



## **Rise in natural gas prices expected to continue through January 2021**

The U.S. Energy Information Administration (EIA) reports that U.S. benchmark Henry Hub natural gas spot prices averaged \$2.30 per million British thermal units in August, up from \$1.77 per million British thermal units in July. The price increase reflects rising demand for natural gas from the U.S. electric power sector as a result of warmer-than-normal temperatures during August and rising demand for U.S. liquefied natural gas exports, even as U.S. natural gas production declines.

In the September *Short-Term Energy Outlook*, EIA forecasts that Henry Hub natural gas prices will rise to an average of \$3.40 per million British thermal units in January 2021 as a result of increased demand for space heating use in homes and businesses and reduced production heading into winter.

However, after a first-quarter peak, EIA expects that monthly Henry Hub spot prices will average \$3.19 per million British thermal units in 2021, up more than a dollar from the forecast average of \$2.16 per million British thermal units in 2020.

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