

# Natural Gas Market Update

April 2024



## Pricing Outlook

The April 2024 NYMEX contract enjoyed a relatively stable reign, steadily descending from \$1.81/MMBtu on its February 27 inauguration to settle at **\$1.58/MMBtu** on its March 26 expiration. This marked the second-lowest prompt month settlement since 2014. The contract rose to trade as high as \$1.96/MMBtu in early March before weak market fundamentals, highlighted by a near eight-year high storage surplus, continued to drag down gas prices. The May contract takes over prompt status at \$1.79/MMBtu, a figure down 46% from the projected value this time last year.

The storage inventories grew by an estimated 7 Bcf injection for the week ending 3/15. Over the last five years, the second week of March has recorded an average of 42 Bcf withdrawal, and 2023's withdrawal figure was 68 Bcf. This unseasonal trend sees working gas in storage levels 41% higher than the five-year average and 15% higher than the five-year maximum. Some late wintery weather sees the market return to withdrawing gas from storage for the remainder of March, tightening the market fundamentals.

## In The News

Top energy leaders from around the globe gathered in Houston for S&P Global's CERAWEEK conference to discuss industry trends and market outlooks. A mainstay conversation piece was the transition towards cleaner energy sources and the relevant interplay with the short-term need for reliability due to projected increased LNG demand and increased power generation needs for data centers serving budding artificial intelligence-based technologies. S&P Global Commodity Insights estimates U.S. LNG feedgas demand to increase by 90% from 2023 to 2028 and U.S. data center power generation to be up 30% from 2023 to 2030.

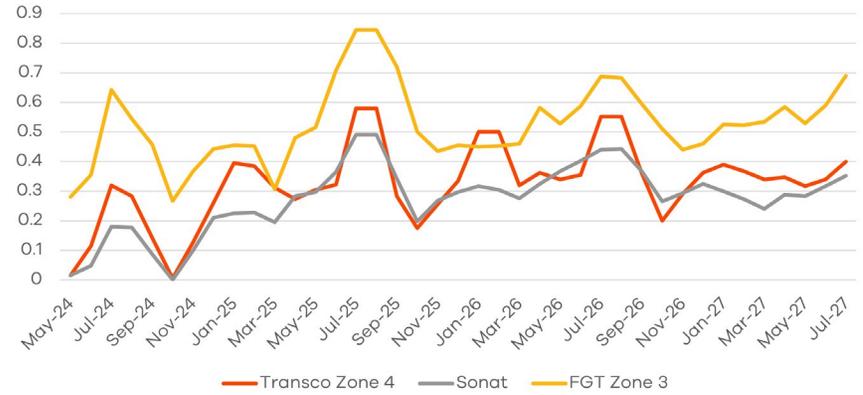
Additionally, U.S. Energy Secretary Jennifer Granholm revealed a potential timeline for the duration of the White House's current pause on new LNG permits with countries that the U.S. does not have existing Free Trade Agreements. Granholm predicted that the stay would be "well in the rearview mirror" by the 2025 edition of the conference next March.

### NYMEX Forwards



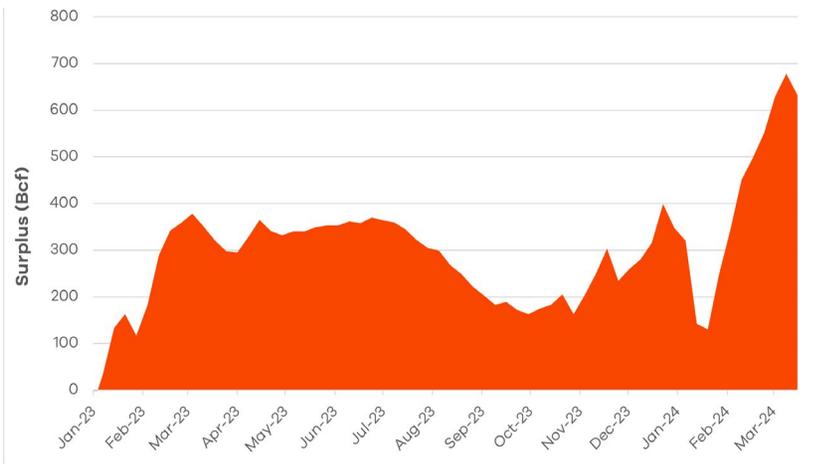
The market remains relatively stable month over month through March, persisting in a depressed condition compared to last year's market outlook.

