

Pricing Outlook

The July NYMEX futures contract saw increased volatility during trading throughout June, highlighted by an at-the-money implied volatility north of 75% on June 25 as options contracts deriving from the NYMEX future raced toward settle. Although the underlying futures contract settled around where it started, seeing a humble decrease of \$0.202/MMBtu from its opening at \$2.83/MMBtu, the month saw trading reach a high near \$3.15/MMBtu and a low near \$2.52/MMBtu before **settling at \$2.628/MMBtu**. The market rallied from its trading low on suspicion of above-normal temperatures nationwide. Then, it was slowed by increased production activity and the Mountain Valley Pipeline coming into service on June 12.

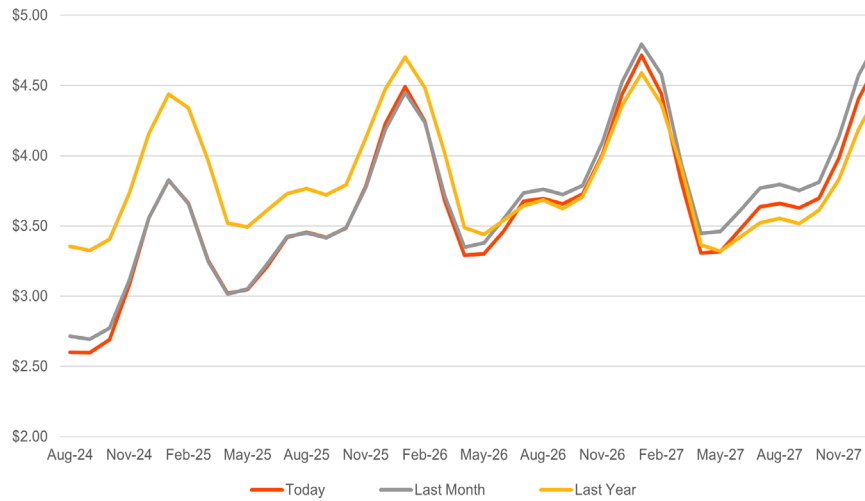
The Energy Information Administration (EIA) reported bullish injection figures in June as the market continued to chip away at the U.S. storage glut. Heading into July, the levels of working gas in storage were 18.8% higher than the five-year rolling average and 9.6% higher than last year.

In The News

The Mid-Atlantic will see new changes in interstate gas pipelines and associated indices changes starting in July. Namely, the 2-Bcf Mountain Valley Pipeline (MVP) started flowing gas on a start-up basis in mid-June, and the commencement of long-term firm obligations from July 1. The MVP interconnects with a segment of the Transcontinental Pipeline, which has been constrained for much of the summer due to planned and unplanned pipeline maintenance. More expansionary work is slated in the coming years, including the MVP Southgate project and several projects on the Transcontinental Pipeline that aim to increase reliability and meet growing demand in the region. The full effect of increased capacity to carry gas out of the Appalachian Shale Basin plays associated with the Mountain Valley Pipeline will not be realized until these subsequent projects are completed.

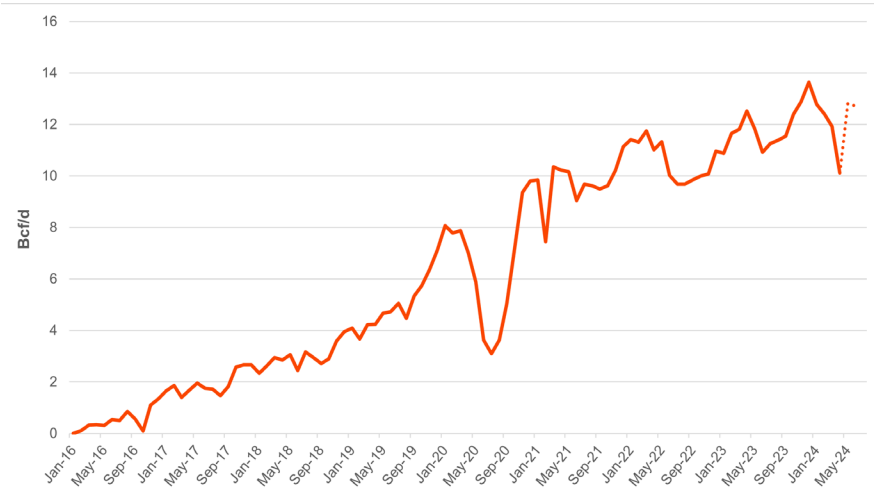
Additionally, the Mountain Valley Pipeline in service ushers in a major change to index methodology. Transco's Compressor Station 165 will no longer be included in the Transco Zone 5 South delivered index. Instead, it will have its own separate daily and monthly index.

NYMEX Forwards



The current forward curve remains retreated compared to last year's outlook and relatively tight to last month's market view. Looking further on the horizon introduces a bit more uncertainty month to month.

