

Volume 647 February 2, 2017

Market- February natural gas futures expired last Friday at \$.3391 per therm; March is now the front month. Average cold weather across the northern area of the country continues to keep prices stable; but colder temps are forecasted over the next 10 days. Natural gas is trading higher this morning after the storage report was a withdrawal at expected levels. Crude oil, heating oil and propane are all high but stable. Storage levels are now lower than last year but higher than 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. The US gas traditional rotary rig count increased 3 rigs and horizontal drilling increased 20 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for March is lower this week at \$53.78 per barrel. Heating oil is lower at \$1.61 per gal. Unleaded gasoline futures are lower this week at \$1.52 and gasoline at the pump is around \$2.09...in Indiana. The natural gas storage report this week was a withdrawal of 87BCF; storage is **266BCF lower** than last year and **59BCF higher** than the 5 year average.



Above Graph—Mar 2017 NYMEX gas futures

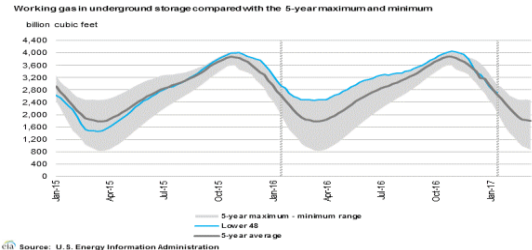
Extended Temperature Forecast: Chicago Area

	THU	FRI	SAT	SUN	MON
High	28	27	34	38	37
Low	15	14	29	27	34

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,711	2,977	2,652

The total is a decrease of 87 BCF from last week.



Above Graph - Storage levels as of 2-2-17

Comparative Fuels: Futures Prices for Mar

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.3201	\$.3201
Propane (gal)	\$.840	\$.9156
Crude Oil (barrel)	\$53.78	
Heating Oil (gal)	\$1.61	\$1.158
Coal (CLRP) (ton)	\$40.00	\$.2978
Unleaded Gas (gal)	\$1.52	

North American Traditional Nat. Gas Rig Count:

This week	145
Last week	142
Year Ago this week	121

US Horizontal Rig Count:

This week	579
Last week	559
Year Ago this week	487

NGI Chicago for February 2017 **\$.3410**

