

## Pricing Outlook

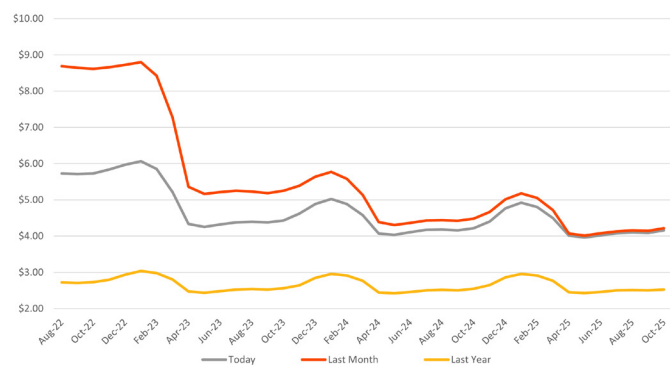
June brought about another wild ride in the natural gas market, highlighted by some of the broadest price swings on record. We saw multiple single-day price swings in excess of \$1.20. After rallying to a morning high approaching nearly **\$10 per MMBtu** on June 8, the prompt month contract collapsed over the following three weeks by more than 40%, ending trading on June 30 at **\$5.43 per MMBtu**.

The bullish sentiment experienced during the spring's run-up came to a screeching halt on June 8 in the wake of a fire at the Freeport LNG export terminal. The Freeport facility was liquifying 2 Bcf of gas per day for export overseas, predominantly to high-priced European destinations that have been stretched by conflict in Ukraine. The Freeport outage altered the supply-demand balance, and the market has responded in kind.

Storage inventories will have a chance to narrow their deficit to the five-year average. Another 2 Bcf of gas supply per day will be available to the market (at least through the early fall), and pressure on gas-fired power generation will find some relief.

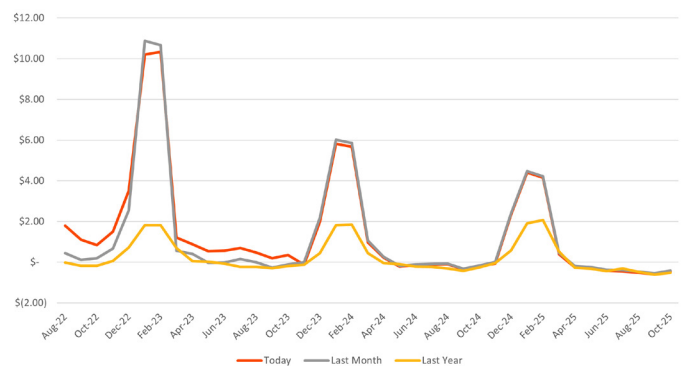
Still, while NYMEX prices have fallen, locational basis trading in many locations throughout the Southeast has surged to new highs. Southern Natural Gas, Transco Zones 3 through 6, and Florida Gas Transmission locations are all trading at levels not seen in years or even decades. The somewhat unprecedented basis run-up has come amidst increasing demand for gas-fired power generation as supply shortages and rail constraints upend the coal market.

### NYMEX Forwards



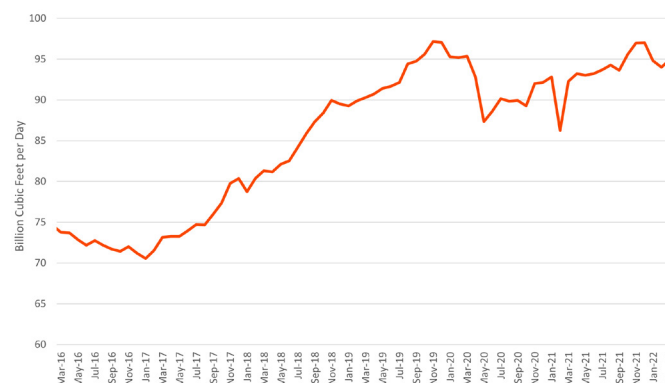
NYMEX forwards are now trading well below peak levels at the start of June. Prompt month prices are down more than 35% from their June intramonth highs.

### Transco Zone 5 Forwards



Transco zone 5 basis forwards remain strong, with elevated basis levels throughout the Southeast as coal and rail constraints place increased pressure on gas-fired power generation.

### U.S. Dry Gas Production



Monthly dry gas production, which is reported on a two-month lag, is hovering around 95 Bcf/day.

## News From Gas South

In case you missed it, we presented a free, live webinar: [The Ultimate Guide to Current Natural Gas Prices for Industrial Users](#). We break down the fundamentals, provide expert insight and show how you can protect your business in a volatile market. [Click here](#) to check it out anytime.

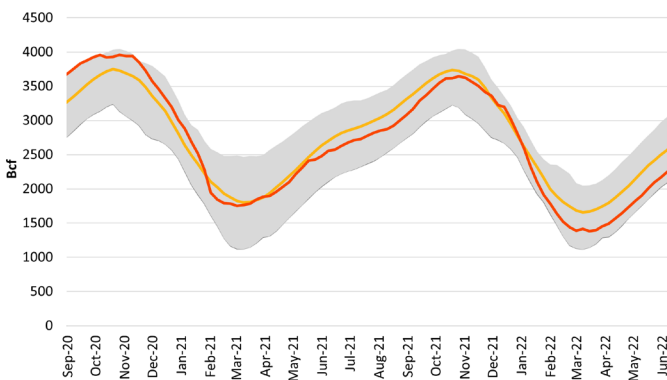
Don't miss our next webinar: [Start Your Journey to Net Zero With FlexRNG](#). On Wednesday, July 20 from 12 – 1 pm, we'll dive into our first-to-market turnkey solution to decarbonize your natural gas consumption. Learn more and register today on our [event page](#).

### NYMEX Prompt History



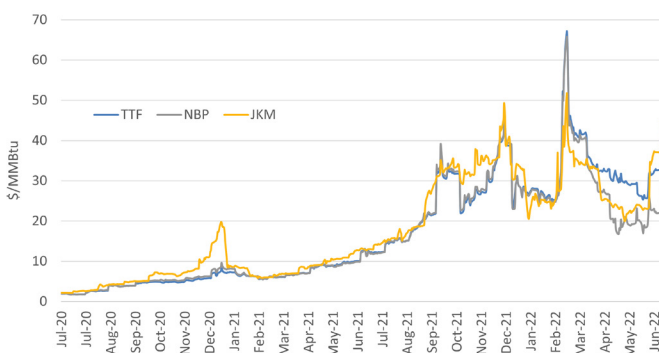
After flirting with the \$10/MMBtu barrier, NYMEX natural gas prices plunged on news of an extended outage at the Freeport LNG export terminal. An additional 2 Bcf per day of gas available to the market has upended the recent supply balance.

### Nationwide Storage Inventory



Working gas in storage continues to trail the 5-year average, but the gap has narrowed as recent injections have been stronger than usual.

### Global LNG Prices



Prices for natural gas in Europe and Asia, whose markets are supported by global LNG exports, are sharply higher in the wake of the Freeport LNG outage.