

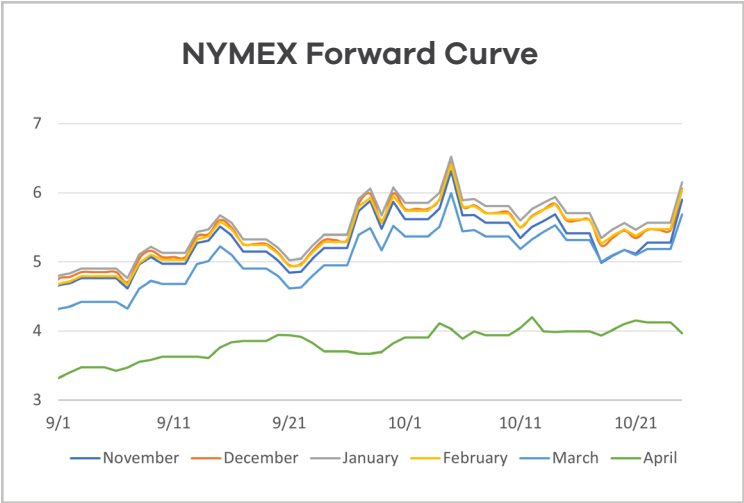
## News From Gas South

As a company that strives to “Be A Fuel For Good,” we award \$300,000 in Impact Investments to local nonprofits every year. Read about the six recipients our employees chose for 2021 in our [press release](#).

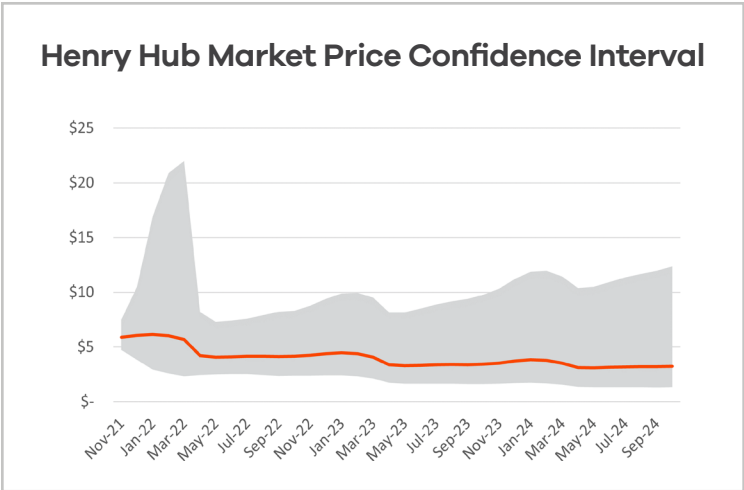
## Pricing Outlook

Prices were seesawing to extremes throughout October, with an initial prompt month high of almost \$6/MMBtu on Oct. 8 and a low of \$4.83/MMBtu just 6 days later on Oct. 14.

This trading pattern dominated much of October. Just last week, the November NYMEX natural gas futures contract spiked more than 30 cents and expired on its last day settlement at **\$6.20/MMBtu**, only to be followed up by a 35-40 cent reduction the next day.



Heating season NYMEX prices have climbed steadily since June, and they’re at their highest levels since early 2014. Market prices fall off significantly after March 2022.



The 95% price interval for gas prices in the upcoming heating season reflects market extremes that could drive Henry Hub prices north of \$20/MMBtu.

Fundamentals for Consideration

Low Storage Nationwide

Mild temperatures have allowed for strong storage injections over the past few weeks. In the week of an injection-season-long shortfall, inventories are projected to end the traditional injection season around 3.6 Tcf, which is about 3% below the 5-year average.

An Autumn Chill

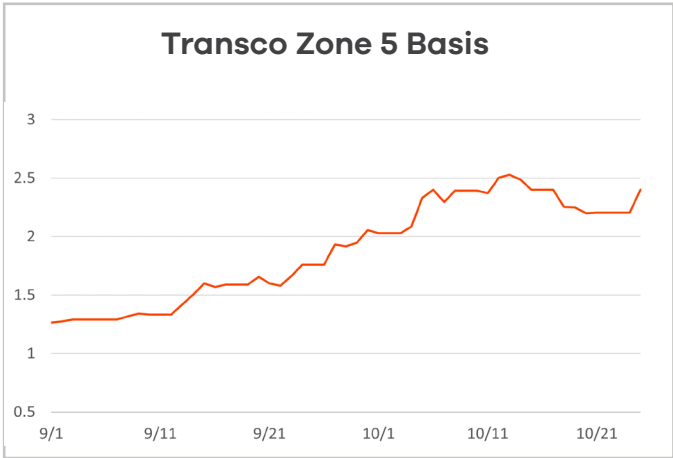
Keep an eye on the weather—the next six to eight weeks are likely to have a material impact on the direction of the market.

