

Pricing Outlook

Bearish fundamentals weighed on the NYMEX natural gas futures throughout October, as the **prompt month contract slid about 15%**. Production data has been robust, and a strong end to the traditional storage injection season has helped calm some market price fears.

Still, gas prices remain volatile, and news of shifting fundamentals tends to drive quick market reactions. As focus moves increasingly toward winter weather and the outlook for heating demand, daily market price swings continue between 5-10%.

LNG Exports

The latest indications on the Freeport LNG export terminal suggest the facility will return to service in January (previous reports projected mid-November). Since Freeport went offline in June, the fundamental landscape has changed dramatically, removing 2Bcf from the national demand balance. October maintenance at Cove Point's LNG facility also took some demand off the table.

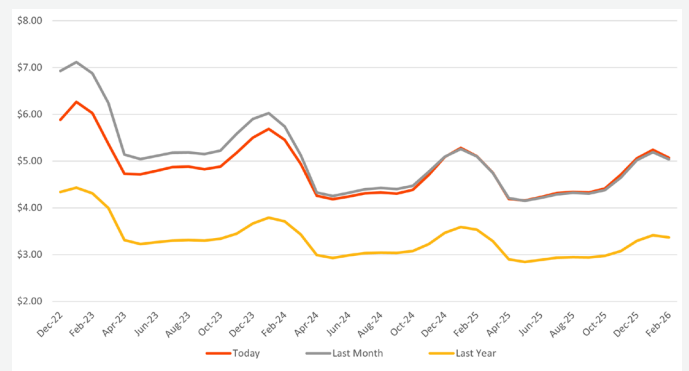
Storage

In the U.S. and Europe, storage inventories are approaching traditional averages, and both markets appear "ready" for winter. In fact, Europe is seeing a bit of a supply glut. A backlog of incoming LNG cargoes is being used as floating storage with natural limitations to import capacity. Nevertheless, the timing of the Freeport's entry back into the market could drive momentum in U.S. gas prices since it comes at the height of the heating season.

Pipeline Capacity

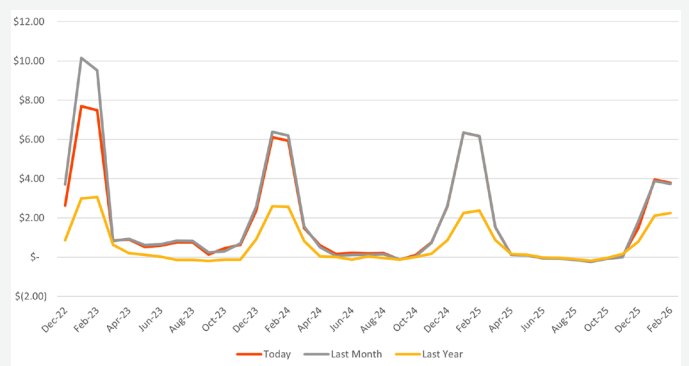
The Mountain Valley Pipeline project continues to face setbacks. A federal circuit judge ruled last week that regulators haven't clearly explained how the risks of future water pollution will be effectively mitigated. Permitting for the 303-mile pipeline was also challenged by environmental groups in light of several water quality violations. The longer term forward prices in Transco Zone 5, MVP's end-use design market, are trending higher in 2024 and 2025.

NYMEX Forwards



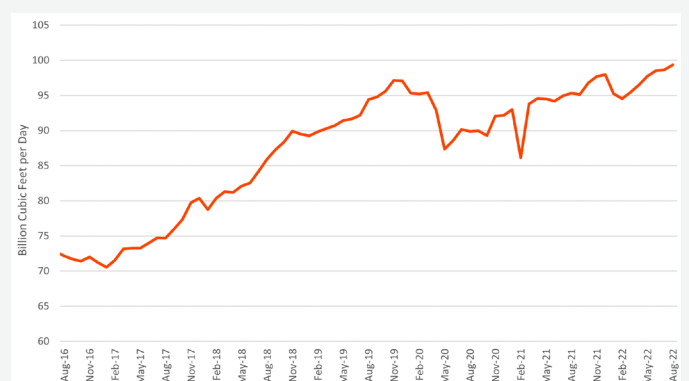
NYMEX forwards drifted lower over the course of the past month. The 2023 calendar strip is now solidly **below \$6**.

Transco Zone 5 Forwards



Basis prices across the Southeast are still strong, but they've retreated from late summer peaks.

U.S. Dry Gas Production



U.S. dry gas production continues to scale up into the elevated price environment.

News From Gas South

We're proud to share that our president and CEO, Kevin Greiner, was named one of Georgia's most influential business leaders by Georgia Trend. This inaugural list recognizes the leaders who help drive the state's economy to new heights year after year. Recently, Kevin has been sharing his insights with business and charitable communities around Georgia. Specifically, about the impact of a key 2015 leadership decision—articulating our purpose: **Be A Fuel For Good**.

Since then, Kevin made sure to integrate that purpose into every part of our business, from our workplace culture to investments, partnerships and community giving. Being a purpose-driven company has triggered positive business results and created a cycle of "good" that continually feeds itself.

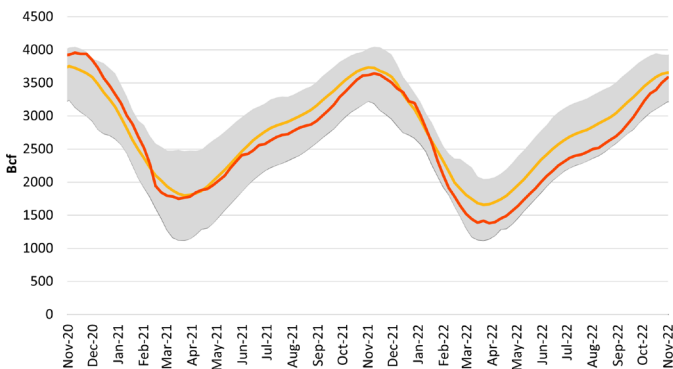
For more about our purpose, [visit our website today](#).

NYMEX Prompt History



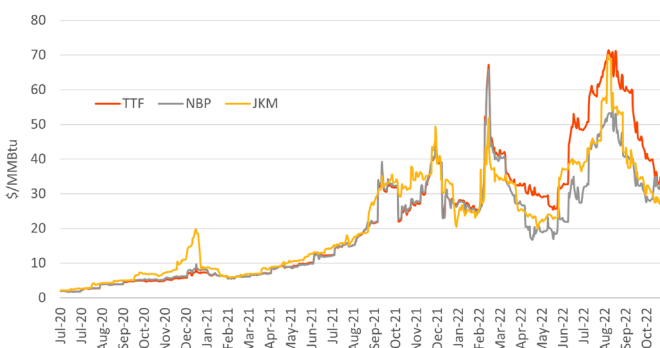
NYMEX trading continues to be volatile, with daily price movements between 5-10% the norm. Bearish fundamentals have recently put some downward price pressure on the market, with support developing around **\$5.75** on the remaining winter strip.

Nationwide Storage Inventory



A strong end to the injection season significantly narrowed the nationwide storage inventory deficit. Storage stocks now sit just 3% below the five-year average.

Global LNG Prices



This is, in part, bringing some relief to traded basis in the Southeast's premium markets.