

Pricing Outlook

The July 2025 NYMEX futures contract had an up-then-down month, opening as prompt at \$3.557/MMBtu and climbing as high as \$3.989/MMBtu during trading on June 19 before completing a bid-week slide to settle at **\$3.261/MMBtu**. The contract traded mostly sideways during the month, averaging a daily settle of \$3.654/MMBtu. A mid-month heat wave across the eastern United States boosted demand from gas-fired power plants, driving prices higher. As temperatures returned to seasonal norms, bearish factors contributed to lengthened market fundamentals and a lower settlement: weak storage injection figures, reduced LNG feedgas deliveries, and waning weather-driven demand.

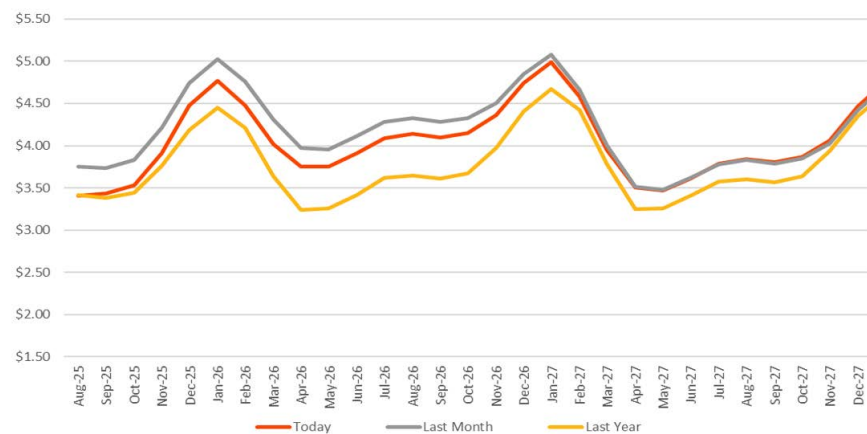
In The News

On May 29, the U.S. Supreme Court delivered a landmark decision that promises to free up infrastructure projects previously vulnerable to legal scrutiny from the National Environmental Policy Act (NEPA). Justice Brett Kavanaugh, in his majority opinion, notes that the functional implementation of NEPA had “transformed from a modest procedural requirement” into a “blunt and haphazard tool employed by project opponents” to keep projects from reaching the finish line and deter other potential projects from approaching the starting blocks.

The decision reaffirms the court’s deference to agency judgment, most explicitly giving the freedom to decide whether “other values outweigh the environmental costs” and to determine the relevant scope of potential upstream and downstream effects that may differ in time or place. In particular, the court found the U.S. Surface Transportation Board is not responsible for considering the upstream environmental impacts of drilling activities or the downstream effects of “foreseeable” refining activities on the Gulf Coast concerning the proposed 88-mile oil-transporting railroad in Utah.

This landmark case can, of course, be applied to a wide range of infrastructure projects, but it is likely to increase the appetite for new gas export, storage, and transmission projects. On the same day as the Supreme Court decision, Williams filed petitions with FERC to reconsider the previously stalled Constitution Pipeline and Northeast Supply Enhancement projects. Williams has since announced plans for an environmental assessment for Mountain Valley Pipeline’s Southgate expansion project.

NYMEX Forwards



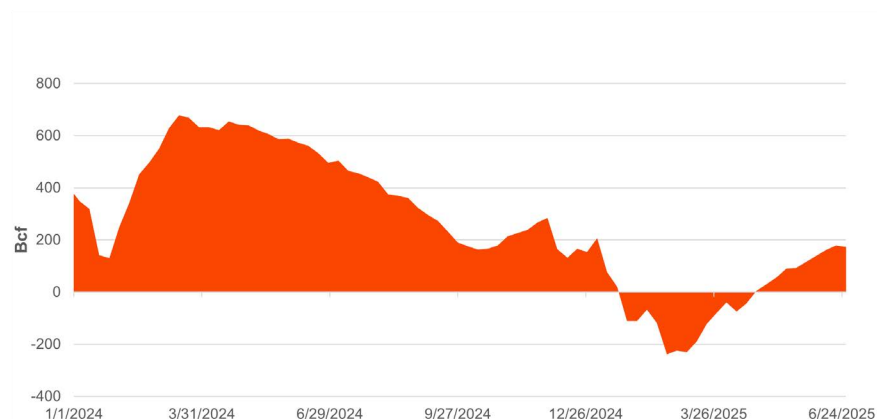
NYMEX balance of the year 2025 and calendar 2026 strips sold off during June trading, as storage inventory concerns weighed on a market with already long fundamentals.

