

# Giant Capital

## January 2026 Report

### 1.0 Market and Portfolio Commentary

#### 1.1 Macro Industry Commentary

##### **General Market Commentary**

US Henry Hub prompt gas prices rose strongly in January due to severe and widespread cold caused by Winter Storm Fern. Month-on-month the prompt rose from \$3.68/mmbtu at close on 30 December to \$4.35/mmbtu at close on 30 January (the last trading day of the month). Calendar 2026 also rose, beginning January at \$3.64/mmbtu and ending at \$4.37/mmbtu. Intra-month spot prices reached \$30.00/mmbtu during the peak of the storm's effects.

WTI oil rose due to geopolitical instability and the resulting threat to global oil supply, notably in Iran. The prompt began December at \$57.42/bbl and closed the month at \$65.21/bbl. Calendar 2026 rose from \$57.04/bbl to \$63.57/bbl.

The latest Baker Hughes rig count data follows. In January, US total land rigs increased from 524 to 531. Total oil rigs fell from 410 to 409, gas rigs rose by 11 from 122 to 133.



## NORTH AMERICA Rotary Rig Count

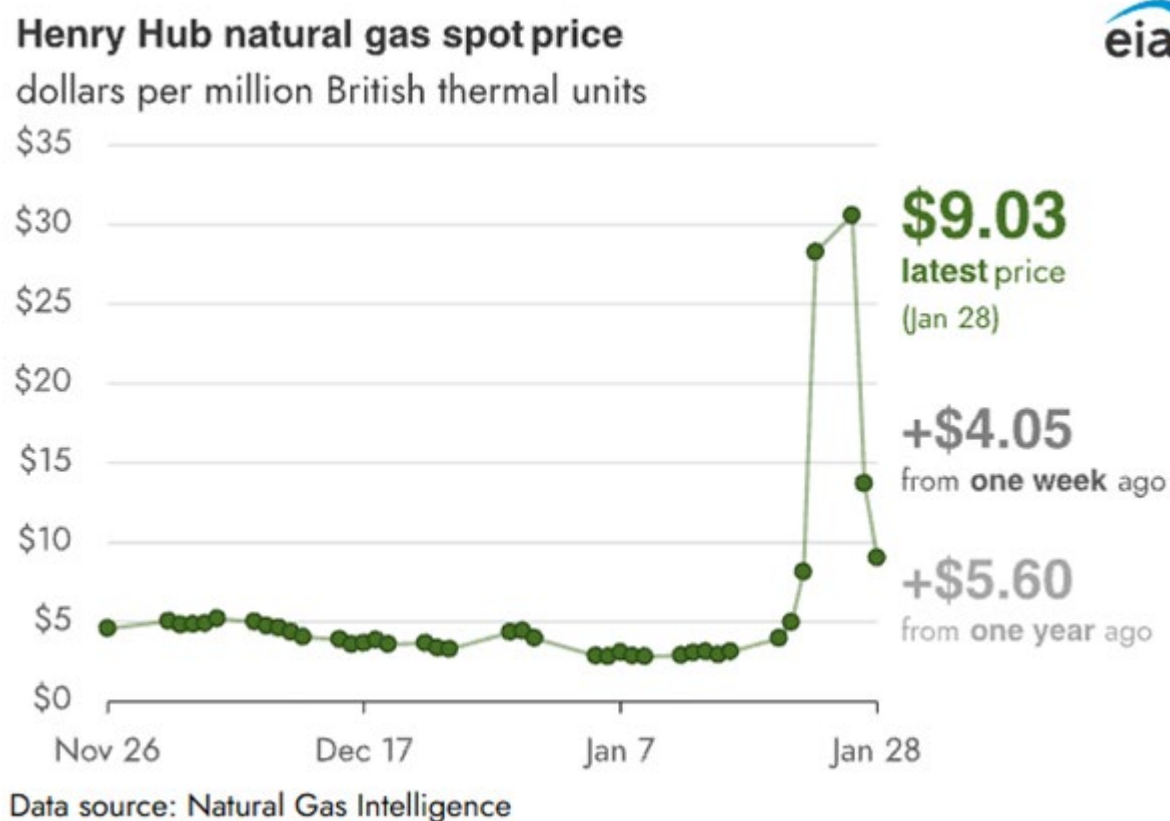
13/02/2026

Location	Week	+/-	Week	+/-	Year Ago
<b>Inland Waters</b>	3	0	3	1	2
<b>Land</b>	531	-1	532	-41	572
<b>Offshore</b>	17	1	16	3	14
<b>United States Total</b>	<b>551</b>	<b>0</b>	<b>551</b>	<b>-37</b>	<b>588</b>
<b>Gulf of Mexico</b>	<b>11</b>	<b>1</b>	<b>10</b>	<b>-1</b>	<b>12</b>
<b>Canada</b>	<b>222</b>	<b>-6</b>	<b>228</b>	<b>-23</b>	<b>245</b>
<b>North America</b>	<b>773</b>	<b>-6</b>	<b>779</b>	<b>-60</b>	<b>833</b>
U.S. Breakout Information	This Week	+/-	Last Week	+/-	Year Ago
<b>Gas</b>	133	3	130	32	101
<b>Oil</b>	409	-3	412	-72	481
<b>Miscellaneous</b>	9	0	9	3	6
<b>Directional</b>	57	2	55	6	51
<b>Horizontal</b>	481	-2	483	-43	524
<b>Vertical</b>	13	0	13	0	13

## Gas Market

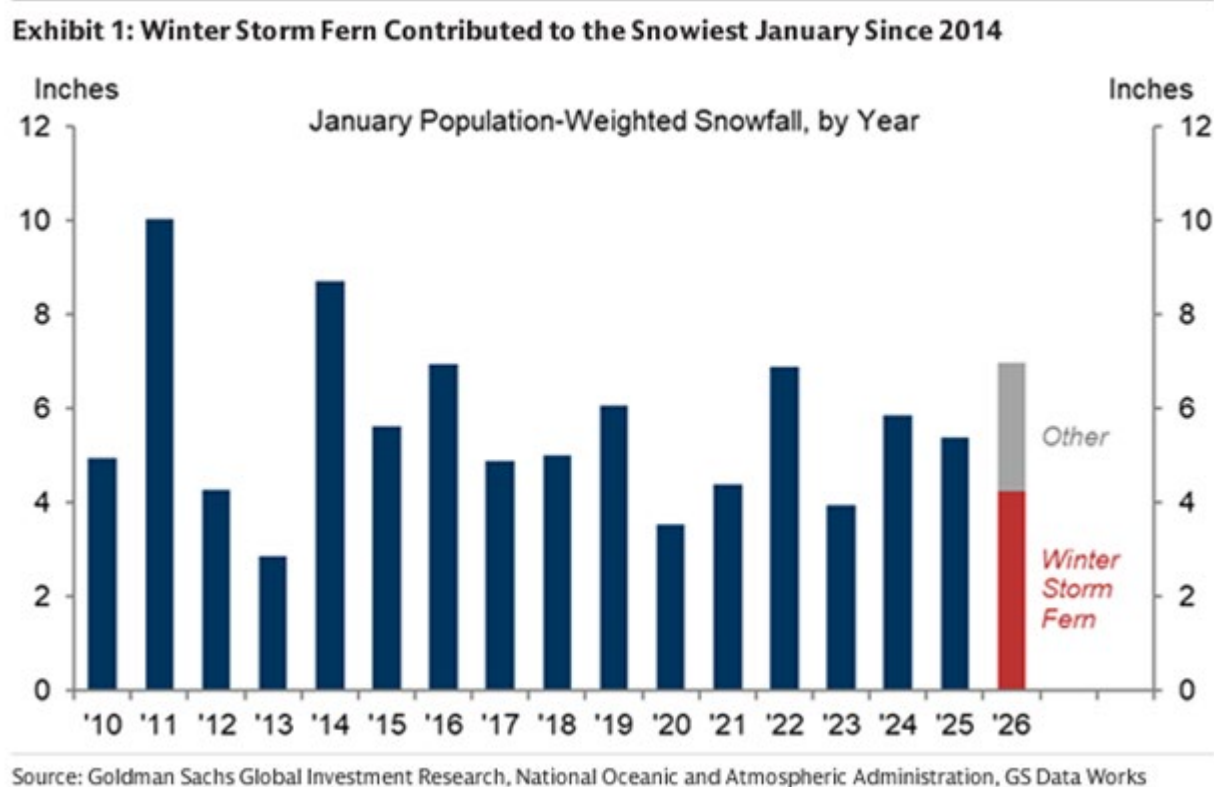
Henry Hub prompt prices surged higher in late January with the arrival of Winter storm Ferb bringing sub-freezing temperatures across much of the US. On Monday 26 January Henry Hub reported a record-high nominal price of \$30.57/mmbtu (Figure 1).

