MONTHLY ENERGY MARKET INTELLIGENCE

ENERGY MARKET UPDATE

Forward natural gas prices continue to decline, while structural power fundamentals keep regional markets elevated.

AT A GLANCE · NYMEX SETTLEMENT, JULY 29, 2026

PROMPT · AUG-26	12-MONTH STRIP	CAL 2027 GAS	PJM DOM-COMED CAL 27 SPREAD
$2.725	**$3.162**	**$3.381**	**$52**/MWh
▼ $0.554 MoM	▼ $0.266 MoM	▼ $0.111 MoM	▲ Widening

Gas in $/MMBtu, power in $/MWh. Actual price is determined at the time of execution.

Energy Markets Diverge as Gas Softens and Power Remains Supported

Natural gas has moved meaningfully lower from last summer, improving forward pricing across much of the market: the Aug-26 prompt settled at $2.725/MMBtu, down $1.234 (about 31%) from a year ago, and the 12-month Henry Hub strip has eased to $3.162. At the same time, power prices continue to reflect regional demand growth, transmission constraints, and reliability needs. The result is a market where commodity costs have eased but power fundamentals remain resilient, with load-heavy zones like Dominion now carrying a Cal 2027 on-peak premium of roughly $52/MWh over COMED even as the fuel beneath them softens.

HOW THE MARKET MOVED SINCE LAST MONTH

PROMPT GAS	12-MO STRIP	CAL 2026	CAL 2027	PJM DOM CAL 27
$3.231	$3.424	$3.689	$3.492	$101.72
$2.725	**$3.162**	**$3.501**	**$3.381**	**$104.42**
▼ 15.7%	▼ 7.7%	▼ 5.1%	▼ 3.2%	▲ 2.7%

Prior figure shown above current. Gas in $/MMBtu; power in $/MWh on-peak.

NATURAL GAS

The natural gas curve continued to soften in the August 2026 settlement. The prompt month (Aug-26) settled at $2.725/MMBtu, down $0.554 on the month, and the 12-month strip eased to $3.162 from $3.424 in the prior report. The move extends a broad year-over-year decline, with Cal 2026 now $3.501 and Cal 2027 $3.381, both well below where they traded a year ago as production growth and comfortable storage outweigh record LNG demand.

- Prompt (Aug-26) at $2.725, down $0.554 month over month and $1.234 (about 31%) below a year ago.
- 12-month strip eased to $3.162 from $3.424 last month; Cal 2026 $3.501 and Cal 2027 $3.381.
- Winter keeps the premium: Dec-26 at $3.732 and Jan-27 at $4.210, though both eased month over month.

POWER

Forward on-peak power held firm and, in the load-heavy zones, continued to price well above what the softer gas curve alone would imply. Capacity, transmission, and local-reliability premiums are increasingly setting power independently of fuel. The clearest signal remains Dominion (DOM), where Cal 2027 on-peak rose to about $104.42/MWh as data-center load concentrates in northern Virginia, widening its spread over COMED (about $52.06).

- PJM DOM Cal 2027 on-peak near $104.42/MWh, up from about $101.72 last month and roughly double COMED (about $52.06).
- Northeast stays elevated: NYISO N.Y.C.-J about $85.98/MWh and ISO-NE Hub about $88.91/MWh, both higher month over month.
- Power keeps firming even as gas softens, reflecting load growth, transmission constraints, and reliability needs.