Strong U.S. LNG Exports

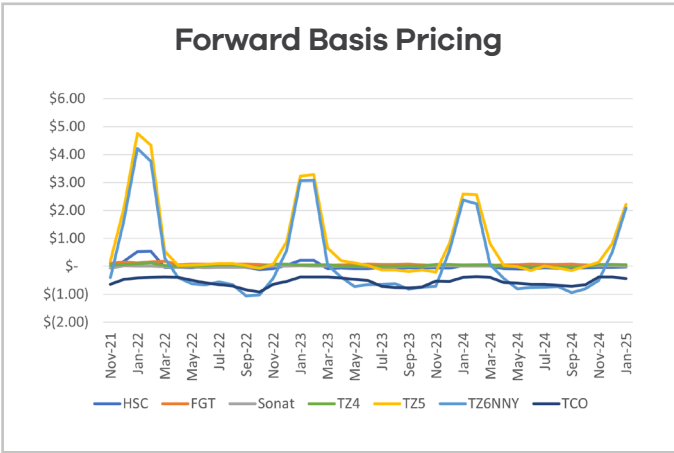
With the global price of LNG trading above \$20/MMBtu in some locations, U.S. LNG export terminals have a natural incentive to run at high capacity. Currently, the U.S. exports comprise about 12% of domestic production capacity.

Lagging Production

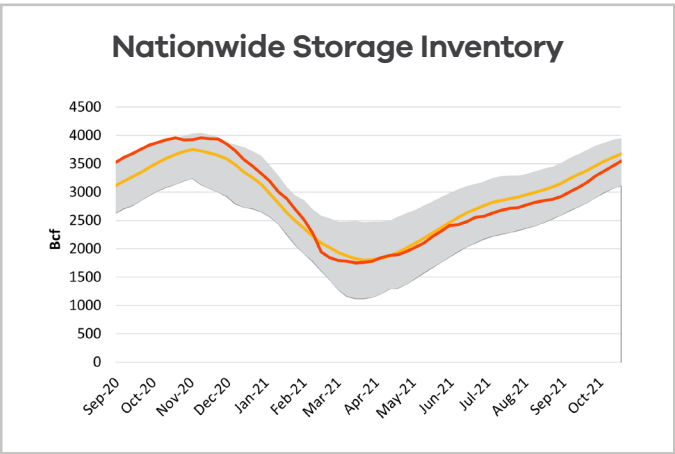
With the traditional heating season about to begin, marketed natural gas production remains about 5-7% down from pre-COVID-19 levels.



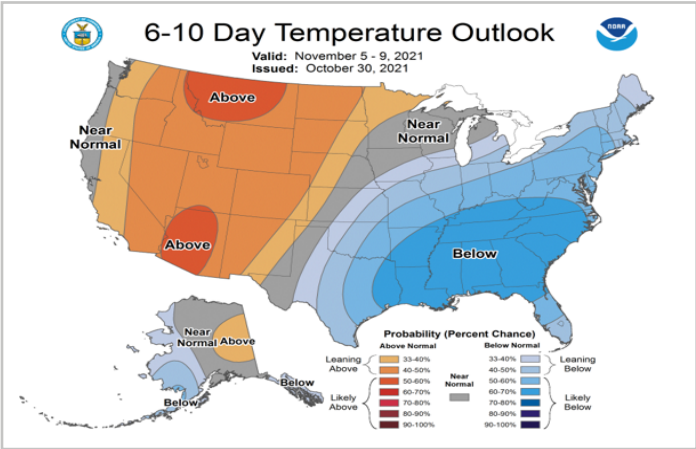
The Transco Zone 5 basis, a good proxy for deriving the costs of delivered gas into the Southeast market area, remains elevated. It has come off of mid-month peaks.



Winter season premiums are expected to be steep in Transco Zones 5 and 6. Prices have increased amidst capacity project delays and recent market price pressure.



Storage inventory continues to lag the five-year average, but recent injections have helped narrow the gap.



At the start of November, the National Oceanic and Atmospheric Administration (NOAA) 6-to-10-day outlook shows below average temperatures across the central and eastern U.S.