Figure 1: Henry Hub Natural Gas Spot Price (Source: EIA)



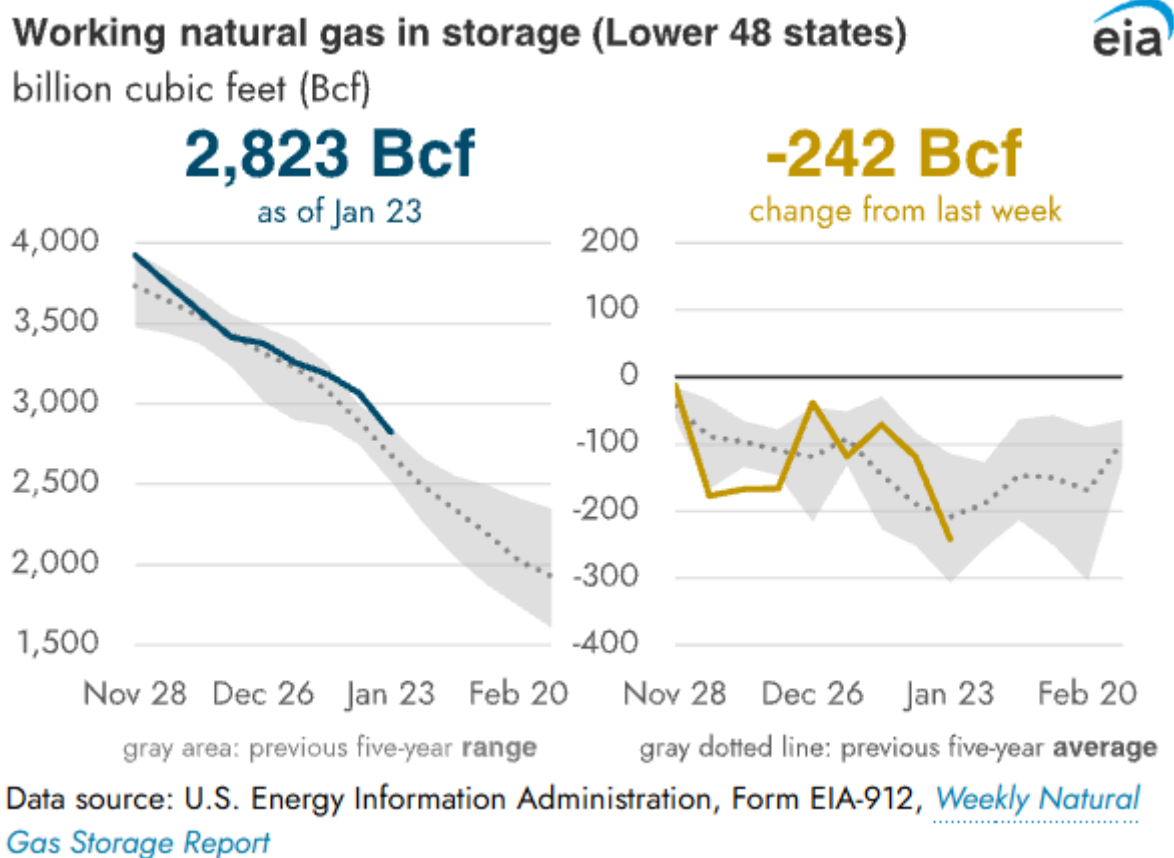
Winter storm Fern caused freezing temperatures and significant snow and ice accumulation from New Mexico to Maine. On a population-weighted basis January had the most snow since 2014 (Figure 2).