HISTORICAL AVERAGES

$/MMBtu, calendar-year settlement

2022	$6.645
2023	$2.737
2024	$2.269
2025	$3.427

FORWARD PRICING

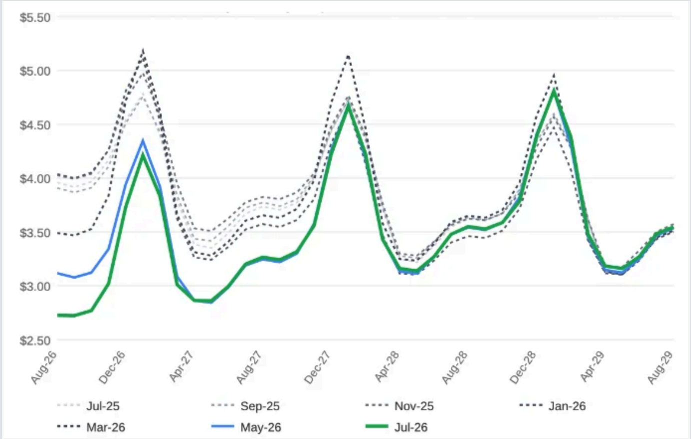
Henry Hub, $/MMBtu

CONTRACT	CURRENT	MOM	YOY
Aug-26	**$2.725**	**($0.554)**	**($1.234)**
Sep-26	$2.722	($0.504)	($1.193)
Oct-26	$2.769	($0.486)	($1.197)
Nov-26	$3.019	($0.420)	($1.147)
Dec-26	$3.732	($0.296)	($0.806)
Jan-27	$4.210	($0.222)	($0.574)
Feb-27	$3.832	($0.173)	($0.563)
Mar-27	$3.011	($0.189)	($0.778)
Apr-27	$2.863	($0.110)	($0.520)
May-27	$2.861	($0.082)	($0.491)
Jun-27	$2.995	($0.079)	($0.494)
Jul-27	$3.201	($0.083)	($0.469)
12-Month Strip	**$3.162**	**($0.266)**	**($0.789)**
Cal 2026	**$3.501**	**($0.452)**	**($1.115)**
Cal 2027	**$3.381**	**($0.111)**	**($0.494)**
Cal 2028	**$3.684**	**($0.001)**	**($0.100)**
Cal 2029	**$3.711**	**$0.063**	**$0.043**

Prompt month highlighted. Cal 2026 and Cal 2027 are full 12-month (Jan to Dec) calendar-year averages.

NYMEX FORWARD CURVES

Jul-25 to Jul-26 by contract settlement date



Successive NYMEX settlement vintages, Jul-25 through Jul-26, over the Aug-26 to Aug-29 delivery window.

CURVE SHAPE

Each successive settlement has priced the same delivery window lower, and the front of the curve has flattened. Winter 2026-27 remains the only pronounced seasonal peak, with Jan-27 at $4.210 sitting $1.485 above the Aug-26 prompt.

WINTER PEAK · JAN-27

$4.210

BACK OF CURVE · CAL 2028

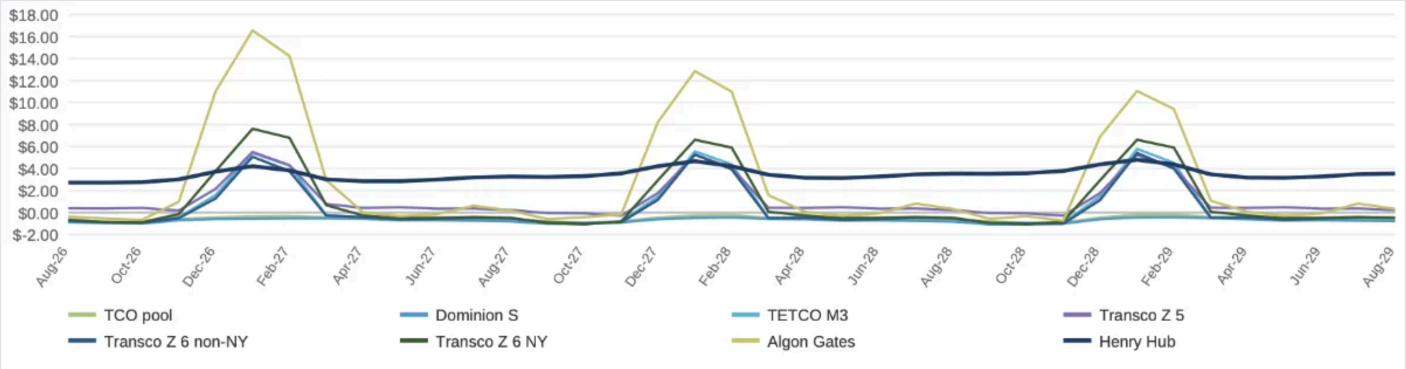
$3.684

Regional Basis: East and West Forward Strips

Basis is the delivered premium or discount to Henry Hub at each trading point, and it is where local constraints show up in a customer's all-in gas cost. Henry Hub is plotted as its absolute forward price for reference; every other series is a differential to it.

