

Month	Settle	5/26/2017	Strip Avg.
Jun-17	3.236		Jun17-Oct17 3.311
Jul-17	3.310		Nov17-Mar18 3.507
Aug-17	3.345		Apr18-Oct18 2.933
Sep-17	3.324		Nov18-Mar19 3.132
Oct-17	3.342		
Nov-17	3.396		Jun17-May18 3.328
Dec-17	3.516		Calendar 2018 3.106
Jan-18	3.590		Calendar 2019 2.860
Feb-18	3.560		Calendar 2020 2.830
Mar-18	3.474		Calendar 2021 2.875
Apr-18	2.953		Calendar 2022 2.927
May-18	2.890		Calendar 2023 3.000



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

NEXT DAY GAS PRICES (ICE weighted average):

TETCO M2 (rec)	2.3487	Henry Hub	3.1014	Dom-South	2.4099
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ICE BASIS FUTURES PRICES:

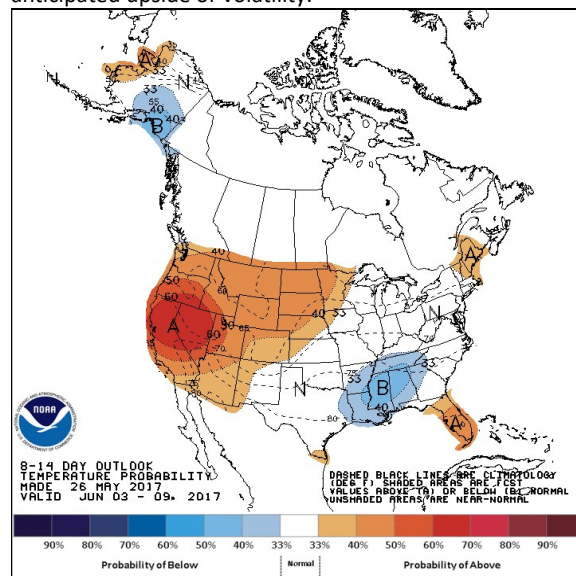
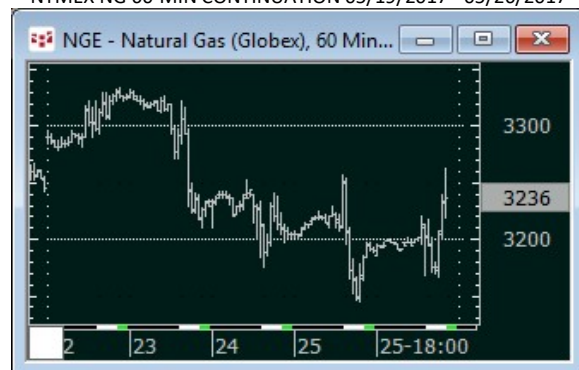
Tetco M2 Basis	5/26/2017	Dominion-South Basis	
Jun-17	-0.5650	Jun-17	-0.5475
Jul-17	-0.7100	Jul-17	-0.6850
Aug-17	-0.7025	Aug-17	-0.6925
Jun17-Oct17	-0.6815	Jun17-Oct17	-0.6545
Nov17-Mar18	-0.3670	Nov17-Mar18	-0.4095
Jun17-May18	-0.5058	Jun17-May18	-0.5169
Calendar 2018	-0.4188	Calendar 2018	-0.4310
Calendar 2019	-0.4719	Calendar 2019	-0.4777
Calendar 2020	-0.5379	Calendar 2020	-0.5410

As of Week Ending:	5/19/2017	Build/(Draw)
Current Storage	2,444 Bcf	+75 Bcf
		Surplus/(Deficit)
Last Year Storage	2,815 Bcf	(371) Bcf
5-Year Avg. Storage	2,203 Bcf	241 Bcf

Market Commentary: The week began with a slightly higher open on the charts on Sunday night, with Jun starting off trading just below 3.30 before eventually breaking above that level overnight into Monday morning, with the low 3.30's capping the upside. From there prices eventually encountered selling pressure which knocked us back down into the low 3.20's on Tuesday, and Wednesday got down into the teens, before finding the lowest levels of the week yesterday afternoon with a low print for Jun of 3.145. The weekly storage report showed a larger than expected injection into storage of +75 Bcf, which was more than the +68 or so that was priced in, and prices moved lower as one might expect to happen in the face of such a miss. Yesterday was option expiration for the Jun17 contract, and prices perked up somewhat into the close as options market-makers angled to make as many options expire worthless as possible. After regaining the 3.20 area, we saw bulls and bears duke it out there earlier, before the bulls ultimately proved victorious and we traded up as high as 3.263 into the close today and pulled back to settle at a slight rearrangement of those digits: 3.236. Looking at the below hourly chart, the bulk of the activity was confined to the 3.20 to 3.30 price band, with the early test of the low 3.30's eventually rejected by traders, as were the teens when we visited those levels yesterday and again this morning. Mild weather has helped limit demand which has led to greater storage injections, with end of season estimates having ratcheted

up by more than 150 Bcf over the past few months, from 3,600 Bcf in mid-March to a current projection of 3,760 Bcf to go into next winter within storage facilities. The below 8 to 14 day outlook suggests that trend may continue, with heat largely confined to Western sections, which are seeing power prices trade at negative levels in some cases, given the influx of renewable generation such as wind and solar facilities, as well as the region's traditional reliance on hydro power, with the drought having reversed and dams now running full tilt, so heat out West is not particularly bullish for NG at the moment as it might have been a few years ago, even if it does yield some increased CDDs. The Rover Pipeline being constructed by ETP had its request to restart work on the project rejected by FERC yesterday, which will add to already anticipated delays on its eventual in-service date, which had initially been pegged at starting in July. The NG forward curve continues to reflect expectations that the market is tight but working toward cranking supply higher, but that it should occur in the next year or year and a half, and beyond that the curve reflects the expectation that we will settle down for some time and see little in the way of fluctuations. It seems naïve to think that nothing will happen to alert that course between now and then, but the market structure has remained this way for some time: 2017 trading above 2018, and then 2019 forward seeing very minimal anticipated upside or volatility.

NYMEX NG 60-MIN CONTINUATION 05/19/2017 - 05/26/2017



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