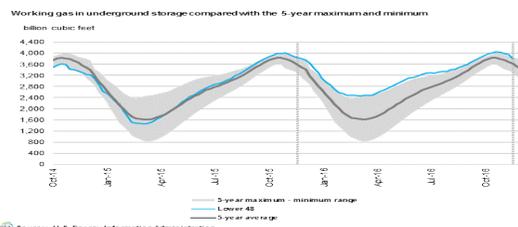
**Extended Temperature Forecast: Chicago Area**

	THU	FRI	SAT	SUN	MON
<b>High</b>	8	25	34	6	15
<b>Low</b>	0	23	-2	-8	7

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

This Week	Last Year	5 Year Ave.
3,806	3,856	3,620

The total is a decrease of 147 BCF from last week.



Above Graph - Storage levels as of 12-15-16

**Comparative Fuels: Futures Prices for Jan**

	Price	Compared to Nat Gas
Natural Gas (therm)	<b>\$3.424</b>	<b>\$3.424</b>
Propane (gal)	<b>\$0.619</b>	<b>\$0.6840</b>
Crude Oil (barrel)	<b>\$52.04</b>	
Heating Oil (gal)	<b>\$1.57</b>	<b>\$1.112</b>
Coal (CLRP) (ton)	<b>\$40.00</b>	<b>\$2.978</b>
Unleaded Gas (gal)	<b>\$1.49</b>	

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

This week	125
Last week	119
Year Ago this week	185

**US Horizontal Rig Count:**

This week	503
Last week	485
Year Ago this week	554

**NGI Chicago for December 2016 \$0.3250**