EAST

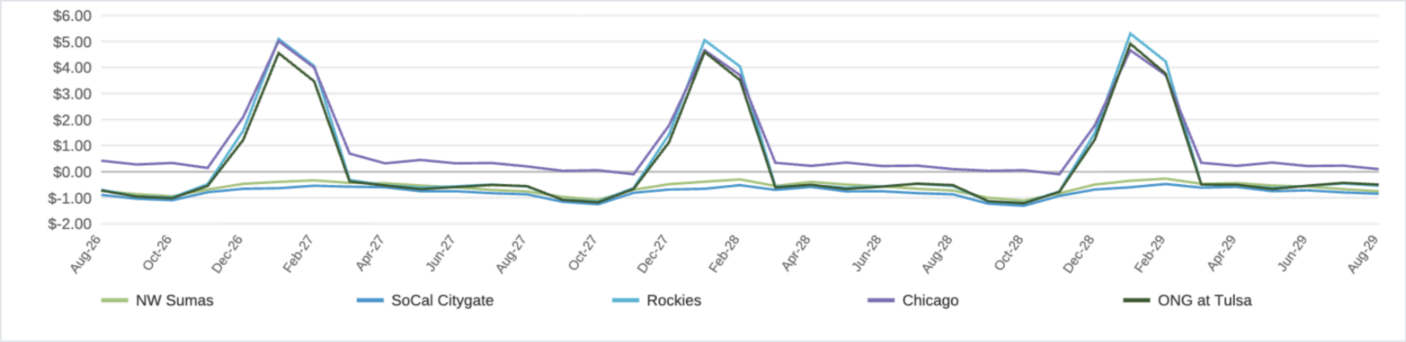
As of 07/29/2026



Monthly forward basis to Henry Hub ($/MMBtu), East region. Henry Hub shown as its absolute forward price for reference; all other hubs are basis differentials.

WEST

As of 07/29/2026



Monthly forward basis to Henry Hub ($/MMBtu), West region.

EAST TRADING POINTS

TCO Pool	Columbia Gas Transmission pool, Appalachia
Dominion South	Southwest Pennsylvania Marcellus supply
TETCO M3	Texas Eastern zone M3, mid-Atlantic delivery
Transco Z5	Virginia and the Carolinas
Transco Z6 non-NY	Philadelphia and New Jersey
Transco Z6 NY	New York City delivered gas
Algonquin Gates	New England delivered gas

WEST TRADING POINTS

NW Sumas	Pacific Northwest at the Canadian border
SoCal Citygate	Southern California delivered gas
Rockies	Rockies production area
Chicago	Chicago citygate
ONG at Tulsa	Oklahoma and the Mid-Continent
Henry Hub	NYMEX benchmark, shown as the reference line

