

Pricing Outlook

NYMEX forward pricing has consistently trended upward over the past few weeks. In October, the NYMEX November contract reached a peak of \$2.90 during settlement and subsequently rose to its latest height of \$3.30, marking a 40-cent increase. This price surge extended to the entire winter strip, with NYMEX contracts for November 2023-March 2024 starting at \$3.30 at the beginning of the month and currently trading around \$3.62. With the increase in prompt pricing, storage spreads to winter have tightened by about 10 cents.

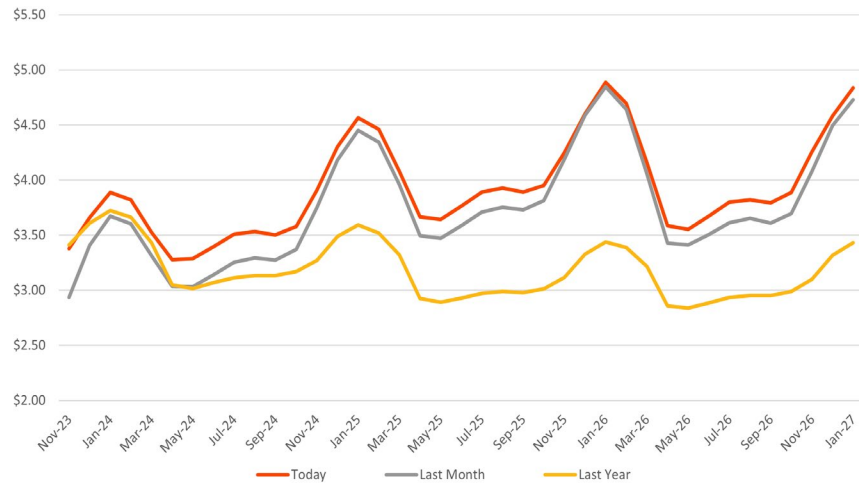
NYMEX prices remain volatile and unpredictable. We have not seen natural gas prices this high since last January. Multiple factors, both here and around the world, are fueling the higher prices: a sudden jump in crude oil prices due to Middle East tensions, renewed strike plans in Australia's Chevron LNG facilities, and forecasts of cooler weather boosting demand in key areas. Lighter-than-expected storage reports and weak production estimates also fan the flames for pressing futures higher.

In The News

Reports are forecasting that U.S. natural gas consumption reached an average of 80.5 billion cubic feet per day (Bcf/d) in September, which is 5% higher compared to the same period last year. This sets a consumption record for September. The uptick can be attributed to increased natural gas-fired electricity generation, driven by high demand for air-conditioning from the summer heat, as well as a decrease in generation from coal-fired power plants.

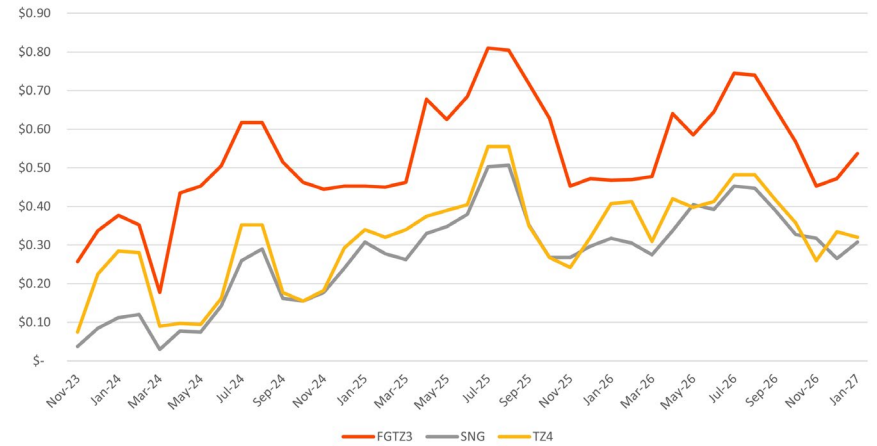
In the first half of 2023 (1H23), the U.S. achieved record natural gas exports, surpassing its previous year-to-date export figures. During this period, natural gas exports averaged 20.4 billion cubic feet per day (Bcf/d), marking a 4% increase (0.8 Bcf/d) compared to 1H22, as reported by the U.S. Energy Information Administration (EIA). This remarkable growth in natural gas exports was primarily attributed to the expansion of liquefied natural gas (LNG) exports, although pipeline-based exports also saw an uptick. The U.S. entered the LNG export market in 2016 with the launch of Sabine Pass LNG, which became the first LNG export terminal in the lower 48 states.

