

Natural Gas Market Update

March 2024



Pricing Outlook

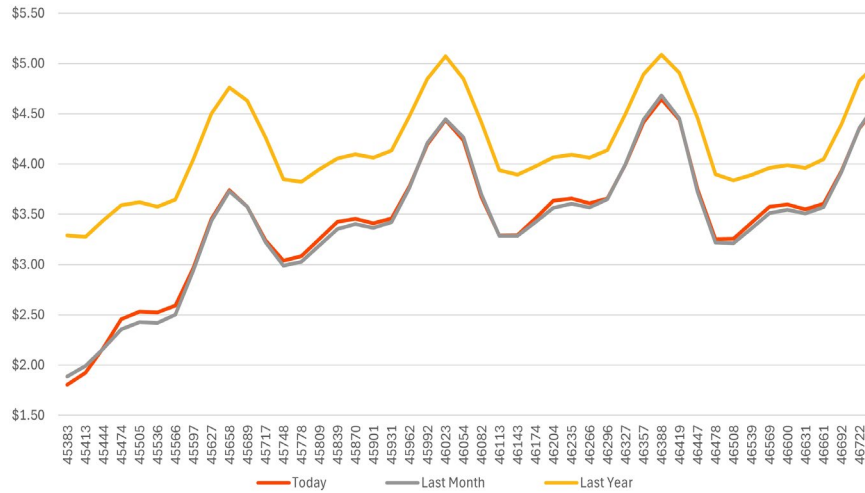
The groundhog was correct this year! During the warmest February on record, the NYMEX prompt month traded well below \$2/MMBtu before settling at **\$1.62/MMBtu** for March. A round of early cold weather out west and in the northeast has supported a humble \$0.20-\$0.25 rally. But with a warm-weather outlook and storage levels above the five-year maximum, the summer strip sees the NYEMX trading below \$2.60/MMBtu for every month until October 2024. In addition, spot prices across the country have seen a discount to the NYMEX prompt month trading, averaging closer to \$1.40/MMBtu by mid-March.

Following January's downturn in U.S. dry gas production due to weather-related operational issues, the Energy Information Administration's (EIA) February production estimates show that the return-to-normal production uptick has lagged behind pre-freeze-off levels. This can likely be attributed to gas producers' keenness to scale back activities at all stages of the production process in response to the commodity price outlook and mild weather trends, evidenced by a 22.5% drop in active rig count from this time last year.

In The News

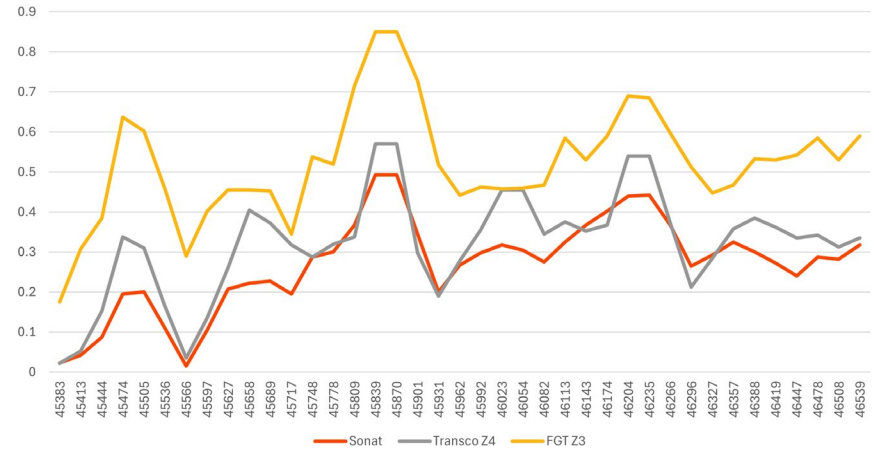
On March 6, the Securities and Exchange Commission (SEC) concluded a two-year discussion for a proposed rule change affecting publicly traded companies' responsibility to disclose environmental impacts and emissions to investors. The final decision includes relaxed requirements in the form of the exemption of smaller firms and elimination of scope 3 emissions (indirect emissions or any emissions arising from consumer use after the sale of a good) from reporting. The changes will take effect in 2025. The decision catalyzes the ongoing trend away from coal towards natural gas, as corporations prepare for the energy landscape of the future.

