AMPICA ENERGY SOLUTIONS

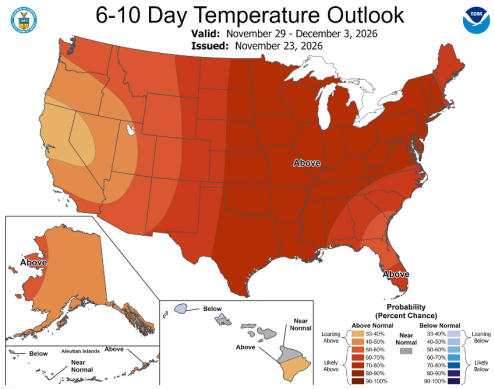
November 24, 2026

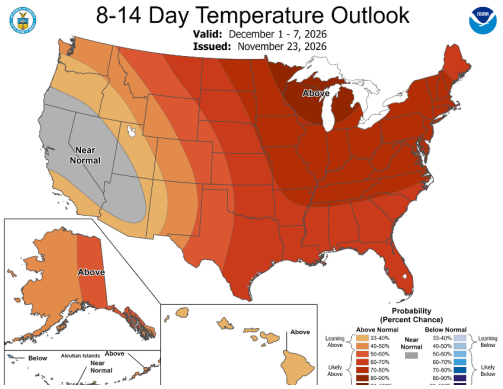
MARKET SIGNALS

WEATHER

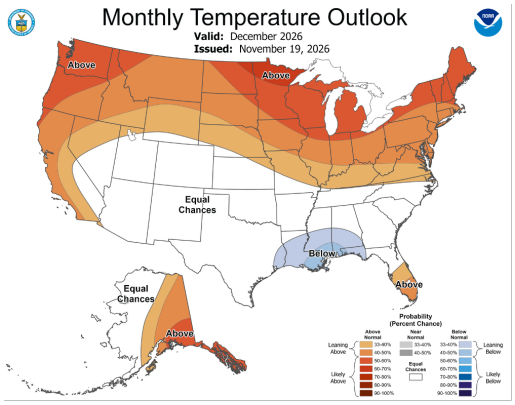
WEATHER & NATURAL GAS DEMAND OUTLOOK (NOVEMBER 29 – DECEMBER 3

Warmer temperatures across almost the entire country over the next two weeks with only the California, Nevada, and Arizona states returning to normal temps eventually, which are not likely to result in large increases in heating degree days.





Nov 29–Dec 3	Dec 1–7	December
ABOVE NORMAL NEARLY COAST TO COAST	ABOVE NORMAL; WEST NEAR NORMAL	WARM NORTH, COOLER GULF COAST



December looks warmer than normal across the North: from the Mason-Dixon Line in the East, across the Upper Plains states and along the West Coast. Only the Gulf Coast looks below normal, and let's face it, that still means temps in the 60s and 70s. Not a big driver of heating demand.

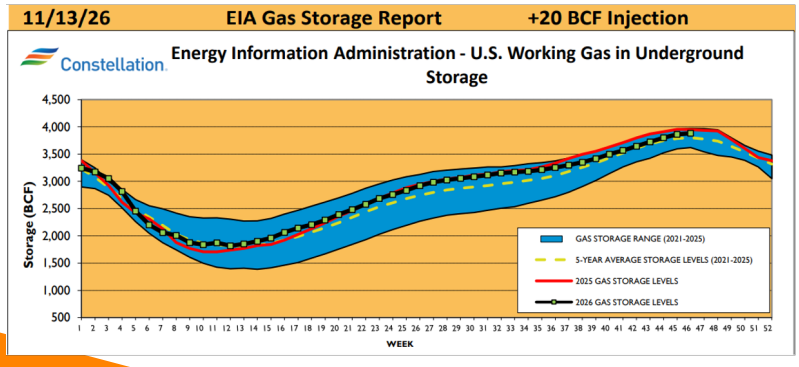
NATURAL GAS

Natural Gas Storage Outlook

We are technically in withdrawal season, when storage reports usually show gas coming out of storage. Instead, we are still seeing injections.

This storage report for 11/13 showed an injection of just +20 Bcf, lower than the expected +27 Bcf injection, but still higher than the five-year-average of +15 Bcf, and larger than last year's withdrawal of -6 Bcf.

It's a toss-up whether the 11/20 report will show our first withdrawal. Every week of injections shortens withdrawal season (which typically ends in late March) and adds gas to storage, which helps keep gas prices low.