Figure 2: January Population-Weighted Snowfall by Year (Source: GS)



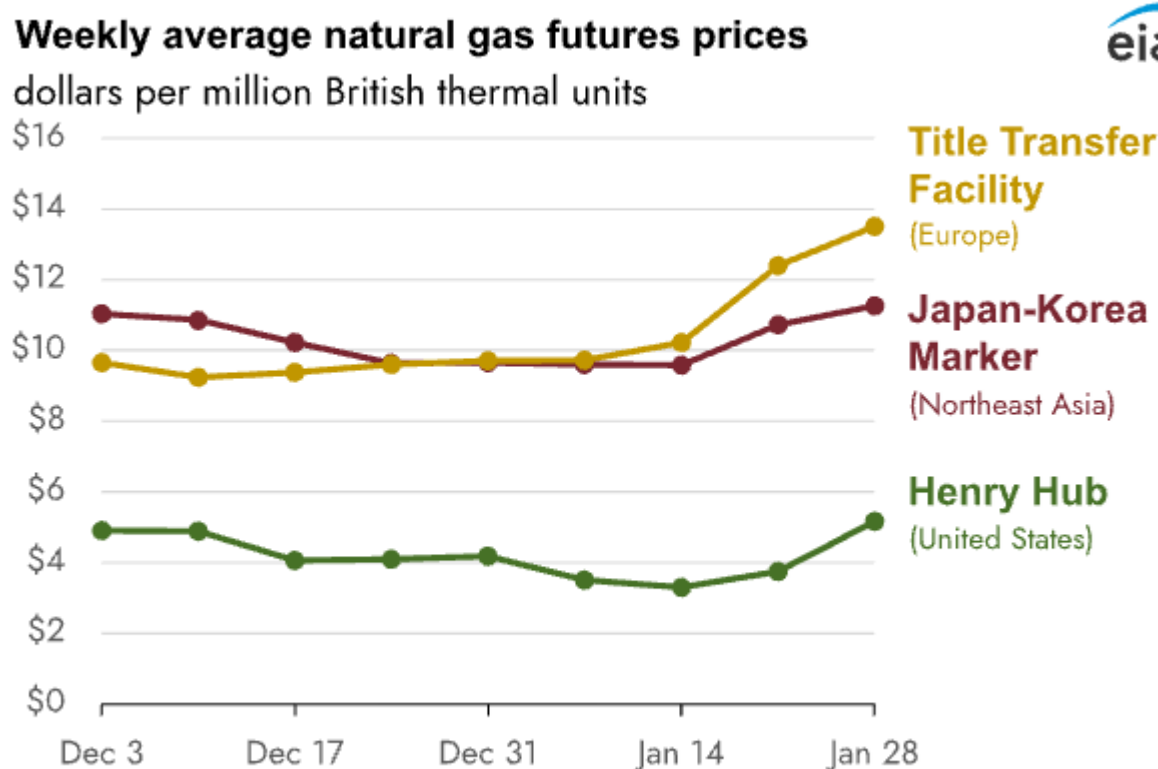
As of 23 January, working gas in storage totalled 2,823 bcf, reflecting a net withdrawal of 242 bcf over the previous week (Figure 3). Stocks were 206 bcf higher than last year at this time and 143 bcf above the five-year average of 2,680 bcf. Large withdrawals in subsequent weeks saw gas in storage fall below both last year at this time and the five-year average by the second week of February.

Figure 3: Working Natural Gas in Storage (Source: EIA)



International LNG prices, represented by JKM for Asia and TTF for Europe, remain approximately double the US Henry Hub gas price (Figure 4). This price differential is the primary driver for US LNG export growth.

