

# Natural Gas Market Update

December 2024



## Pricing Outlook

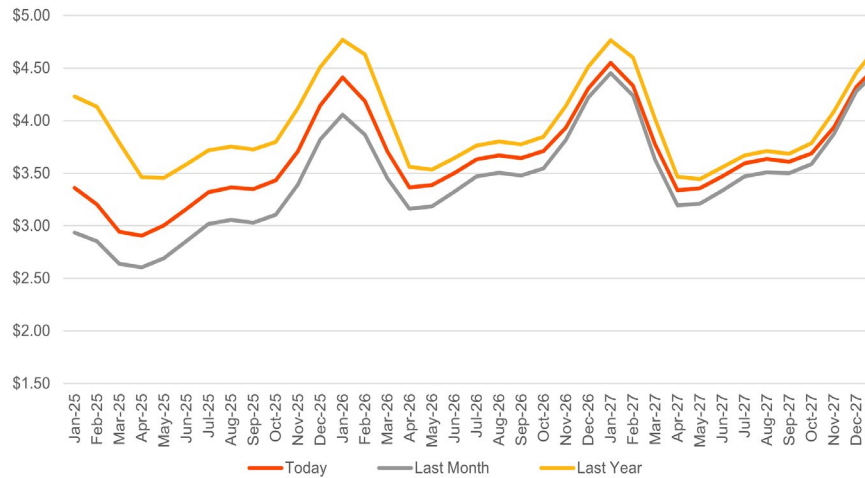
The December NYMEX contract debuted at \$2.84/MMBtu in late October, before taking a two-week dip to the depths of \$2.52/MMBtu before rallying above the \$3.50/MMBtu mark. The contract settled down to **\$3.431/MMBtu** at expiry. A cold start to December drove the upward movement over the course of the month, spiking demand as heaters across the country kicked on. The change offered relief to a recently oversupplied market. However, even with the Thanksgiving-week cold snap reversing a relatively balmy heating season, the storage surplus to the five-year moving average continues to climb. Market bulls hope this was the tip of the iceberg of an active winter season, while market bears speculate on a relatively mild winter, to the tune of the previous two seasons.

## In The News

This month, a presidential election resulted in a change of administration, which is expected to impact the energy sector come January. Experts anticipate a significant shift in philosophy and policy, including a likely end to the permitting pause on new LNG facilities seeking contracts with counterparties in countries without existing trade agreements with the U.S. The pause has affected the demand side of the LNG market, slowing growth in recent months.

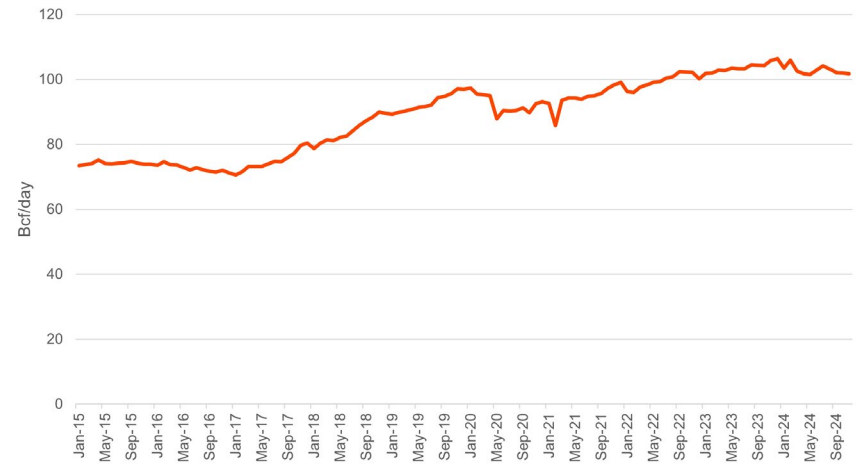
Generally, the sector expects a trend towards loosening government regulation. However, this may lead to increased judicial involvement and activity. The potential impact of proposed tariffs on international pipeline interconnects with Mexico and Canada remains to be seen. Last month, the U.S. averaged imports of over 6 Bcf/day of natural gas from Canada while exporting just under 6 Bcf/day to Mexico. The president-elect has indicated an intent to impose a 25% tariff on all products originating from these nations.

### NYMEX Forwards



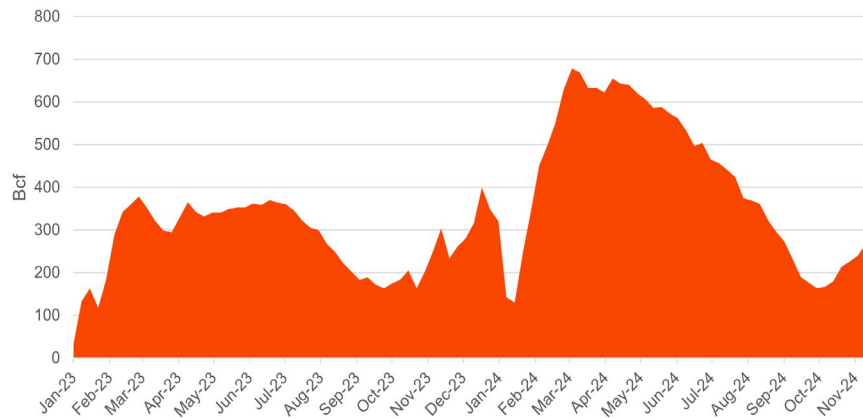
The forward market has run up since the start of November but is still depressed from the forward outlook in December 2023.

