

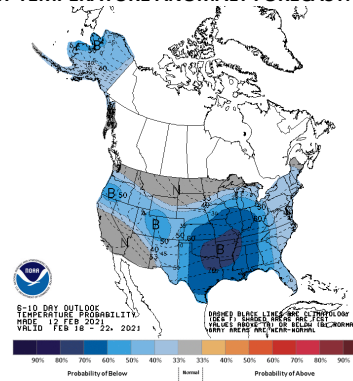


## NATURAL GAS MARKET UPDATE

February 12, 2021

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## NOAA 6 TO 10 DAY TEMPERATURE ANOMALY FORECAST:



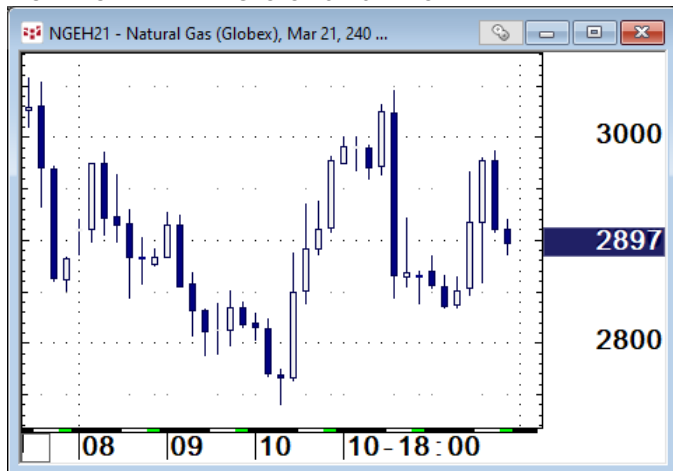
### NYMEX HENRY HUB SETTLEMENT PRICES:

2/12/21	Settle	Season		Year	
Mar21	2.912	Apr21-Oct21	2.960	Cal 22	2.718
Apr21	2.876	Nov21-Mar22	3.139	Cal 23	2.541
May21	2.900	Apr22-Oct22	2.544	Cal 24	2.524
Jun21	2.945	Nov22-Mar23	2.752	Cal 25	2.545
Jul21	2.993	Apr23-Oct23	2.408	Cal 26	2.579
Aug21	3.007	Nov23-Mar24	2.707	Cal 27	2.601
Sep21	2.994	Apr24-Oct24	2.391	Cal 28	2.649
Oct21	3.006	Nov24-Mar25	2.717	Cal 29	2.702
Nov21	3.059	Apr25-Oct25	2.412	Cal 30	2.764

### DOMINION-SOUTH FIXED-PRICE SETTLES (NYMEX + ICE DOM-SOUTH BASIS):

Mar-21	2.4595	Apr21-Oct21	2.1826
Apr-21	2.3735	Nov21-Mar22	2.4732
May-21	2.2900	Apr22-Oct22	1.7929
Jun-21	2.2950	Nov22-Mar23	2.0882
Jul-21	2.2680	Apr23-Oct23	1.6376
Aug-21	2.1745	Nov23-Mar24	2.0616
Sep-21	1.9615	Apr23-Oct23	1.6157
Oct-21	1.9160	Mar21-Feb22 (1-Yr Strip)	2.3090
Nov-21	2.2040	Calendar 2022	2.0072
Dec-21	2.5055	Calendar 2023	1.8206
Jan-22	2.6510	Calendar 2024	1.8203
Feb-22	2.6090	Calendar 2025	1.8766

### FRONT-MONTH NYMEX NG FUTURES 240-MIN CHART:



COG Inc. © 2021 NGEH21,240 | 02/12/2021 17:30:56, COG 21.12.8042 Alpha

### DAILY CASH MARKET PRICES (for GD12):

Algonquin city-gates	12.310
Columbia Gas Transmission (TCO)	5.225
Dominion South Point	4.135
Henry Hub	5.880
Oneok OK	76.035
Transco Station 85 (Zone 4)	5.750
Transco Zone 5 South	5.895
Waha	11.685

### WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	02/05/2021	Build/(Draw)
Current Storage	2,518 Bcf	(171) Bcf
		Surplus/(Deficit)
Last Year Storage	2,527 Bcf	(9) Bcf
5-Year Average	2,366 Bcf	152 Bcf
<b>ICE Traded Markets:</b>	ICE Settle:	
Weekly Storage Inventory Number (02/18/2021)		(295) Bcf
End of Natural Gas Draw Swap (04/08/2021)		1,450 Bcf

**Market Commentary:** This has been one of the wilder weeks in natural gas cash markets, though looking at the Nymex chart you might never guess what transpired on the physical side. Extreme cold is here, but the intensity should begin to let up as we move into the second half of the month, with the 6 to 10 day outlook from NOAA showing more blue across the middle of the country, which today produced the highest cash prices we have ever seen across a swath of regional trading hubs in OK and TX, while the 8 to 14 day has a much more mild appearance. Yesterday's cash trade for today's delivery saw new records hit with a \$100 print at OneOK Gas Transmission and a \$76 daily average, and today that hub opened at \$125 and traded as high as \$600 at one point intraday for the 4-day holiday package through Tuesday. Local cash markets in the Marcellus region saw their first \$4-handles in a few years in yesterday's trade and were still in that vicinity for the weekend. But the big story was in Oklahoma and Texas where well freeze-offs created a scramble for physical molecules needed during one of the coldest snaps in the region in years, generating eye-popping numbers that had not been seen previously. Despite that, prompt Mar21 Nymex wasn't able to hold above \$3 this week, and is finishing within a nickel of where we closed one week ago. In the past such developments in the natural gas markets would likely have created far more volatility in the popular Nymex/ICE Henry Hub NG contracts, but this recent weather event has seen the market for balmonth GDD swing swaps (tracking cash prices for the balance of the month of Feb) do much of the heavy lifting, with traders betting that cash markets will remain strong through month-end and ratchet demand that way. The Henry Hub balmo swap hit a high of \$6.00 this morning, and Henry Hub cash for the weekend traded as high as \$7.00 intraday, but March Nymex couldn't even get to \$2.99 today despite that strength for the same location through the weekend and for the next couple of weeks of February cash trading. Meteorologists are calling for moderation as we move into March which is limiting Nymex participation. That said, March is still more than two weeks away and the outlook could change between now and then, and additionally the big jump in demand (with nearly 800 Bcf in storage withdrawals expected over the coming three storage reports) will see a reduction in storage as we move into the injection season that will require higher prices to resolve, and with 11 Bcf/day of potential LNG feedgas demand this summer the market is unlikely to collapse as it did last summer, for fear that storage would not amply refill this year and create a repeat of Q4 of 2018 when we last saw Nymex approach \$5.

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