



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)

Month	Settle	5/21/2018	Strip Avg.
Jun-18	2.810	Jun18-Oct18	2.848
Jul-18	2.850	Nov18-Mar19	2.994
Aug-18	2.869	Apr19-Oct19	2.623
Sep-18	2.853	Nov19-Mar20	2.852
Oct-18	2.860	Apr20-Oct20	2.586
Nov-18	2.903	Jun18-May19 (1-yr)	2.867
Dec-18	3.002	Calendar 2019	2.749
Jan-19	3.082	Calendar 2020	2.692
Feb-19	3.045	Calendar 2021	2.696
Mar-19	2.940	Calendar 2022	2.736
Apr-19	2.611	Calendar 2023	2.800
May-19	2.578	Calendar 2024	2.875

**ICE BASIS FUTURES PRICES:**

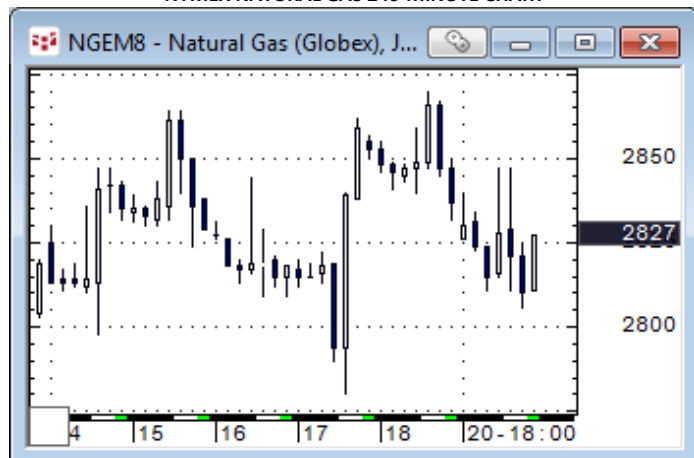
Tetco M2 Basis	5/21/2018	Dominion-South Basis	
Jun-18	-0.5975	Jun-18	-0.5850
Jul-18	-0.5600	Jul-18	-0.5450
Jun18-Oct18	-0.6030	Jun18-Oct18	-0.5800
Nov18-Mar19	-0.3985	Nov18-Mar19	-0.4400
Apr19-Oct19	-0.5843	Apr19-Oct19	-0.5550
Jun18-May19 (1-yr)	-0.4969	Jun18-May19 (1-yr)	-0.4992
Calendar 2019	-0.5219	Calendar 2019	-0.5208
Calendar 2020	-0.5831	Calendar 2020	-0.5738
Calendar 2021	-0.6823	Calendar 2021	-0.6625
Calendar 2022	-0.6931	Calendar 2022	-0.6706

**TODAY'S GAS DAILY CASH MARKET PRICES (for GD19-21):**

TRAN Z6 NY	2.460	Henry Hub	2.755	Dom-South	2.250
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**Market Commentary:** The recent price action in natural gas has been lackluster at best, and bordering on being stuck in the doldrums. We have seen notably listless price action prevail, with bulls having managed to maintain a 2.80+ price level for most of the past week, but failed to incite a new round of buying to carry the market to the next consolidation zone. Whether that proves to be a trip back down into the 2.70's (where we had spent a good deal of time a few weeks ago), or back up to the 2.90's (where we have spent less time and may encounter more upside resistance above the market), remains to be seen, but volatility has certainly not been the dominant theme in this market in recent weeks and months. The below 4-hour chart from CQG illustrates that prompt prices have not even managed to carve out a 10-cent trading range over the past week, with a chart low of 2.780 and a high print of 2.870 from Friday morning, so today's .041 trading range encapsulates nearly half of the range we have seen over the prior week. Production has remained close to the 78 Bcf/day figure for dry-gas output, which seems to be a short-term plateau for that metric, and storage trends remain supportive to prices for the time being as utility operators keep their feet on the gas, so to speak,

**NYMEX NATURAL GAS 240-MINUTE CHART**

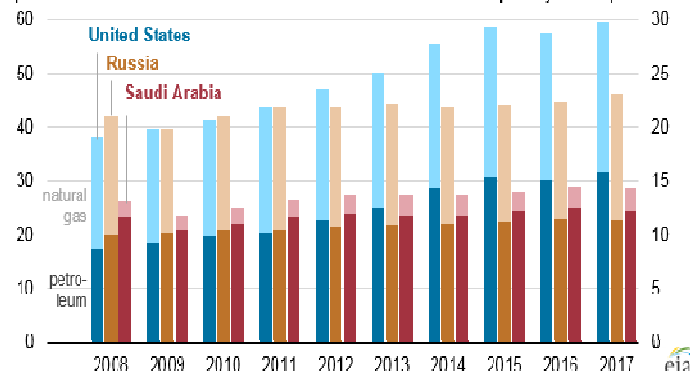


CQG Inc. © 2018 Mon May 21 2018 17:30:25, CQG 19.5.8012 Alpha

As of Week Ending:	5/11/2018	Build/(Draw)
Current Storage	1,538 Bcf	+106 Bcf
		Surplus/(Deficit)
Last Year Storage	2,359 Bcf	(821) Bcf
5-Year Average	2,039 Bcf	(501) Bcf

in terms of getting storage refilled in preparation for the winter to come. End-of-season storage futures for November are still pointing to a ~3.5 Tcf peak, which is on the light side versus historical comparisons, but it is also expected to occur against the backdrop of record-high production, so the market is considerably less uneasy about the potential for price-spikes than it would have been a year or two ago. Looking out the curve, the bleeding has stopped a bit as Cal19 forward prices posted slight increases from a week ago, but these are still small gains from very low levels. Market signals continue to reflect the idea that near-term price strength should give way to future price weakness, as NG producers crank up output, but more importantly as the growing number of oil wells drilled continues to create spillover NG production as a by-product. With oil prices trading at multi-year highs those oil-focused producers will continue to dump NG into pipelines regardless of the price level, since the oil they are targeting is still reaping them substantial returns. Waha NG basis is a good gauge of conditions for Permian NG markets, and things have perked up there from the late April lows, but basis remains below -1.00 for the Cal19 strip, and \$75 oil is unlikely to see bearish price action there reverse itself in the near term (although it has moved up nicely in the past few weeks). With all of the talk of US energy dominance in the world, it is sometimes helpful to stand back and appreciate what American energy workers have accomplished over the past decade: in 2008 the US lagged both Russia and Saudi Arabia in oil production, and lagged Russia in natural gas production; by 2017 the USA achieved the top position across both categories, as the #1 producer of both oil and natural gas in the world.

**Estimated petroleum and natural gas hydrocarbon production in selected countries**  
 quadrillion British thermal units      million barrels per day of oil equivalent



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