

# Natural Gas Market Update

September 2024



## Pricing Outlook

The September NYMEX contract traded sideways within 40¢ bumpers throughout August, reaching a trading high of around \$2.33/MMBtu and sinking as low as \$1.90/MMBtu before settling at **\$1.93/MMBtu**. This marks the second month in a row the prompt month has settled below the \$2.00/MMBtu mark due to milder weather forecasts, continued storage overhang, and relatively loose market fundamentals.

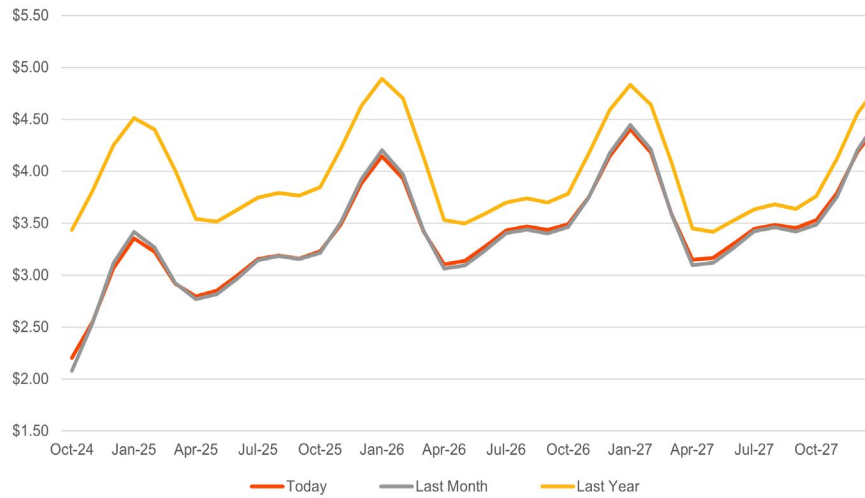
The market looks content to stay relatively quiet during the shoulder months, patiently awaiting the increased demand expected to materialize during the upcoming winter. Then, the forward curve takes a steep contango shape to find more price footing and burn through surplus storage inventory. Market bulls have their fingers crossed for a more pronounced winter than the previous season, and market bears speculate a further storage surplus from a mild winter—and any other potential ground for price footing to remain immaterial.

## In The News

The U.S. took quick action against the newly in-service Russian Arctic LNG 2 project, issuing a fresh round of sanctions on the facility and associated parties (including seven LNG-carrying vessels thought to be a part of a shadow fleet aiming to elude sanctions by various means of opaque ownership and avoidance of LNG GPS tracking systems.) This fits under the backdrop of a European trend towards energy independence from the oil and gas giant in light of their invasion of Ukraine. European partners are satisfying the displaced LNG appetite in American and Qatari markets.

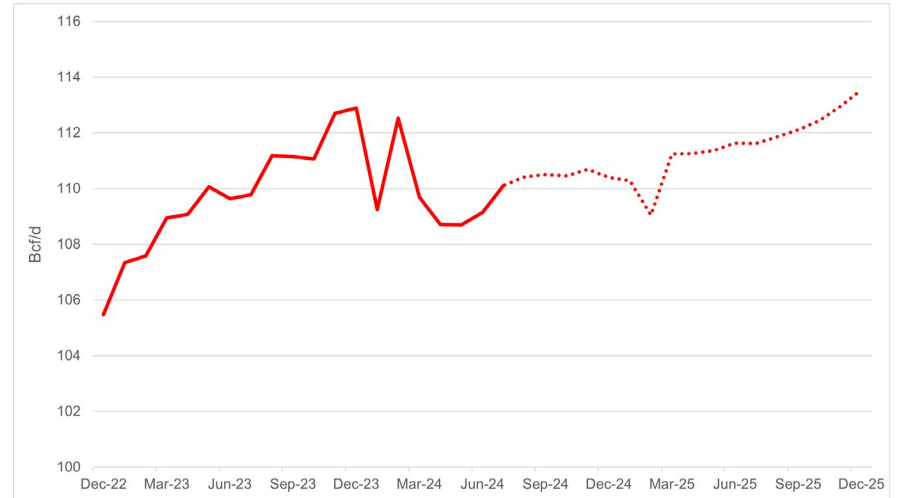
Domestically, the Plaquemines LNG plant, located south of New Orleans, is on track to become the United States' eighth major LNG export facility. The plant is currently undergoing initial preparations to begin liquefying feedgas and is expected to start exporting in the coming weeks.