PJM DOM · CAL 2027
$104.42 /MWh

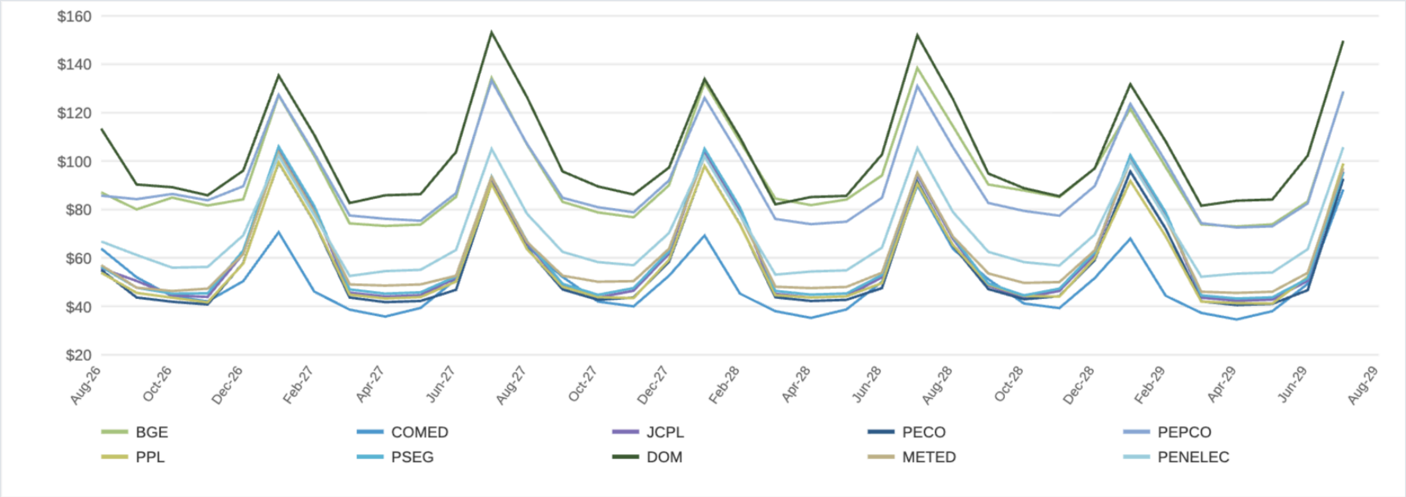
NYISO N.Y.C.-J · CAL 2027
$85.98 /MWh

ISO-NE HUB · CAL 2027
$88.91 /MWh

> Winter carries a distinct reliability premium: ISO-NE Hub forwards peak at $189.65/MWh in Jan-27 and NYISO N.Y.C.-J at $170.55/MWh in Jan-27, roughly double their Cal 2027 averages of $88.91 and $85.98.

