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<https://www.wsj.com/articles/natural-gas-remains-plaintiful-as-mild-winter-continues-11581622108>

MARKETS | COMMODITIES

## Natural-Gas Remains Plentiful as Mild Winter Continues

Robust supply and mild heating demand are contributing to a glut of the fuel



Natural gas is the primary source of heat for about half of U.S. homes.

PHOTO: ANDREW CULLEN/REUTERS

By *Amrith Ramkumar*

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Natural-gas stockpiles are more than 30% above their levels from a year ago, government data released Thursday show, the latest signs that robust supply and mild heating demand are contributing to a glut of the fuel.

After U.S. inventories of natural gas dropped 115 billion cubic feet during the week ended Feb. 7, stockpiles totaled 2.49 trillion cubic feet, according to Energy Information Administration figures. That's 32% above their levels from this time last year and 9.4% above the five-year average.

Natural gas is the primary source of heat for about half of U.S. homes, so demand tends to surge in the winter. But milder-than-expected temperatures have recently kept the fuel plentiful and hurt prices. Front-month futures hit their lowest level in nearly four years early this week.

They have stabilized somewhat since then—though they erased an early Thursday advance and closed down 1% at \$1.8260 a million British thermal units. Prices are 17% below a Jan. 10 peak.

Driving the declines: Many investors expect supplies to remain plentiful moving forward, even with cold temperatures expected to temporarily boost demand in the coming days. Last week's drop in stockpiles was slightly larger than analysts and traders surveyed by The Wall Street Journal had anticipated, though also less than the typical drop at this time of year.

"The latest withdrawal was less bullish than the previous two weeks and reflected a recovery in

production early this month,” analysts at Gelber & Associates said in a note to clients.

Hedge funds and other speculative investors are positioned for prices to remain low. They pushed net bets on lower natural-gas prices to their highest level ever in Commodity Futures Trading Commission data going back to 2006. Bearish wagers on prices exceeded bullish bets by about 315,000 contracts during the week ended Feb. 4. Figures for the week ended Tuesday will be released on Friday.

Elsewhere in commodities Thursday, U.S. crude-oil futures inched up 0.5% to \$51.42 a barrel. Like natural gas, crude has stabilized since hitting a low on Monday amid worries that the deadly coronavirus will dent fuel demand in Asia. Many analysts expect steady oil production and tepid demand to limit the rebound moving forward, after crude slid to its lowest point in 13 months.

Brent crude, the global gauge of oil prices, added 1% to \$56.34 a barrel.

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