NATURAL GAS REPORT FOR MAY 2025

FUTURES PRICES¹

The natural gas futures market prices continued to fluctuate throughout the month. The market prices rose early in the month, but they trended downward for the rest of the month. Weather, demand and supply continued to affect the market prices. On May 1, the NYMEX June contract settled at \$3.479 per MMBtu, an increase of more than 15 cents from the previous trading day, followed by \$3.630 per MMBtu on May 2. The rises may have been attributable, in part, to increases in seasonal demand for storage injection and strong LNG exports. Then, the futures market prices declined the next few days but resumed ascending and continued to rise. For example, the June contract settled at \$3.795 per MMBtu on May 9, an increase of more than 20 cents from the previous trading day and the highest settlement for the contract in the month. A potentially hot summer ahead and increases in LNG feed-gas demand may have, among other factors, contributed to the rise in the market prices. Adding to the increase in the market prices was a continued uncertainty surrounding international tariff situations. But the futures market prices started falling as the June contract settled at \$3.646 per MMBtu on May 12. The futures market prices continued to fall and settled at \$3.113 per MMBtu, the lowest settlement for the contract in the month, on May 19 due, in part, to continued low shoulder month natural gas demand. Nevertheless, the futures market price volatility returned as the June contract increased by more than 31 cents to settle at \$3.427 per MMBtu the next day after four straight trading day declines. Hot summer weather forecasts that are expected to increase cooling demand, among other factors, may have triggered the rise in the market prices. However, the futures market prices decreased again toward the end of the month. The June contract eventually settled at \$3.204 for its final trading day on May 28, a decline of more than 19 cents from the previous day. Mild temperatures, much above-average natural gas storage injections and a record high natural gas production in the month, among other factors, may have kept pressure on natural gas prices and contributed to the overall downward trend in the market prices during the month. June and May contracts were closed at NYMEX at a price of \$3.204 and \$3.170 per MMBtu, respectively. The June price was about 29% higher while the May price was 96% higher, respectively, than those of last year. The June contract expired at \$3.204 per MMBtu on May 28, compared to \$3.479 per MMBtu at the beginning of the month. On June 13, the NYMEX July futures were at \$3.581 per MMBtu compared to \$2.959 per MMBtu last year.

U.S. STORAGE LEVELS²

Overall, the temperature in the month was above the historical average. In fact, it ranked in the warmest third of the 131-year period of record, according to the National Oceanic and Atmospheric Administration (NOAA). A relatively strong storage injection occurred in the month. In fact, the

¹ Data Source: WSJ, CME

² Energy Information Administration's Natural Gas Weekly Update

storage level increased more than both the historical average and last year's in each week of the month. For example, the storage level increased by 104 Bcf for the week ending May 2, compared to the five-year (2020-2024) historical average and last year's injections of 79 Bcf and 81 Bcf, respectively for the same period. As a result, the storage surplus to the five-year average expanded. Then, there was a weekly storage injection of 110 Bcf for the week ending May 9, compared to 83 and 73 Bcf for the historical average and last year's, respectively for the corresponding week resulting in a widening storage surplus to the five-year average. It marked the third consecutive weekly triple-digit storage injection since late April. The higher than historical average injections continued for the rest of the month. For example, there was a weekly storage injection of 120 Bcf for the third week in the month ending May 16, compared to the five-year (2020-2024) historical average injection of 87 Bcf and last year's injection of 78 Bcf, respectively for the same period, followed by an injection of 101 Bcf for the fourth week ending May 23, compared to 98 and 84 Bcf injections for the historical average and last year's, respectively for the corresponding week. Mild weather, a steady increase in natural gas production and LNG maintenance, among other factors, may have contributed to the above average storage injections. Additionally, there was a weekly storage injection of 122 Bcf for the last week in the month ending May 30, compared to the five-year (2020-2024) historical average injection of 98 Bcf and last year's injection of 94 Bcf, respectively for the same period, resulting in the highest storage surplus to the five-year average since the beginning of January 2025. It was the sixth consecutive triple-digit injection, the longest streak since 2009 and also one of the highest weekly injections since 2010, according to the US Energy Information Administration. The rapidly expanding storage surplus throughout the month was thanks, in part, to a relatively mild March that enabled an early start to injection season along with a record natural gas production in the month of May. The total storage inventories in the U.S. as of May 30 are 2,598 Bcf, which is 122 Bcf higher than the five-year average and 288 Bcf less than last year's level.

SUMMARY

The wholesale price of the natural gas commodity was fully deregulated by the federal government in 1993. Local natural gas distribution companies (LDCs) do not produce the gas they sell but purchase it on an open market at market prices. The Missouri Public Service Commission (PSC) does not regulate the price of the natural gas commodity, but does monitor LDC purchasing decisions. The PSC continues to review the gas purchasing practices of the distribution companies in terms of reasonableness and prudence.

Monthly Natural Gas Prices



Note 1:1 Million British Thermal Unit(MMBtu) is approximately equal to 1,000 cubic feet Note 2: Monthly Natural Gas Prices Based on the New York Mercantile Exchange(NYMEX) Expiration Prices, Source:WSJ