LOWER 48 DRY GAS PRODUCTION (Bcf/d)

111.2 ▲ 1.4 above 30-day average



Natural Gas Production, Lower 48 States

Natural Gas Production dropped a bit to 111.2 Bcf/d for the November 17th report. This is a 1.4 Bcf/d increase from the 30-day average and an almost 3.0 Bcf/d increase from this time last year.

Our LNG exports have increased by roughly 15 Bcf/d in the last ten years, excluding 2020 when the pandemic cratered demand. Our production has increased from 77.5 Bcf/d in 2016 to about 108 Bcf/d on average, an increase of 30 Bcf/d.

MARKET SIGNALS

ENERGY MARKETS

ENERGY PRICING

The final December Settlement number should be out in the next day or two and a last minute buy-in of the gas market jumped the price of December gas by $0.13 tcents.

January also leapt up $0.15 cents as many are betting that gas at $3.50 in December, which is where it was just a week or two ago, is unlikely to last. However, market fundamentals; storage levels, predicted forecasts, a warmer jet stream from the Super El Nino, all may point to a record mild winter.

Even with the $0.15 cent increase, it is still worth gauging what your siupplier is offering for a January-February Hedge and even looking at hedging now for the summer, where gas is currently trading below $3.00.

WINTER 2026-2027 MARKET 11/17/2026

MONTH	LAST	CHANGE	PRIOR SETTLE	HIGH	LOW
DEC 2026 NGZ26	$3.320	▲ +0.136 (+4.27%)	3.184	3.411	3.158
JAN 2027 NGF27	$3.676	▲ +0.153 (+4.34%)	3.523	3.751	3.527
FEB 2027 NGG27	$3.221	▲ +0.126 (+4.07%)	3.095	3.275	3.105
MAR 2027 NGH27	$2.466	▲ +0.067 (+2.79%)	2.399	2.487	2.399

SUMMER 2027 MARKET 11/10/2026

MONTH	LAST	CHANGE	PRIOR SETTLE	HIGH	LOW
JUN 2027 NGM27	$2.646	▲ +0.044 (+1.69%)	2.602	2.666	2.597
JUL 2027 NGN27	$2.888	▲ +0.039 (+1.37%)	2.849	2.907	2.844
AUG 2027 NGQ27	$2.982	▲ +0.040 (+1.36%)	2.942	3.000	2.939

Lower Oil Pricing Could Lead To High Gas Pricing

Associated natural gas is gas that comes up alongside crude oil from oil wells, rather than from dedicated natural gas wells.

When oil prices rise, drillers usually drill more to capture the higher price. More oil production also means more associated gas, which adds to our natural gas production and, depending on demand, to storage. The reverse is also true. When oil prices drop, drilling slows, less associated gas is produced, production falls and natural gas prices rise.

Oil has fallen about $20 per barrel in the last month (see chart). If it drops below $70, don't be surprised if U.S. drillers cut back, which would put upward pressure on natural gas prices.

WTI CRUDE (January Contract)

$81.41 ▲ 1.57% today



AMPICA ADVISE

BIG REASONS TO BUY NOW

Using more than a million kWh per year? Talk to your energy advisor about a Load Following Index or Managed Index strategy. It lets you buy blocks of energy when it is favorable and leave the rest on the Day Ahead index rate, eliminating the premiums suppliers often place on the components of your electricity rate when they must fix it.

Look at longer-term agreements to take advantage of lower blocks of energy in the future. 2029 is currently priced below market expectations. Consider locking up 50-75% of the off-peak months, or even 75% of all of 2029, using the shoulder months to offset January and July, the highest-priced months in 2029. Also consider hedging 25% of the coming January & February now and look at it again just before Thanksgiving. If it remains this low, look at locking up another 50%. One winter event can ruin pricing for the winter.

Last winter saw a mild December, but a cold front kept temperatures below freezing across much of the PJM grid for 15 days straight in late January and early February, sending pricing over $120.00 per MWh. Hedging 25-75% of next winter protects against random weather events while capturing today's low pricing.

Natural gas users should be on a NYMEX+ strategy, which generally provides greater savings than a fixed all-in contract. A NYMEX+ strategy takes an 'adder' that covers the supplier's storage costs and the cost of doing business in that utility, and adds it to that month's NYMEX settlement price. So, an 'adder' of $0.75 per Mcf on last year's NYMEX settlement price of $3.004 gives you a rate of $3.754 for that month. Fixed gas pricing currently does not go below $4.50 per Mcf.

Larger gas users (more than 50,000 Mcf a year) should explore a managed strategy like the Managed Index strategy for electricity. Look at buying blocks of gas in Winter 2027, still near $3.60, and Summer 2027, when prices are below $3.00.