Figure 4: Weekly Average Natural Gas Futures Prices (Source: EIA)

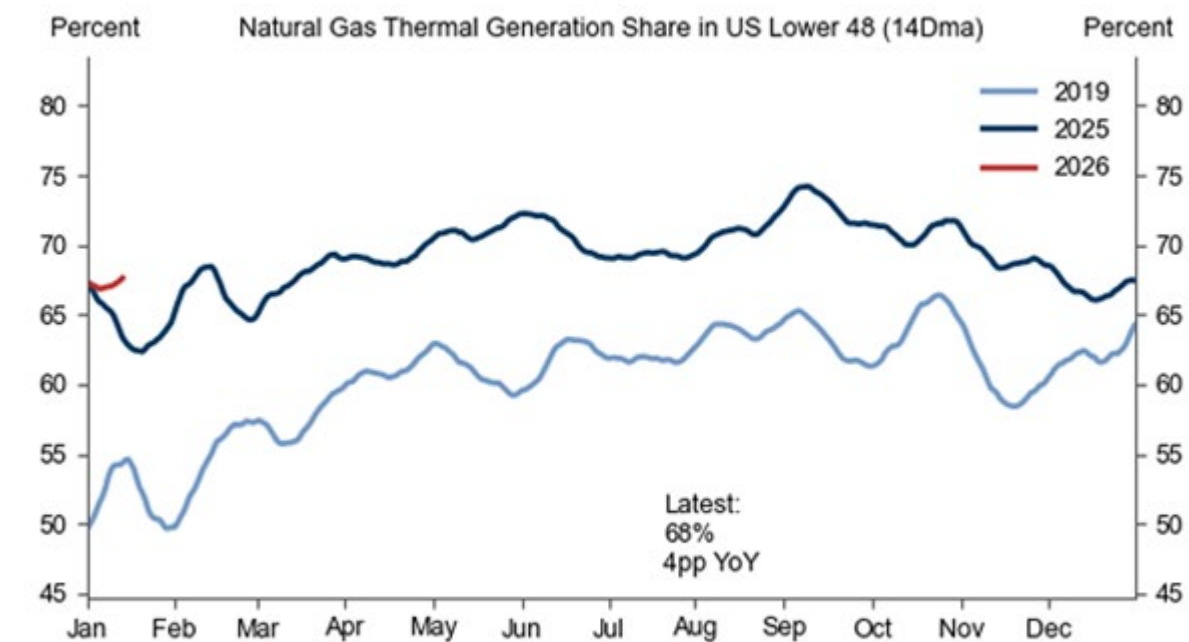


Data source: Bloomberg Finance, L.P.

Natural gas's share of thermal power generation is higher than last year. The growth in natural gas generation has been significant since 2019, primarily replacing coal (Figure 5).

Figure 5: Natural Gas Thermal Generation Share in US Lower 48 (Source: EIA, via GS)