NYMEX Forwards



The longer-term NYMEX trend shows a consistent rise as we extend our gaze into the future. This upward trajectory is, in our view, linked to the anticipated expansion of LNG export terminals in the United States.

Basis Forwards



Southeastern basis markets continue to elevate in the long term (CY25 forward) and have taken on seasonal summer spikes—likely a reflection of increased maintenance and upcoming LNG export terminals in the Southeast.

U.S. Dry Gas Production



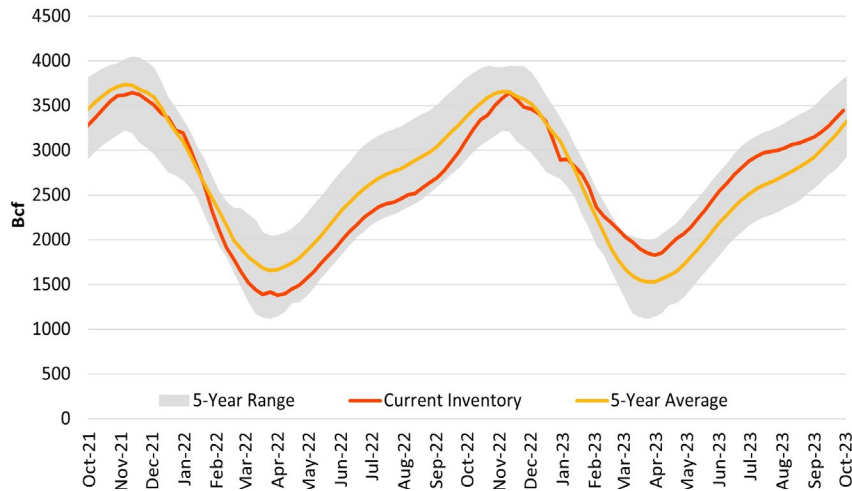
Despite the low-price environment, monthly dry gas production, which is reported on a 2-month lag, hit another all time high of almost 104 Bcf/day in July. Production

NYMEX Prompt History



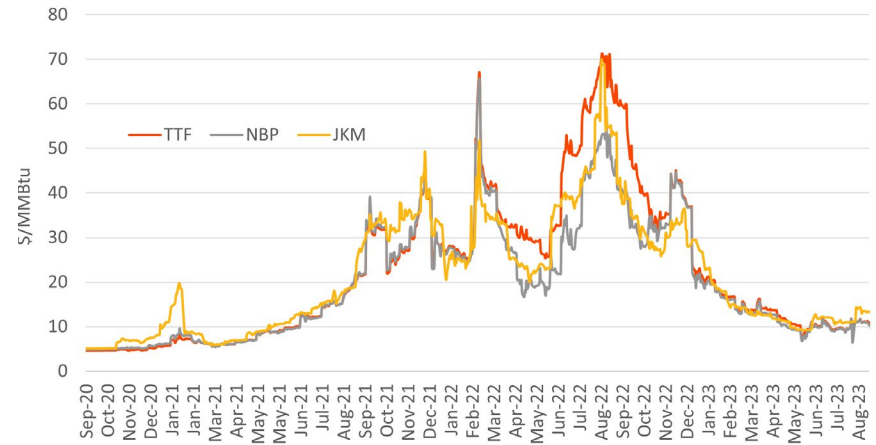
Since taking over the prompt month position, the November contract has continued to increase, with this upward pressure extending along the rest of the forward curve.

Nationwide Storage Inventory



The traditional injection season has concluded with the final inventory within 5% of the five-year average. At this point, end-of-summer inventory is no longer a major factor in market movement, and market attention will shift to expected winter withdrawals based on weather-driven demand.

Global LNG Prices



The U.S. has become the world's largest exporter of liquefied natural gas (LNG), with exports increasing over 300% over the last five years. Increased European demand has fueled U.S. dominance in the international LNG market.

News From Gas South

Did you know we've been the official natural gas provider of the Atlanta Braves since 2008? Our hometown team and longtime partners had a great season this year, and we can't wait to join them as we [move our Atlanta headquarters to the Battery!](#)