### Southeast Basis Forwards



The Southeast basis curves see price elevation in the short-term summer 2024 outlook and longer-term horizons due to LNG feedgas demand and burgeoning power demands.

### 5-Year Storage Surplus



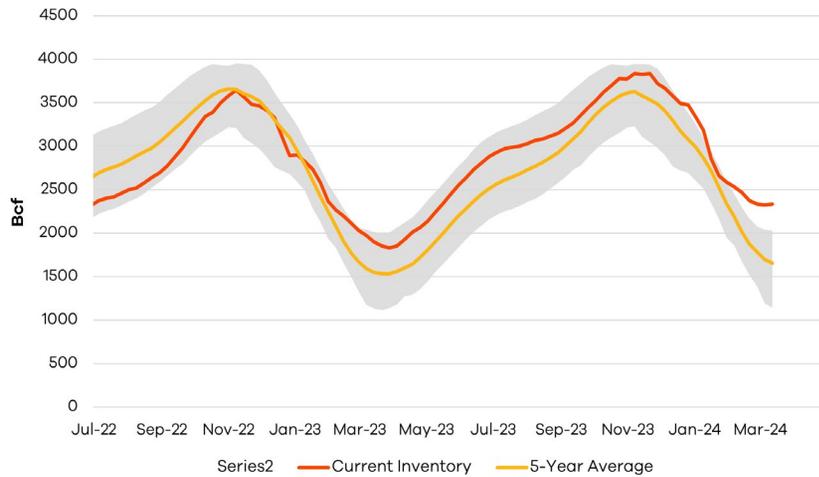
The surplus between the 5-year average and current levels of working gas storage inventory levels has risen significantly in the first quarter of 2024 in large parts due to low heating demand and a mild winter.

### NYMEX Prompt History



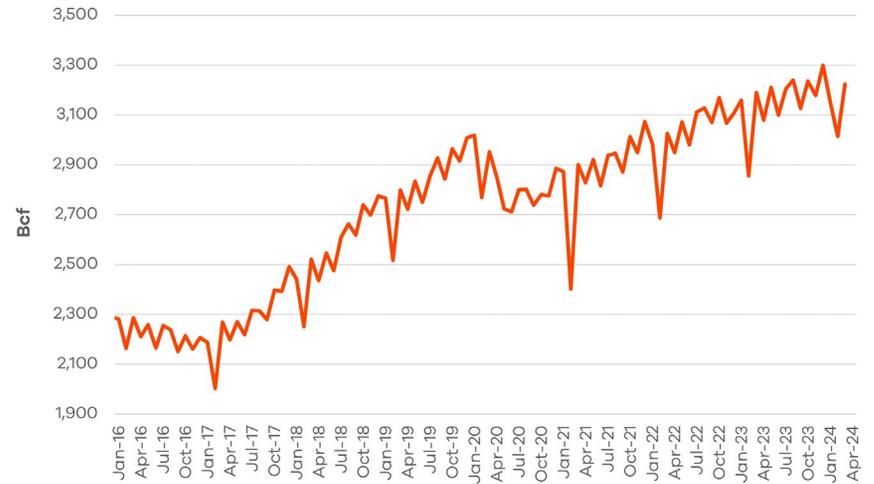
The NYMEX prompt month continues to trade around near-record lows amidst abnormally high storage levels and decreased demand.

## Storage Inventory



March sees an amplification of the trend that arose in February: storage levels above the 5-year max and near 8-year record highs.

## U.S. Dry Gas Production



US dry natural gas production has rebounded in April from winter lows but has not achieved the record highs seen in late 2023, as low commodity prices and a contango market see curtailed production.

## News From Gas South

We're proud to announce our new corporate values that reflect and inspire who we are at Gas South. This set of guiding principles drives us to make a difference for our valued customers, incomparable employees and vibrant communities:

- Do What's Right
- Own It
- Serve Others
- Be Better Together
- Keep Growing

Hear directly from our team on how we live out [these values](#).