**Exhibit 20: Within thermal power generation, the natural gas share has been higher than last year**



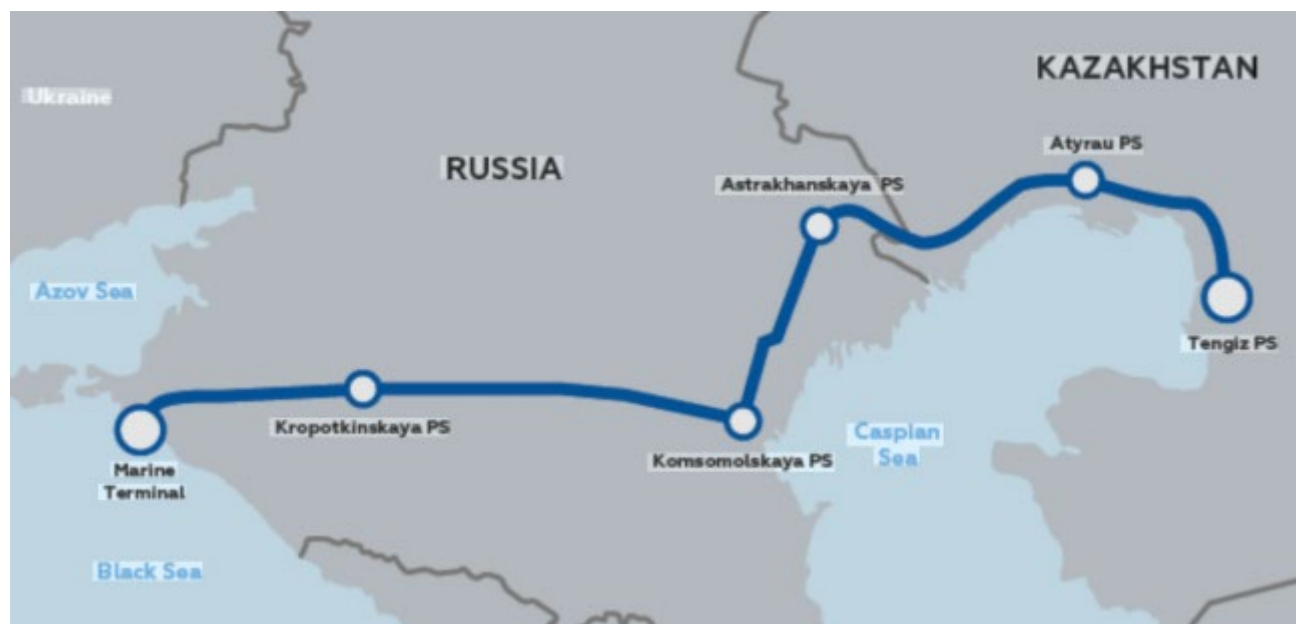
Not weather adjusted

Source: EIA, Goldman Sachs Global Investment Research

## Oil Market

Oil prices have been supported by large demonstrations in Iran with the possibility of US intervention and supply risks for Kazakhstan oil production following attacks on the CPC Pipeline which transports Kazakhstan crude through Russia to the Black Sea (Figure 6).

Figure 6: CPC Pipeline



Oil flows through the CPC pipeline have been declining since late-November and are now below 0.7mmbld, the lowest level in over 9 years (Figure 7).



Figure 7: CPC Terminal Exports (Source: various, via GS)

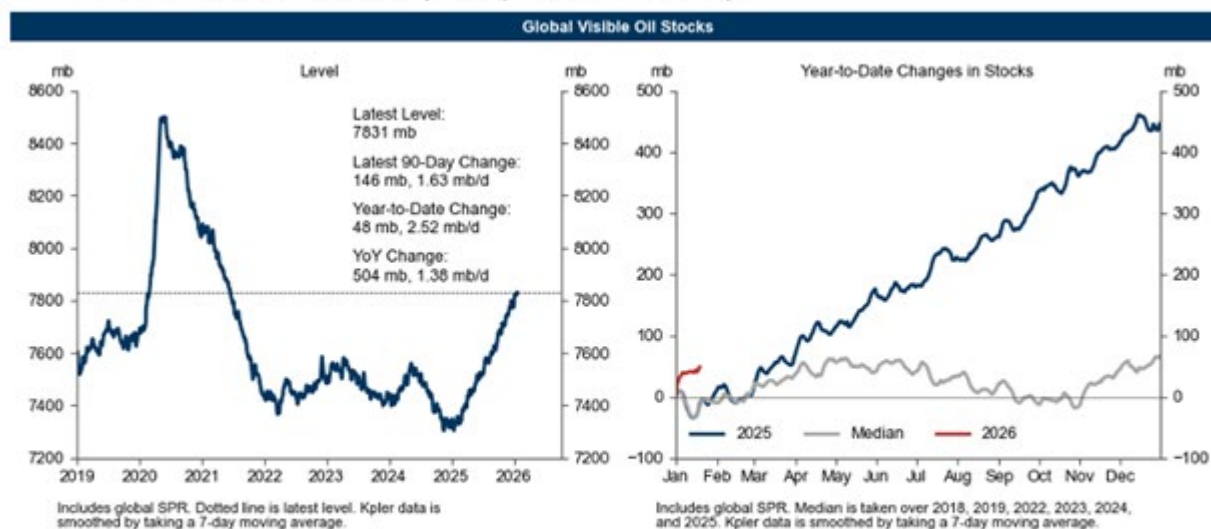
**Exhibit 1: Exports From the CPC Terminal Fell Nearly 1mb/d Below Initially Announced Loadings Program for January**



Source: Kpler, CPC, Goldman Sachs Global Investment Research

Despite the disruption to Kazakh oil supply and increased heating demand for oil, global oil stocks continue to build, the excess of supply over demand is likely to push oil prices lower in the near term notwithstanding geopolitical risks (Figure 8).

