

Month	Settle	8/29/2017	Strip Avg.
Sep-17	2.961	Sep17-Dec17	3.048
Oct-17	2.983	Nov17-Mar18	3.211
Nov-17	3.053	Apr18-Oct18	2.910
Dec-17	3.193	Nov18-Mar19	3.100
Jan-18	3.287		
Feb-18	3.282	Sep17-Aug18	3.045
Mar-18	3.242	Calendar 2018	3.021
Apr-18	2.910	Calendar 2019	2.850
May-18	2.876	Calendar 2020	2.764
Jun-18	2.900	Calendar 2021	2.748
Jul-18	2.925	Calendar 2022	2.766
Aug-18	2.928	Calendar 2023	2.803



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**NEXT DAY GAS PRICES (ICE weighted average):**

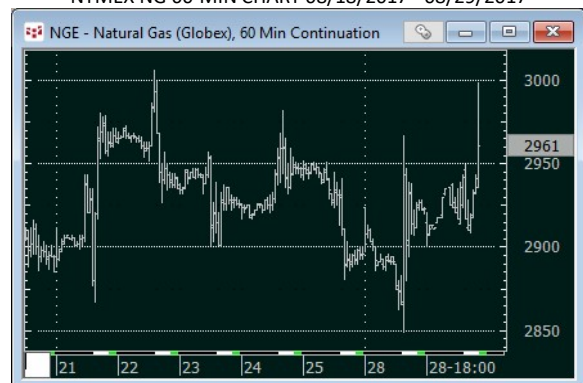
TETCO M2 (rec)	1.6330	Henry Hub	2.8848	Dom-South	1.6960
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**ICE BASIS FUTURES PRICES:**

Tetco M2 Basis	8/29/2017	Dominion-South Basis	
Sep-17	-1.3375	Sep-17	-1.2700
Oct-17	-0.9800	Oct-17	-0.9525
Sep17-Dec17	-0.8075	Sep17-Dec17	-0.7844
Nov17-Mar18	-0.3695	Nov17-Mar18	-0.3945
Aug17-Jul18	-0.5375	Aug17-Jul18	-0.5364
Calendar 2018	-0.4421	Calendar 2018	-0.4354
Calendar 2019	-0.4540	Calendar 2019	-0.4485
Calendar 2020	-0.4900	Calendar 2020	-0.4998

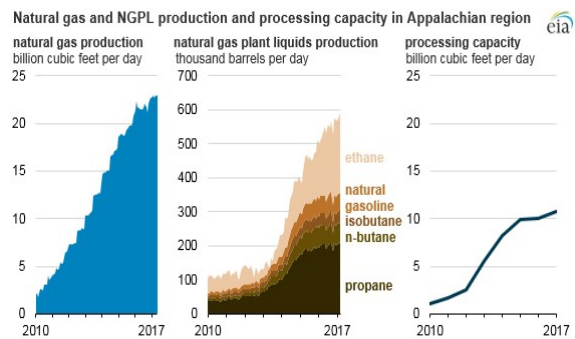
**Market Commentary:** Natural gas prices have been locked in a tight trading range in recent weeks, with market participants unable to spur prices back up into a 3-handle for any significant length of time, and on the flip side those wishing to see lower prices have had very limited success in achieving their goals either. After finishing out two Fridays ago in the 2.90 vicinity, which had been acting like a price magnet, last week opened up right near there, and remained close to 2.90 in the first hours of the trading week. Bulls managed to bump prices up a few pennies as Monday morning approached, but were thwarted by bears who knocked the price right back down into the upper 2.90's, but they relinquished control from there and bulls managed to get the price up into the high 2.90's late Monday with a brief trip up over 3.00 early Tuesday AM that proved to be the high print for the week last week. From there sellers re-asserted their influence, and knocked the market down below 2.95 again fairly quickly, and we were testing 2.90 by Wednesday. That test saw the level hold and we then perked back up as the weekly storage report approached, with memories of the prior week's revisions/reclassifications fresh in peoples' minds. The reported injection of just 43 Bcf fell shy of expectations and should have been seen as a bullish development, all other things equal. That the market didn't rally, or even react much for that matter, should have been reason for approaching with caution, particularly on the long side. It proved to be the right market cue, with sellers pressing prices lower to finish out the week. This week brought with it Hurricane Harvey,

NYMEX NG 60-MIN CHART 08/18/2017 - 08/29/2017

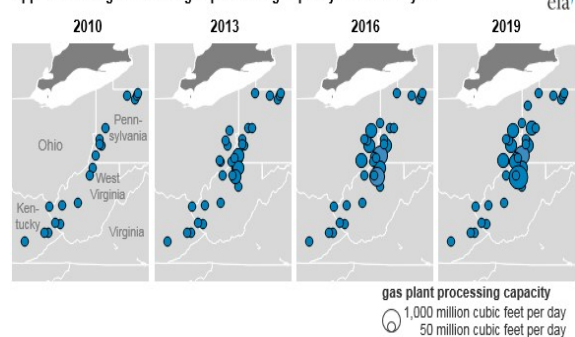


As of Week Ending:	8/18/2017	Build/(Draw)
Current Storage	3,125 Bcf	+43 Bcf
		Surplus/(Deficit)
Last Year Storage	3,348 Bcf	(223) Bcf
5-Year Avg. Storage	3,080 Bcf	45 Bcf

which has proven to be the worst storm the country has faced in over a decade, and one of the worst natural disasters in Texas history, with the storm remaining over the region at the time of writing and much uncertainty still about what the long-term impacts to supply and demand might be. It so happens that Texas is not only a major energy producer, but also a major energy consumer, and to top it all off it generally represents the "energy capital of the world", which is certainly accurate in terms of the city's impact on energy market trading and prices. With so many participants away as a result of the storm, an unusually large degree of uncertainty remains and volatility may continue to be elevated. The below graphics from the EIA plot the growth in NG production out of our Appalachian region, which has gone from a minor player 10 years ago to the biggest driver of NG production and a major factor in pricing, but the growth in dry-gas production has not been matched by the natural gas processing sector. While dry-gas production from the region has grown from a few Bcf/day to more ~22 Bcf/day since 2010, growth in processing capacity has only grown to ~10 Bcf/day over the same period. More processing capacity is on its way, as depicted in graphic #2 below.



Appalachian region natural gas processing capacity in selected years



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