

Pricing Outlook

The January 2025 NYMEX futures contract reached heights not seen since December 2022, trading as high as \$4.00/MMBtu on Boxing Day before falling to settle at **\$3.514/MMBtu**. All told, the contract added approximately 2.75% of value during the month.

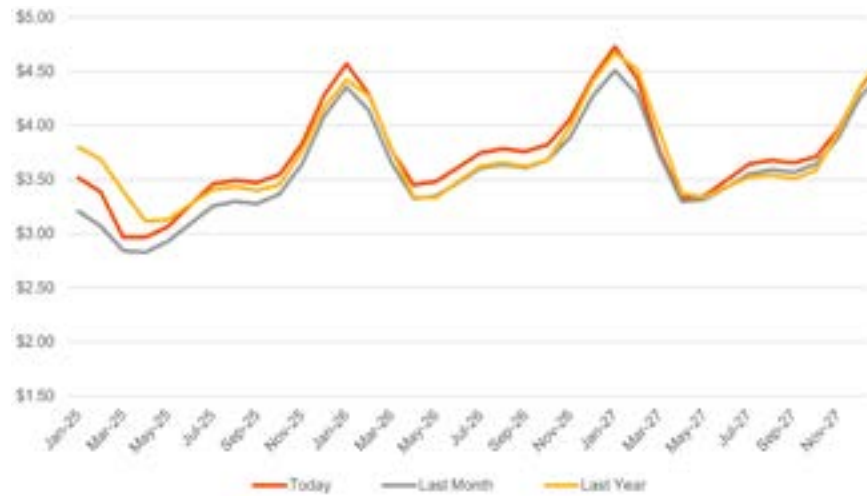
The market reacted to a few moderate cold spells in December, with high net withdrawals taking an ice pick to the storage overhang and providing price support for the two-year high. The December chill now seemed to foreshadow the upcoming winter, as January sees extended cold temperatures for much of the eastern U.S., futhering the support of the NYMEX complex and basis markets, including Transco Zone 5 South, as they respond to the localized increase in demand.

In The News

This month, FERC ruled two major decisions affecting the LNG landscape. On December 20, the agency approved Venture Global's Plaquemines LNG facility's laden export rights, and three days later, it approved feedgas deliveries to the Corpus Christi expansion project. The cumulative effect of these decisions is an expected 2.4 Bcf per day rise in LNG feedgas demand.

After a year characterized by relatively loose market fundamentals, the market will welcome any restoring force to tighter fundamentals in 2025. Although the full effect of new LNG facilities will not be fully realized this year, other potential sources of demand increase include wintry weather systems and power generation for AI datacenters. Furthermore, a bearish crude outlook could reduce the associated gas supply of oil-focused drilling, potentially providing bullish drag for a supply scene ready to bring 2024's turned-in-gas to market. LNG feedgas deliveries are expected to rise through the end of the decade as new export facilities complete construction.

NYMEX Forwards



The forward curves show a pop for Henry Hub pricing during upcoming winters as new LNG facilities come online.

Plaquemines LNG Deliveries



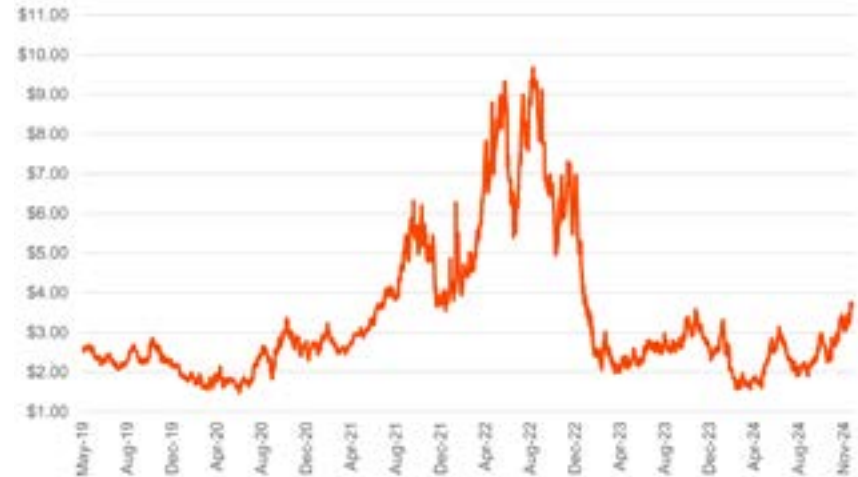
Venture Global's Plaquemines LNG, the United States' eighth major LNG export facility, ramped up receipts of feedgas throughout December. The facility is expected to announce its first laden LNG export in the coming days. Market fundamentals are expected to materially tighten as the facility approaches its nameplate capacity of 1.5 Bcf/d of receipts.