U.S. Dry Gas Production



U.S. dry gas production, reported on a quarterly lag, reached a record high in February, with daily production averaging 107.3 billion cubic feet (Bcf). These additional molecules have contributed to a surplus in the gas storage ecosystem.

Storage Deficit to 5-Year Rolling Average



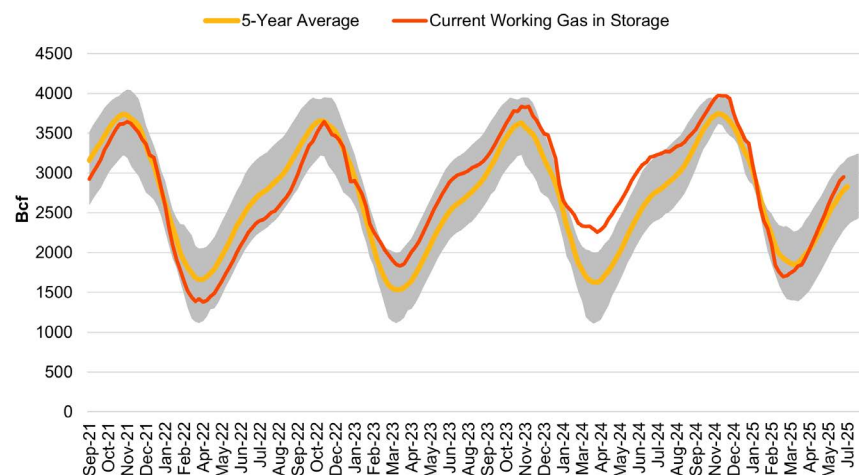
Since April 25, the U.S. storage surplus has steadily increased from 5 Bcf to 179 Bcf, extending a streak of 10 straight injections outpacing the five-year average, but it remains well shy of the major glut seen in 2024.

NYMEX Prompt History



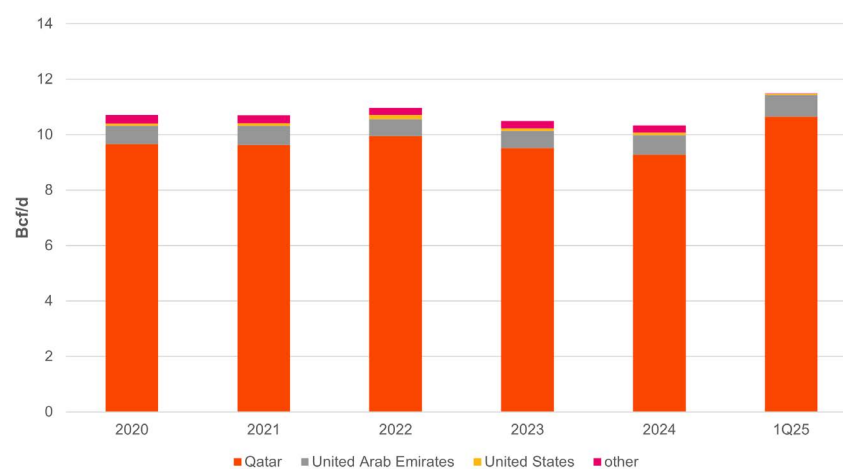
The NYMEX prompt contract traded sideways between \$3.20/MMBtu and \$3.90/MMBtu in June.

Storage Inventory



Strong supply, which continues to outpace consumption, pushes gas storage to the upper end of the five-year range. EIA's short-term energy outlook sees 3.9 Tcf by the end of this year's injection season.

Global LNG – Strait of Hormuz



Twenty percent of the world's LNG travels through the Strait of Hormuz, mostly sourced from Qatar. If conflicts in the region close the passage, it could significantly disrupt the LNG marketplace, according to an EIA report.

News From Gas South

Every year, Gas South awards Impact Investments to two worthy nonprofit organizations that support children's basic needs, health or education. We invite our employees, customers and community members to vote on their favorite causes, and we're proud to announce that this year's recipients are Lekotek, which empowers children with disabilities with accessible play and adapted toys, and FODAC, which provides refurbished equipment and services for adults and children with disabilities. Our team recently surprised them with the news and a donation of \$100,000 each—[check it out!](#)