

Month	Settle	11/14/2016	Strip Avg,
Dec-16	2.749	Dec16-Mar17	2.907
Jan-17	2.937	Apr17-Oct17	2.976
Feb-17	2.974	Nov17-Mar18	3.208
Mar-17	2.967	Apr18-Oct18	2.817
Apr-17	2.917		
May-17	2.927	Dec16-Nov17	2.960
Jun-17	2.966	Calendar 2017	2.998
Jul-17	3.004	Calendar 2018	2.951
Aug-17	3.008	Calendar 2019	2.905
Sep-17	2.995	Calendar 2020	2.917
Oct-17	3.015	Calendar 2021	2.993
Nov-17	3.062	Calendar 2022	3.094

**NEXT DAY GAS PRICES:**

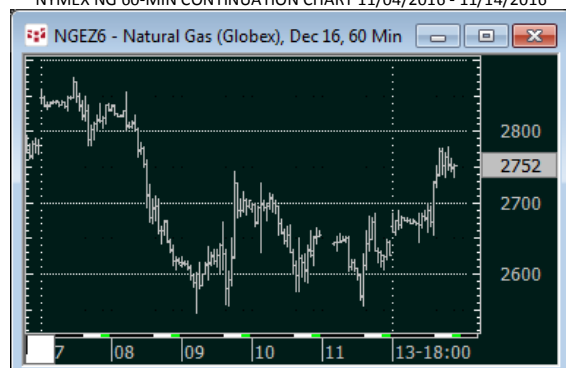
TETCO M2 (rec)	1.9162	Henry Hub	2.2231	Dom-SP	1.9148
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**ICE BASIS FUTURES PRICES:**

Tetco M2 Basis	11/14/2016	Dominion-South Basis	
Dec-16	-0.6850	Dec-16	-0.7000
Jan-17	-0.6475	Jan-17	-0.7225
Dec16-Mar17	-0.6756	Dec16-Mar17	-0.7275
Apr17-Oct17	-1.2050	Apr17-Oct17	-1.1893
Dec16-Nov17	-1.0256	Dec16-Nov17	-1.0346
Calendar 2017	-1.0531	Calendar 2017	-1.0640
Calendar 2018	-0.8235	Calendar 2018	-0.8506
Calendar 2019	-0.6531	Calendar 2019	-0.6648
Calendar 2020	-0.6260	Calendar 2020	-0.6644

**Market Commentary:** Last week's action kicked off with a slight gap up into the low 2.80's that proved to be the high end of the weekly trading range, with selling pressure emerging on Monday and gaining steam on Tuesday and Wednesday as the market followed the path of least resistance lower. The lack of any real cold weather has been notable so far in these very early stages of the traditional winter heating season, but despite conditions generally beginning to cool off for most into November, storage does not usually peak until the middle part of the month. We are on pace for a similar result this year, with this week's storage report expected to show either the final or second-to-last injection of the season, which should result in another new record-high level of natural gas storage for the US as we enter the winter season. While the overall price level has moved relatively minimally since our last report of Nov 4th, there have been notable swings in the forward curve, with calendar spreads seeing greater volatility than flat prices. At the end of last week Dec saw heavy selling pressure that was offset by buying interest for balance of winter contracts, with traders effectively pushing bullish sentiment farther out into the winter and more or less writing off bullish potential over the coming couple of weeks. That phenomenon corrected itself somewhat today, thanks to a colder 6 to 10 day outlook that now shows the season's first widespread below-normal temperature expectations for the East Coast, and Dec responded with a sharp knee-jerk rally higher early on today, that was met with less

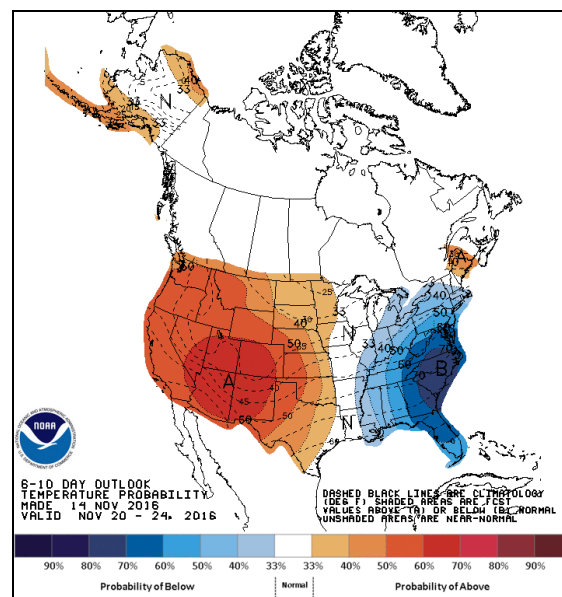
**NYMEX NG 60-MIN CONTINUATION CHART 11/04/2016 - 11/14/2016**



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](http://www.snyderbrothersinc.com)

As of Week Ending:	11/4/2016	Build/(Draw)
Current Storage	4,017 Bcf	+54 Bcf
		Surplus/(Deficit)
Last Year Storage	3,970 Bcf	47 Bcf
5-Year Avg. Storage	3,828 Bcf	189 Bcf

enthusiasm for the balance of winter contracts, and even less upside for next summer. Basis prices have also been on the upswing as the market prices in a flatter geographic spread expectation into the future, which is also being seen in physical markets where we are seeing low-priced Marcellus cash markets bid up substantially, while premium Gulf Coast markets such as the Henry Hub have fallen off in recent weeks. A year ago we found ourselves in a deep bear market that ultimately ended up yielding much lower prices as the winter progressed, and that was a sustained bear market that we only emerged from this summer in the face of declining output and increased demand for gas in power generation. Things are a bit less bearish this year as production has pulled back and there is less drilling activity taking place, but last month's rally up above 3.25 provided some decent hedging opportunities for producers looking to lock in future production revenues, and any lasting cold weather that emerges over the next month or two is likely to be met with similar strength. As the winter wears on the ability of cold weather to provide lasting buoyancy for the market will diminish though, as the potential for demand to remain elevated and whittle away at storage is reduced, and as the forward-looking market will then begin to look ahead toward summer and what potential factors will drive pricing trends from there.



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