Working Gas Storage Surplus – 5-Yr Rolling Avg.



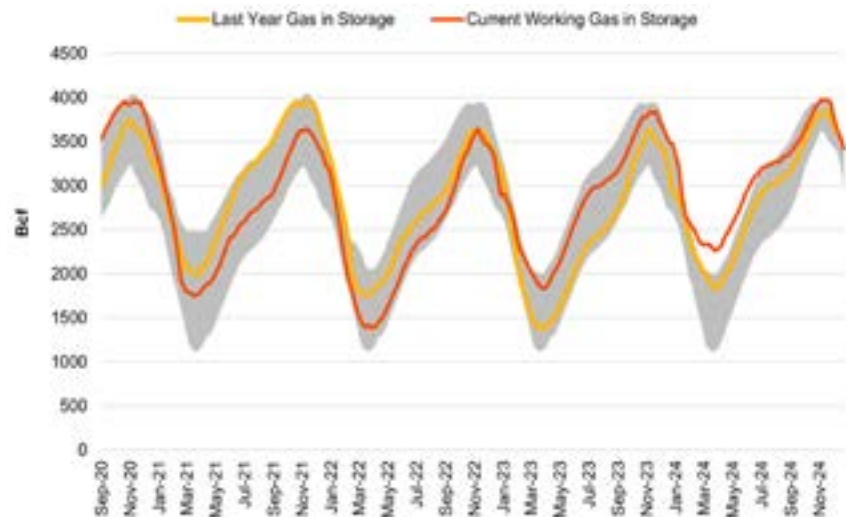
A cold start to the winter season has shaved the surplus to the five-year rolling average to just 132 Bcf. This figure is 3.8% higher than the five-year average and a mere 0.6% higher than this time last year.

NYMEX Prompt History



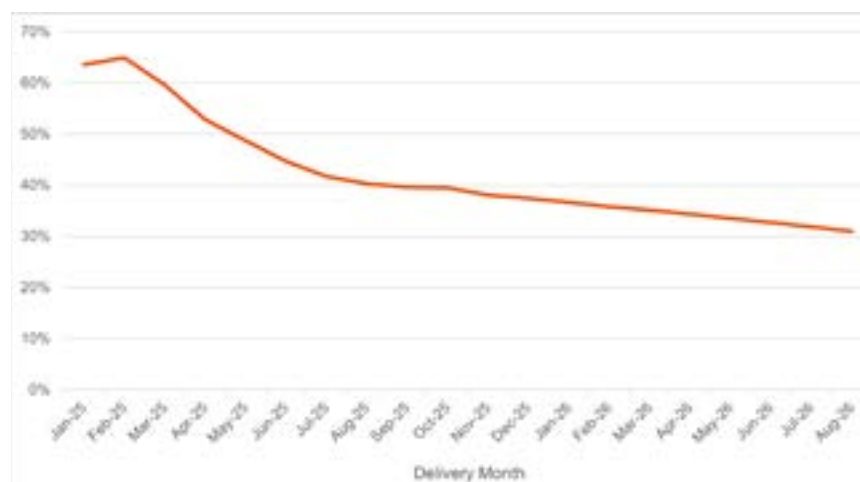
NYMEX futures rallied, driven mostly by a cold start to winter and anticipation of more such events on the horizon.

Storage Inventory



Storage levels remained on the high side of, but closer to, the 5-year average through December, with levels near 3.5 Tcf to end the month.

Implied Volatility Curve



The implied volatility of NYMEX futures displays signals of backwardation driven by uncertainty over the final depth this winter will reach. There is more camaraderie among market participants regarding the price recovery expected in the coming years.

News From Gas South

This January marks the celebration of Gas South's 19th anniversary! We're incredibly grateful for the trust and support of our customers, employees, and partners that have brought us this far. In 2025, we're employing over 400 team members, serving nearly half a million customers in 13 states and supplying over 300 Bcf of natural gas. We're dedicating to helping our customers grow as well—check out how we can serve your business on our [new web pages dedicated exclusively to commercial, industrial and wholesale customers](#).