Figure 8: Global Visible Oil Stocks (Source: Various, via GS)

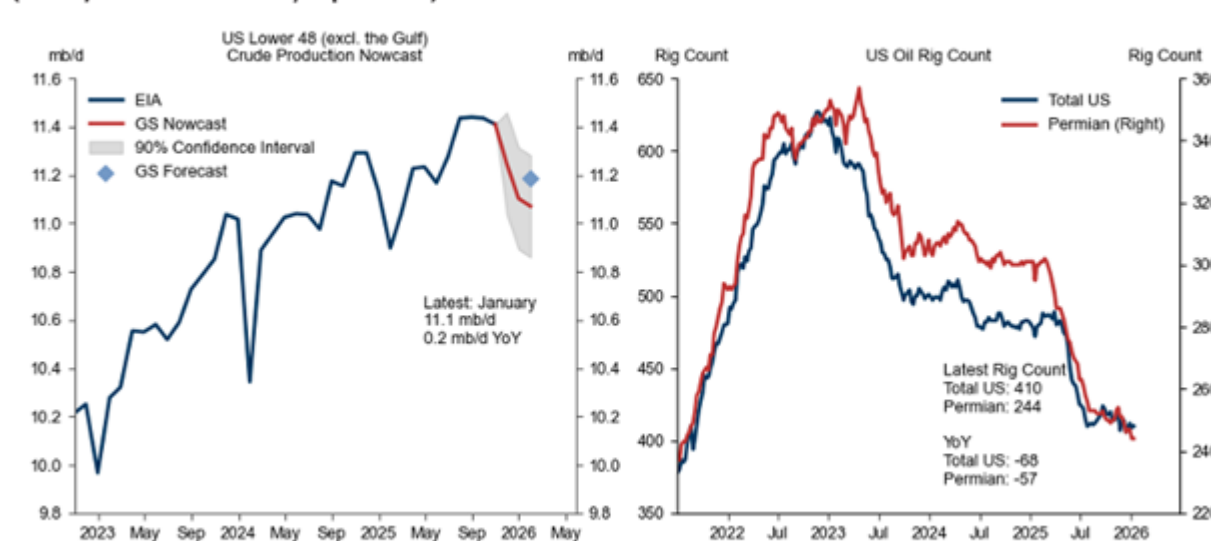
**Exhibit 6: Global Visible Oil Stocks Built by 1.6mb/d Over the Last 90 Days**

The chart shows the sum of all data available through the coverage period of the last US DoE Weekly Petroleum Report, and assumes a few datapoints not reported yet remain stable (by forward-filling). Areas of coverage include the US, ARA (Antwerp-Rotterdam-Amsterdam) in Europe, Fujairah in the Middle East, and Singapore and the locations covered by Longzhong in China. We now include China strategic reserves in our oil stocks tracking.