LNG Exports



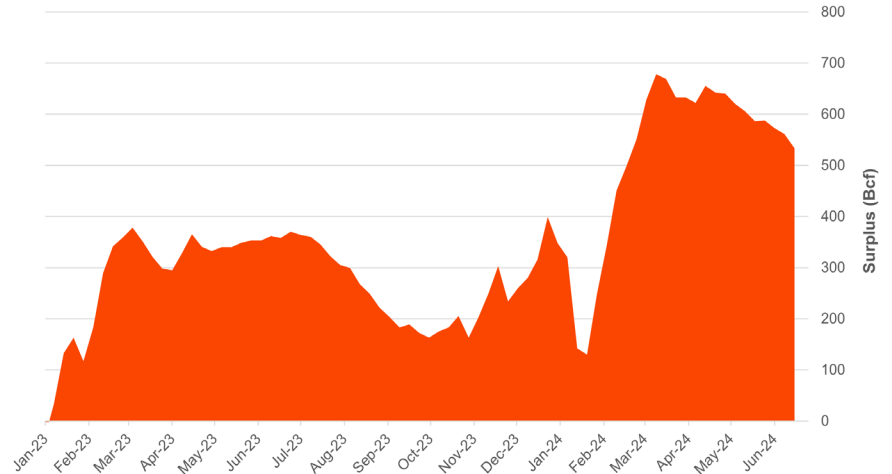
LNG exports, reported by the EIA on a quarterly lag, fell sharply in April due to planned and unplanned outages at LNG facilities across the country. Our projections indicate a return to normalcy in the ensuing months.

NYMEX Prompt History



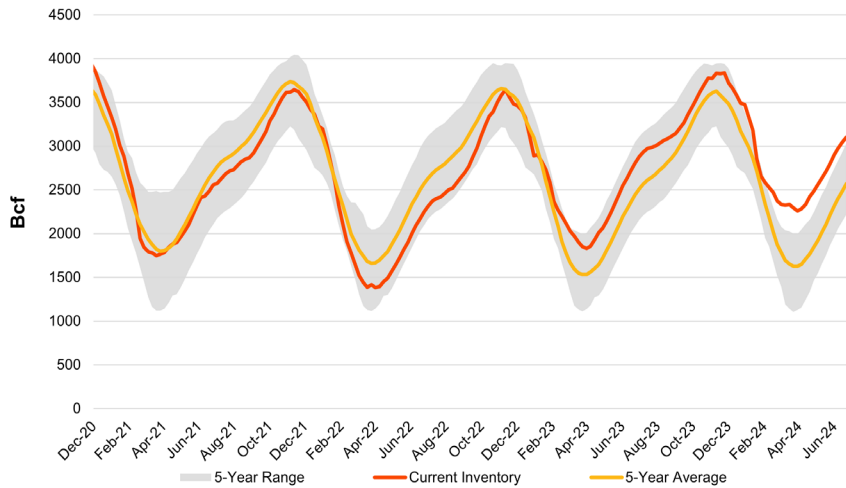
NYMEX prompt month contracts steadily descended from their five-month high from mid-June, mostly owing to increased production levels.

5-Year Rolling Average Storage Surplus



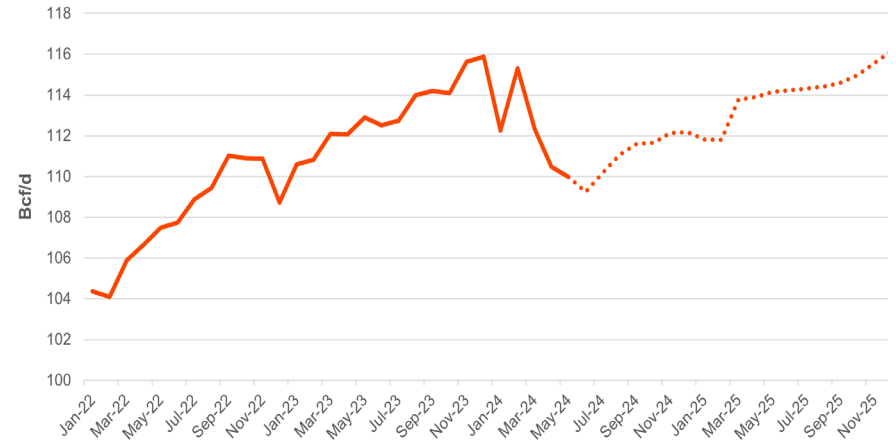
The EIA's consistently bullish storage reports in June continue to eat away at the five-year rolling average storage surplus--a figure that is 60 Bcf smaller than at the beginning of the month.

Storage Inventory



As injection season continues, forecasts point to an end-of-season storage level near 3.9 Tcf which is higher than average, even with reduced production figures in the first half of 2024.

U.S. Total Marketed Production



The curtailed production that started the year is projected to return and exceed the record production seen in December 2023, with the price support experienced in previous months, evidenced by EIA's total marketed production, reported with a quarterly lag.

News From Gas South

We're proud to announce the 2024 Impact Investment Award winners: [Mosaic Georgia](#) and [The Creative Academy](#)! As part of our purpose to **Be A Fuel For Good**® we invited employees and customers to vote for two deserving nonprofit organizations to receive a \$100,000 donation for a meaningful project that serves children in need.

Learn more about these organizations and [watch us surprise them](#) with the news!