Snyder Brothers Inc., Gas Marketing
1 Glade Park East, P.O. Box 1022
Kittanning, PA 16201
Ph: 724-548-8101
Fax 724-545-8243
www.snyderbrothersinc.com

Month	Settle	2/19/2016	Strip Avg,
Mar-16	1.804	Mar16-May16	1.872
Apr-16	1.867	Apr16 - Oct16	2.057
May-16	1.945	Nov16 - Mar17	2.506
Jun-16	2.018	Apr17-Oct17	2.467
Jul-16	2.094		
Aug-16	2.137	Mar16-Feb17	2.181
Sep-16	2.154	Calendar 2017	2.529
Oct-16	2.185	Calendar 2018	2.612
Nov-16	2.287	Calendar 2019	2.662
Dec-16	2.484	Calendar 2020	2.752
Jan-17	2.602	Calendar 2021	2.874
Feb-17	2.595	Calendar 2022	3.008

ICE NEXT DAY GAS PRICES:

Transco Z5 non-WGL	1.8030	TCO	1.7163	Dominion-South	1.2268

ICE BASIS FUTURES PRICES:

TCO Basis	2/19/2016	Dominion-South Basis	
Mar-16	-0.1200	Mar-16	-0.6750
Mar16-May16	-0.1058	Mar16-May16	-0.7133
Apr16-Oct16	-0.1350	Apr16-Oct16	-0.8679
Nov16-Mar17	-0.1405	Nov16-Mar17	-0.8260
Mar16-Feb17	-0.1367	Mar16-Feb17	-0.8400
Calendar 2017	-0.1846	Calendar 2017	-0.7863
Calendar 2018	-0.2525	Calendar 2018	-0.6260
Calendar 2019	-0.2354	Calendar 2019	-0.5800
Calendar 2020	-0.2396	Calendar 2020	-0.5510

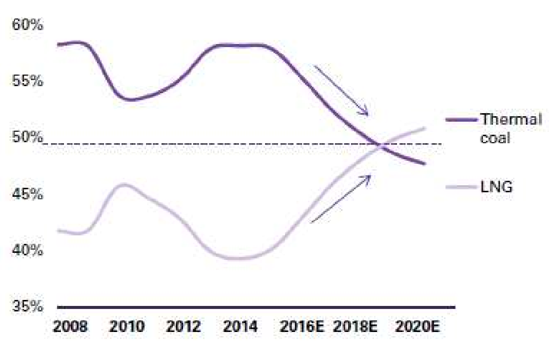
As of Week Ending:	2/12/2016	Build/(Draw)
Current Storage	2,706 Bcf	(158) Bcf
		Surplus/(Deficit)
Last Year Storage	2,174 Bcf	532 Bcf
5-Year Avg. Storage	2,151 Bcf	555 Bcf

Market Commentary: A weaker kickoff to the trading week ended up setting the tone for the rest of the week, as we finish at the lowest levels since mid-December, despite a somewhat cooler temperature outlook and a storage report that came in above expectations. With winter's potential to meaningfully move storage balances waning with each passing day, the market is less concerned about a cooling off in the temperature outlook (see 6 to 10 day outlook from NOAA to the right), while a new record-high level of production hit this month of more than 73 Bcf/day in dry-gas output is harder to ignore. That is up close to 0.6 Bcf/day from January levels and is 1.7 Bcf/day higher than this time last year, as production out of the two Northeast plays, the Marcellus and the Utica, saw even greater growth than the national average and output from those two plays was up to 22.8 Bcf/day thus far for the month of February. That growth in production has been on top of an El Nino winter that had seen very mild conditions until mid-January, and that short-lived cold has since fizzled, and with it so has heating demand. The EIA weekly storage report was less bearish than last week, coming in more than twice as high at (158) Bcf, which was also slightly above consensus, but that was not enough to generate any kind of shift in prevailing sentiment, and bulls never managed to get any kind of rally going in the wake of the data. Today saw a continuation of that trend, with sellers prevailing in getting prices down through 1.80, and the forward curve slumped anew as well, with the 3-year strip down to 2.45 which is as low as that forward strip has been since 1999. Goldman Sachs issued a research report earlier this week in which they discussed the global phenomenon of too much fuel competing for too little demand from the power stack, as coal's global market share enters permanent decline, and glutted markets for many of its nearest substitutes help ensure low prices will persist over the medium term as the market slowly deals with the current widespread overcapacity across (most) commodity markets. The below graphic from that GS report (they credit IHS in their footnote as well) shows the divergent trajectories of global seaborne trade volumes between the shrinking thermal coal market and the growing LNG market, which are expected to cross paths in the next few years, with expectations for those two markets to continue in those respective directions, much as we are seeing right now between domestic coal and natural gas markets here in North America.

NYMEX MAR16 NG 60-MIN CHART 02/15/2016 - 02/19/2016

CQG Inc. © 2016 02/19/2016 17:30:47, CQG 16.14.833 Alpha

Exhibit 16: LNG and thermal coal on diverging paths
Share of seaborne trade in power generation fuels



Source: IHS, Goldman Sachs Global Investment Research