## NYMEX Forwards



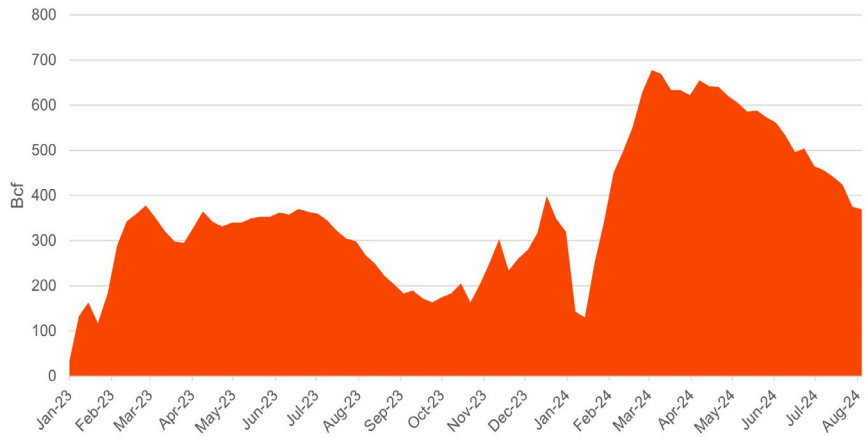
The forwards market did not see too much movement through the month of August, with few contracts straying from the value determined in the previous month.

## U.S. Total Marketed Production



The Energy Information Administration (EIA) forecasts total marketed production to increase through December 2025 thanks to growth in LNG demand and data center power generation.

## 5-Year Rolling Average Storage Surplus



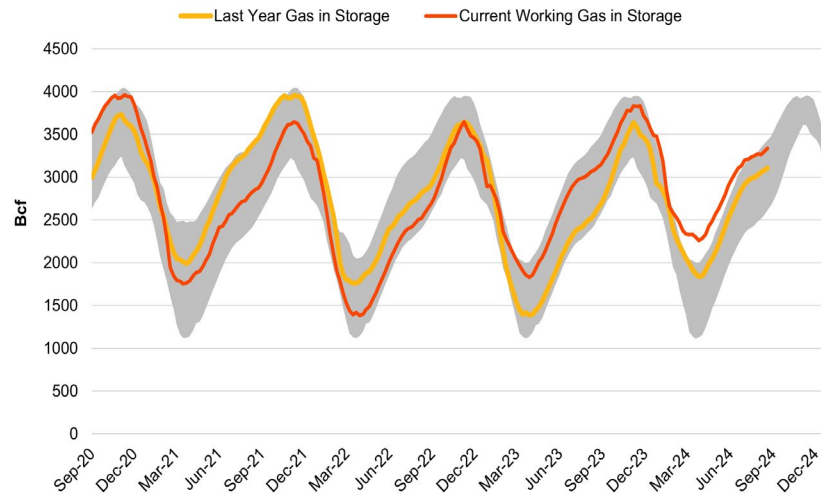
August was favorable in the EIA's Thursday morning storage reports, and the U.S. storage glut continues its glacial retreat.

## NYMEX Prompt History



After a miniature bump lifted prompt month prices above the \$2.30/MMBtu mark, the end of August saw the September contract drift back under \$2.00/MMBtu.

## Storage Inventory



As of the week ending 8/23, current levels of working gas in storage are 12.1% higher than the 5-year rolling average and 7.3% higher than last year's level. Projections have declined on the month and a decreased production profile forecast the end-of-season storage landing around 3.8 Tcf.

## Freeport LNG Feedgas Deliveries



The market-moving Freeport LNG saw a return to normal levels of feedgas receipts. Public scheduled quantity data from interstate gas transmission pipelines show Hurricane Beryl slowed operations on Freeport's three liquefaction trains in early June. An unplanned outage late in the month caused European markets to scramble for uncertain foreign gas supply. Note: these figures are not wholly descriptive of total receipts to the facility.

## News From Gas South

We're proud to have been recognized as one of the Top Workplaces in Atlanta by the *Atlanta Journal-Constitution*. Out of 9,000 nominees from the metro area, Gas South placed #25, with special acknowledgment of our innovation, work-life flexibility, compensation and benefits, leadership, and purpose and values.

Our team is what makes us a different kind of natural gas provider. The culture we've built ensures our employees can bring their best to work every day. And it makes us better partners to our customers.

For more details, read about our accomplishment [here](#).