

Volume 651 March 2, 2017

Market- March natural gas futures expired last Friday at \$.2627 per therm; April is now the front month. Warmer than normal temperatures across the northern portion of the country continues to keep prices low. Natural gas is trading mixed this morning after the storage report was an injection into storage...unusual for February. Crude oil, heating oil and propane are all high but stable. Storage levels are 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 decreased 2 rigs and horizontal drilling increased 10 rigs. Natural gas is very attractive to fix at this time for the winter and long term.

The Crude oil price for April is lower this week at \$52.93 per barrel. Heating oil is lower at \$1.62 per gal. Unleaded gasoline futures are higher this week at \$1.64 and gasoline at the pump is around \$2.19...in Indiana. The natural gas storage report this week was an injection of 7BCF; storage is **187BCF lower** than last year and **295BCF higher** than the 5 year average.



Above Graph—Apr 2017 NYMEX gas futures

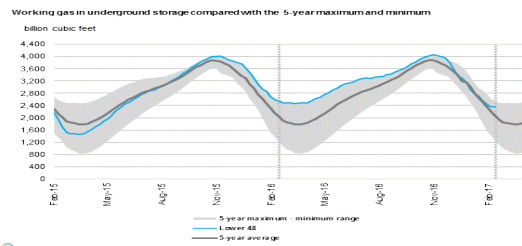
**Extended Temperature Forecast:
Chicago Area**

	THU	FRI	SAT	SUN	MON
High	34	35	46	60	61
Low	21	29	40	49	43

Storage Statistics: (BCF) Billion Cubic Ft

This Week	Last Year	5 Year Ave.
2,363	2,550	2,068

The total is an increase of 7 BCF from last week.



Above Graph - Storage levels as of 3-2-17

Comparative Fuels: Futures Prices for Apr

	Price	Compared to Nat Gas
Natural Gas (therm)	\$.2792	\$.2792
Propane (gal)	\$.655	\$.7139
Crude Oil (barrel)	\$52.93	
Heating Oil (gal)	\$1.62	\$1.165
Coal (CLRP) (ton)	\$40.00	\$.2978
Unleaded Gas (gal)	\$1.64	

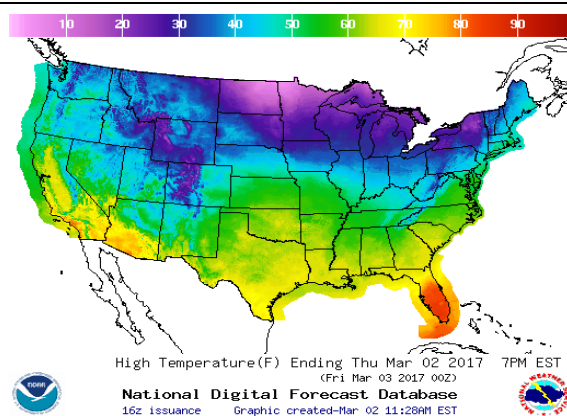
North American Traditional Nat. Gas Rig Count:

This week	151
Last week	153
Year Ago this week	102

US Horizontal Rig Count:

This week	624
Last week	614
Year Ago this week	397

NGI Chicago for March 2017 \$0.2620



High Temperature (F) Ending Thu Mar 02 2017 7PM EST
(F1 Mar 03 2017 00Z)
National Digital Forecast Database
16z issuance Graphic created-Mar 02 11:28AM EST