NYMEX Forwards



Trends from February are rolling into March as the market remains oversupplied and the tame winter's potential last act forces a light jacket in certain parts of the Western and Northeastern U.S.

Basis Forwards



As was the case in February, the long-term Southeast basis curves remain elevated, particularly so for 2025 and beyond as the market reflects the forthcoming regional LNG export facilities coming online and incremental demand along the Gulf Coast.

U.S. Dry Gas Production



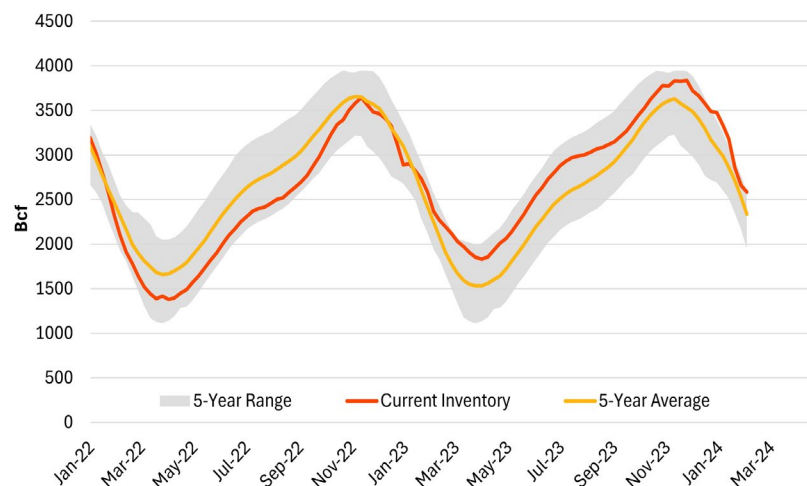
There remains a trending downturn in production in Q1 2024 to balance market dynamics, though producers are still eager to increase production in coming years to supply increase LNG export demand.

NYMEX Prompt History



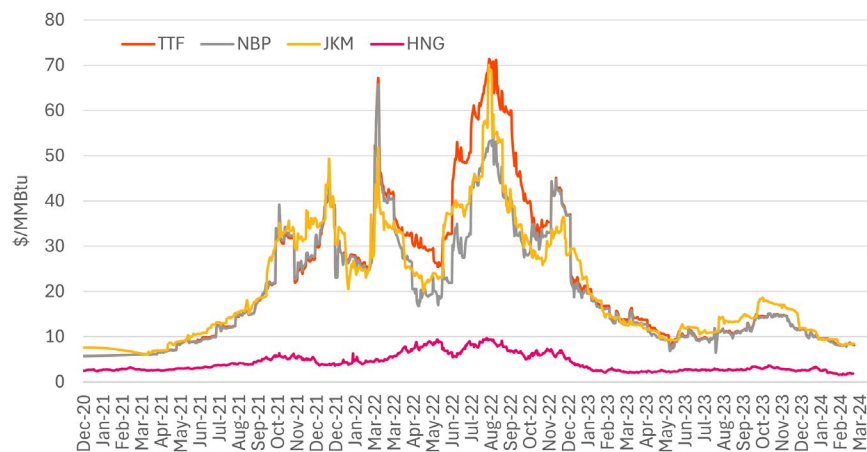
In early March, NYMEX prompt month contract prices have seen a humble boost from its late February low of \$1.60/MMBtu to at times approach \$2.00/MMBtu.

Nationwide Storage Inventory



A warm end to the winter leaves in-ground storage levels above the five-year max, a surplus that is contributing to a dip in gas prices approaching injection season.

Global LNG Prices



Global LNG prices remain elevated compared to Henry Hub but have seen similar declines in recent prompt month prices.

News From Gas South

We're pleased to announce recent leadership changes that position our company that will ensure we continue delivering the best in natural gas solutions.

- Manon Brochu, Chief Operating Officer (COO), will retire from Gas South after 18 distinguished years of service to the company.
- David Malone, formerly Chief Sales and Marketing Officer (CSMO), will succeed Brochu as COO with an expanded role of bringing together operations, customer care and IT to further provide a seamless experience for customers.
- Jason Dolder, formerly Vice President of Sales, will succeed Malone as CSMO and lead strategic initiatives to drive sales growth and brand visibility.

Kevin Greiner, Gas South President and CEO, says, "These appointments will continue the growth momentum we have experienced over the last several years, including achieving record customer growth in 2023." Read more in our [press release](#).