

## **Market Commentary : US Northeast cash gas prices jump on stronger demand, warmer weather**

By Tyler Godwin

Published on - Mon, 17 Jun 2024 13:22:30 EST

US Northeast spot natural gas prices jumped to multi-month highs during June 17 trading, as warmer weather was forecast to boost demand to a near four-month high.

Algonquin city-gates jumped about \$1.85 from the prior session to around \$3.75/MMBtu for next-day flows and the highest level since \$5.765/MMBtu Feb. 13. Similarly, Iroquois Zone 2 rose \$2.70 to approximately \$4.85/MMBtu and the highest since \$4.985/MMBtu Jan. 29. Iroquois Gas Transmission issued an Operational Flow Order for June 18 for all points in Iroquois Zone 2 "due to expected high volumes, scheduled maintenance and forecasted warmer weather conditions."

In the Appalachia region, Eastern Gas South and Transco, Leidy Line receipts both increased about 35 cents to roughly \$1.95/MMBtu and \$2/MMBtu, respectively. Both locations were at their highest level since mid-January.

Basis prices mostly strengthened in the July forwards market, as TETCO-M2 receipts and Transco Zone 6 non-NY both climbed 10 cents to approximately 85 cents and 70 cents, below Henry Hub, respectively.

### **Demand to rise to near four-month high**

S&P Global Commodity Insights forecast total Northeast gas demand to climb to 19.69 Bcf/d June 18, up from 19.49 Bcf/d the previous day and the highest since 21.65 Bcf/d on April 25.

Northeast temperatures are expected to average nearly 80 degrees Fahrenheit, or 7 degrees above normal, compared with 76 F, or 4 degrees above normal, in the prior day. It would be the highest average for the region since 82 F on Sept. 7, 2023.

The warmer weather is expected to boost power sector demand to a nine-month high of 12.39 Bcf/d, up from 11.68 Bcf/d in the previous day, while residential-commercial demand is estimated to fall 544 MMcf to 2.33 Bcf/d.

Looking ahead, temperatures are expected to remain at or above 80 F through June 23.