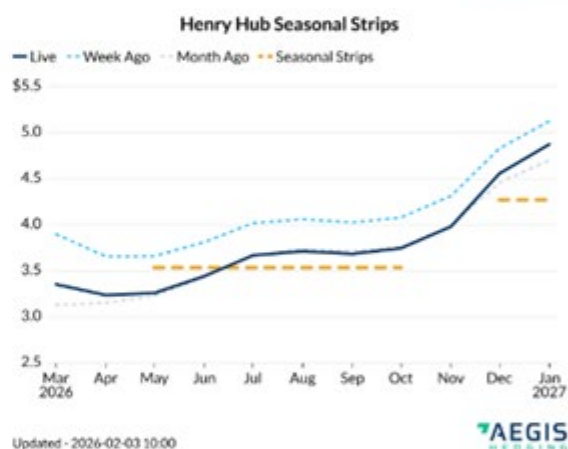
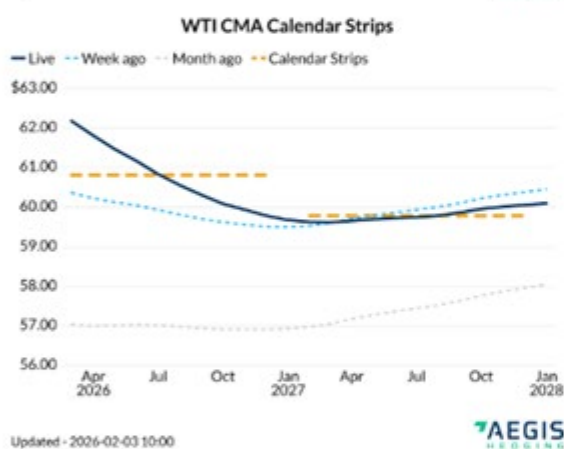
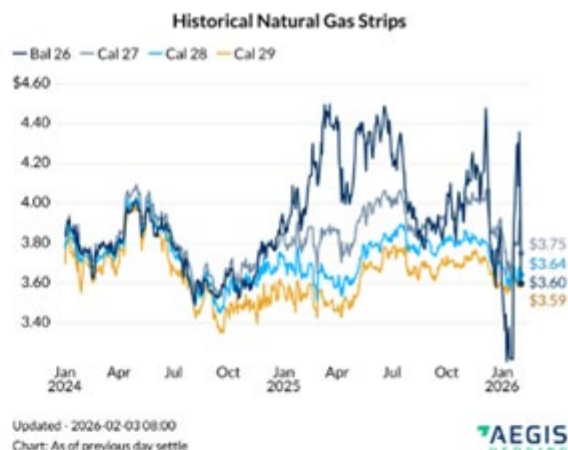
Source: IEA, Kpler, DOE, Euroilstocks, ARA PJK, PAJ, Haver, Goldman Sachs Global Investment Research

Influenced by lower prices, US oil production (LHS Figure 9) and rig count (RHS Figure 9) are falling.

Figure 9: US Crude Production and Oil Rig Count (Source: Various, via GS)

**Exhibit 8: Our US Lower 48 (excl the Gulf) Crude Production Nowcast Is at 11.1mb/d in the First January Estimate (0.1mb/d Below Our January Expectation)**

Source: EIA, Genscape, Baker Hughes, Haver Analytics, Bloomberg, Primary Vision, Goldman Sachs Global Investment Research

**Gas and Oil Prices 3 February 2026****Crude Oil Swap Pricing**

	2025	2026	2027
NYMEX WTI	NaN	\$60.70	\$59.49
LLS	NaN	\$62.18	\$61.04
Mars	NaN	\$59.09	\$58.01
Dubai	NaN	\$64.12	\$63.19
WCS-WTI	NaN	-\$14.24	-\$15.05
ICE Brent	NaN	\$64.41	\$63.36
Dated Brent	NaN	\$65.00	\$63.39
West TX Sour (WTS)	NaN	\$58.98	\$57.89

Updated - 2026-02-03 13:45

**Natural Gas Basis Swap Pricing**

	prompt	Winter 25/26	Summer 26	Winter 26/27	Summer 27
Henry Hub Fixed	\$3.237	\$3.237	\$3.478	\$4.209	\$3.446
Panhandle East	\$0.370	\$-0.239	\$-0.814	\$-0.279	\$-0.572
Eastern Gas South	-\$0.310	\$-0.370	\$-0.882	\$-0.742	\$-0.867
Waha	-\$5.685	\$-4.785	\$-3.322	\$-1.064	\$-0.999
TETCO M3	\$6.748	\$3.345	\$-0.688	\$1.664	\$-0.652
Houston Ship Channel	-\$1.050	\$-0.823	\$-0.400	\$-0.355	\$-0.373
Columbia Gulf Mainline	-\$0.118	\$-0.170	\$-0.285	\$-0.236	\$-0.258

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