### U.S. Dry Gas Production



Natural gas molecules came out of the ground at a slowing pace through the final quarter of 2024, but this trend may reverse in December due to increased heating demand and a price environment supporting the return of curtailed production.

### Working Gas Storage Surplus – 5-Yr Rolling Avg.



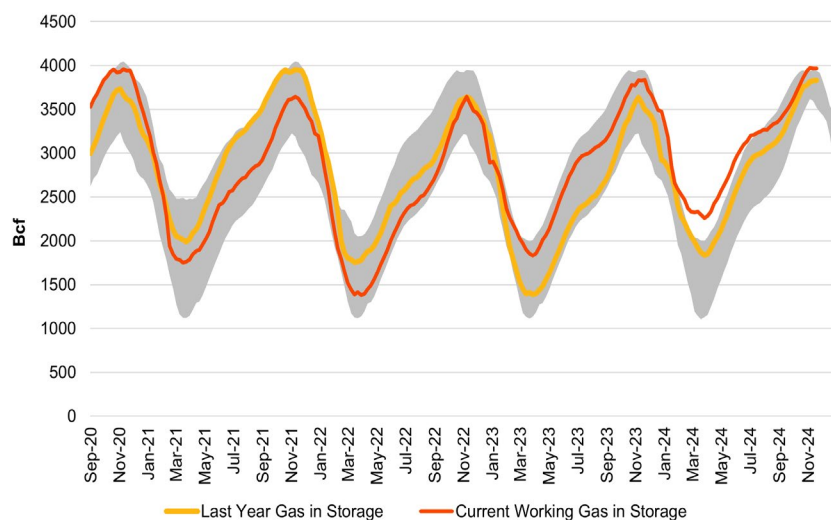
For six consecutive weeks, the storage surplus over the five-year rolling average increased. However, a cold start to December promises to change the trend, as the storage glut follows the market into the depths of winter.

### NYMEX Prompt History



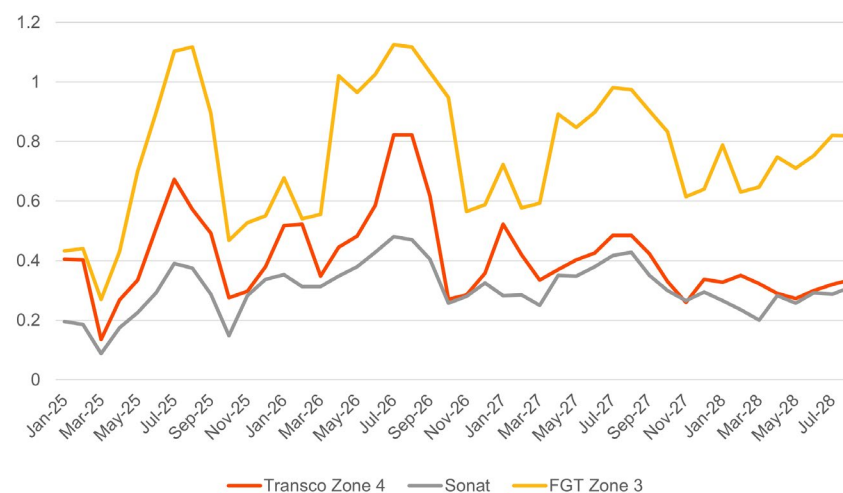
The prompt NYMEX contract ran up over \$3.00/MMBtu in November on account of high demands projected in the early stretch of winter.

## Storage Inventory



Storage levels just eclipsed the five-year maximum inventory for this week in previous years, as improved pricing brings curtailed production to the market. End-of-season storage levels are at the highest they have been since 2016.

## Southeast Basis Forwards



Southeast basis forwards see elevation in the coming summers as new AI data centers and LNG facilities bring increased demand.

## News From Gas South

We are thrilled to announce that our President & CEO, Kevin Greiner, has once again been recognized as one of [Georgia Trend's Most Influential Leaders for 2024](#). Since 2006, Kevin has led Gas South to become one of the leading retail natural gas marketers and wholesale traders in the Southeast, mid-Atlantic and Midwest.

[Kevin leads](#) over 400 employees and embodies Gas South's purpose to *Be A Fuel For Good*® by caring for our customers and employees. He also works to elevate the energy industry through our services and advocacy, including our investments of nearly \$100 million in community Solar projects. Kevin leads our acclaimed philanthropy program that gives back 5% of annual profits to support children in need.

Kevin serves on the board of directors for several community organizations, including YMCA of Metro Atlanta, Georgia Chamber of Commerce, the Atlanta Opera and the Georgia Partnership in Excellence in Education. Georgia Trend has recognized his leadership for five years running, including awarding him the title of the state's Most Respected Business Leader in 2021.