

Month	Settle	1/15/2016	Strip Avg,
Feb-16	2.100	Feb16-Apr16	2.139
Mar-16	2.127	Apr16 - Oct16	2.339
Apr-16	2.189	Nov16 - Mar17	2.702
May-16	2.252	Apr17-Oct17	2.627
Jun-16	2.316		
Jul-16	2.381	Feb16-Jan17	2.382
Aug-16	2.403	Calendar 2017	2.697
Sep-16	2.404	Calendar 2018	2.840
Oct-16	2.431	Calendar 2019	2.970
Nov-16	2.512	Calendar 2020	3.103
Dec-16	2.674	Calendar 2021	3.230
Jan-17	2.792	Calendar 2022	3.360

**ICE NEXT DAY GAS PRICES:**

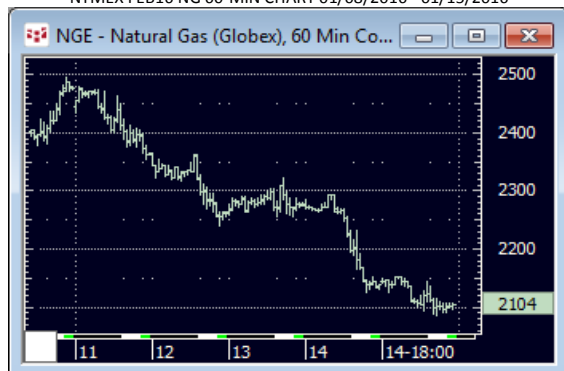
Transco Z5 non-WGL	4.7084	TCO	2.0966	Dominion-South	1.6513
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**ICE BASIS FUTURES PRICES (delayed by one day)**

TCO Basis	1/14/2016	Dominion-South Basis	
Feb-16	-0.1450	Feb-16	-0.8125
Feb16-Apr16	-0.1367	Feb16-Apr16	-0.8392
Apr16-Oct16	-0.1600	Apr16-Oct16	-0.9611
Nov16-Mar17	-0.1745	Nov16-Mar17	-0.7840
Calendar 2016	-0.1641	Calendar 2016	-0.9261
Calendar 2017	-0.2156	Calendar 2017	-0.7610
Calendar 2018	-0.2744	Calendar 2018	-0.5888
Calendar 2019	-0.2648	Calendar 2019	-0.5621
Calendar 2020	-0.2690	Calendar 2020	-0.5419
Calendar 2021	-0.2631	Calendar 2021	-0.5017
Calendar 2022	-0.2592	Calendar 2022	-0.4867
Calendar 2023	-0.2629	Calendar 2023	-0.4660

**Market Commentary:** What goes up often comes back down, and in just one week's time the natural gas futures market has dropped by nearly 15%, or close to 40 cents for the prompt Feb contract. The cold weather that sent shorts running for cover and gave market bulls a brief reprieve from punishment has subsided somewhat in the East at the moment, but should return next week for many in the region. The Plains states over into the Midwest are set to see some drastically cold weather this weekend, but that is not expected to persist, with above normal temps west of the Mississippi River expected next week, while the East should cool off again. Beyond that the outlook is for very mild conditions to once again impact most of the Lower 48, with the 8 to 14 day outlook from NOAA showing mostly orange hues, save for the Southeast which will be closer to normal. The forward-looking futures market is not focused on today as much as it is on future expectations, and with storage still brimming near all-time highs for this point in the withdrawal season, above-average temperatures will only serve to exacerbate that storage glut. The current El Nino weather phenomenon, among the strongest on record, is expected to subside this spring or early summer, and in its place the opposite phenomenon known as La Nina is expected to emerge. While El Nino is associated with cool surface sea temperatures in the Atlantic and strong upper-level wind shear that inhibits tropical storm development, La Nina is associated with the opposite factors which serve to foster greater tropical weather activity and the intensification of resulting weather systems as they churn through warm waters and encounter little resistance from wind shear. While it is only the

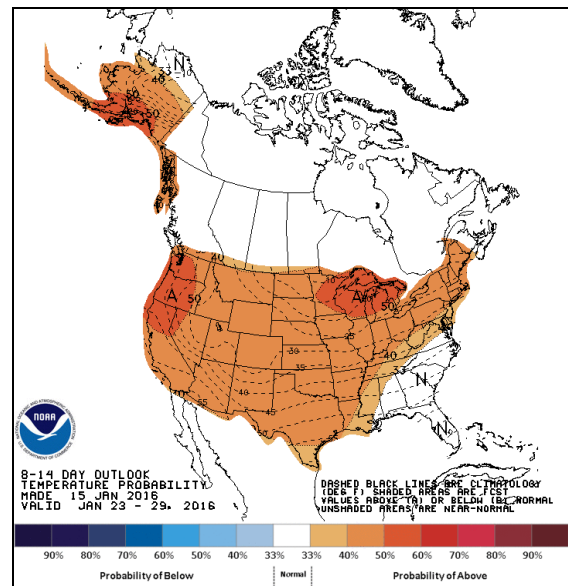
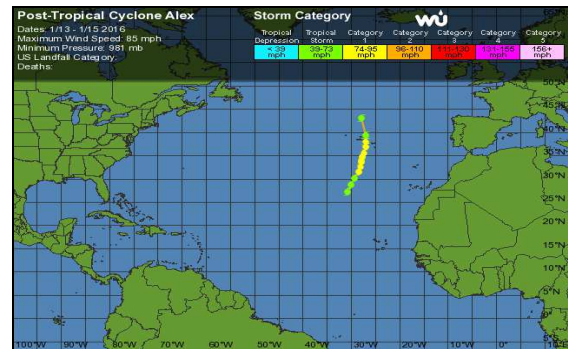
NYMEX FEB16 NG 60-MIN CHART 01/08/2016 - 01/15/2016



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<b>As of Week Ending:</b>	1/8/2016	Build/(Draw)
<b>Current Storage</b>	3,475 Bcf	(168) Bcf
		Surplus/(Deficit)
<b>Last Year Storage</b>	2,888 Bcf	587 Bcf
<b>5-Year Avg. Storage</b>	3,001 Bcf	474 Bcf

middle of January and hurricane season does not even officially begin until June, the Atlantic has seen its first named storm of the season, which had achieved hurricane status briefly before weakening. Hurricane Alex is the first hurricane to form in the month of January since 1938 and the first storm to occur in the month of January since 1955, so this is rare. The below graphic from Weather Underground plots the storm's track since it formed yesterday, and it has already passed over the Azores, which helped it to weaken from a hurricane back down to a tropical storm, and luckily little damage was sustained to the Portuguese archipelago from the passing storm. While it is of no threat to energy infrastructure the occurrence of this storm may play a role in the assignment of risk premium for prices as summer draws near and hurricane forecasts begin to emerge, although a greater impact would be expected for oil prices versus for natural gas given the current energy mix in the Gulf of Mexico.



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