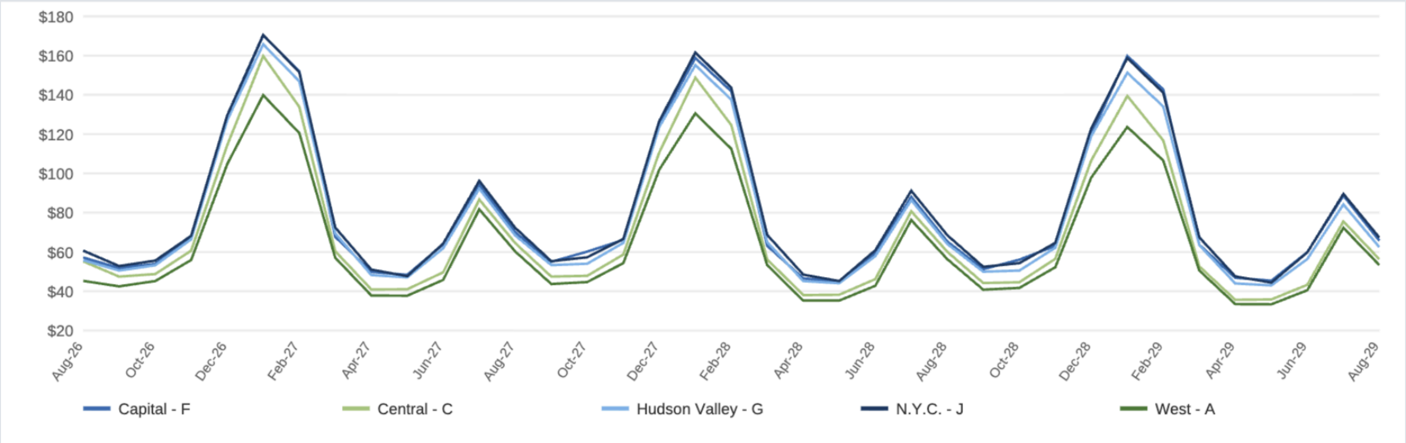
PJM

$/MWh · monthly through Aug 2029



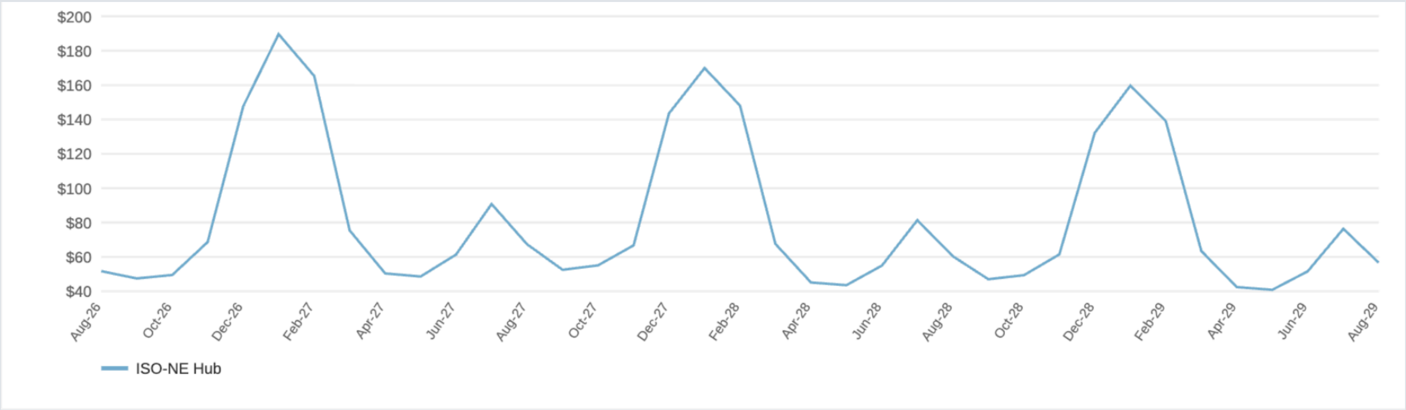
NYISO

$/MWh · monthly through Aug 2029



ISO-NE

$/MWh · monthly through Aug 2029



NATURAL GAS PRICING IS DOWN SIGNIFICANTLY YEAR OVER YEAR

Forward gas has reset well below last summer, and for buyers, that may make now an opportune window to cover.

Natural gas is the story this month, and it is a constructive one for buyers. The forward curve has reset materially lower over the past year: the 12-month Henry Hub strip has fallen to $3.162/MMBtu from roughly $3.951 a year ago, a decline of about $0.789, or 20%. The move is broad, reaching from the Aug-26 prompt at $2.725 (down about 31% year over year) through Cal 2026 at $3.501 (down about 24%) and Cal 2027 at $3.381 (down about 13%), and it reflects a supply-driven rebalancing rather than a single weather or demand event.

12-MONTH HENRY HUB STRIP

Down $0.789 (about 20%) over the past year

A YEAR AGO $3.951 → NOW · JULY 29, 2026 **$3.162**

HENRY HUB FORWARD PRICES: A YEAR AGO VS NOW

Same forward tenors, priced roughly one year apart ($/MMBtu)

A year ago Now (07/29/2026)

$/MMBtu. Prices reflect NYMEX settlement as of July 29, 2026; actual price is determined at the time of execution.

WHY THE CURVE RESET

The decline is rooted in supply. Dry gas production has held near record levels, keeping the market well supplied even through peak summer cooling demand, while storage sits comfortably above the five-year average and removes much of the risk premium that lifted the curve a year ago. That cushion has more than absorbed record LNG feedgas demand, so the export pull that might otherwise tighten balances has been offset by the sheer volume of gas coming to market. The net effect is a curve that has drifted lower across 2026 and 2027 even as underlying demand keeps growing.

For buyers, the combination matters. With the strip well below last summer and the back of the curve (Cal 2028 near $3.684) still anchored in the low $3s, forward prices sit at levels that have historically rewarded early coverage. Winter remains the part of the curve that carries the most risk, with Dec-26 at $3.732 and Jan-27 at $4.210 still well above the prompt, so locking in portions of winter and 2027 demand while the strip is soft can reduce exposure to a cold-weather or storage-refill spike. As always, actual pricing is set at the time of execution.

KEY TAKEAWAYS

01 **Gas has reset well below last year.**

The 12-month strip at $3.162/MMBtu is down about 20%, and the Aug-26 prompt at $2.725 is off roughly 31% from a year ago.

02 **The decline is supply-driven.**

Record production and above-average storage have outweighed record LNG demand, pulling the whole curve lower rather than a single event.

03 **Winter still carries the premium.**

Dec-26 at $3.732 and Jan-27 at $4.210 remain well above the prompt, the part of the curve most exposed to a weather or storage-refill spike.

04 **The setup favors early coverage.**

With forward prices soft across 2026 and 2027, buyers have an opportune window to lock in portions of demand before winter risk is priced back in.

ENERGY PROCUREMENT & ADVISORY

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