



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	6/8/2018	Strip Avg.
Jul-18	2.890	Jul18-Oct18	2.888
Aug-18	2.894	Nov18-Mar19	3.045
Sep-18	2.876	Apr19-Oct19	2.641
Oct-18	2.890	Nov19-Mar20	2.849
Nov-18	2.937	Apr20-Oct20	2.568
Dec-18	3.047	Jul18-Jun19 (1-yr)	2.886
Jan-19	3.133	Calendar 2019	2.775
Feb-19	3.102	Calendar 2020	2.675
Mar-19	3.004	Calendar 2021	2.648
Apr-19	2.637	Calendar 2022	2.664
May-19	2.595	Calendar 2023	2.719
Jun-19	2.622	Calendar 2024	2.781

#### ICE BASIS FUTURES PRICES:

Tetco M2 Basis	6/8/2018	Dominion-South Basis	
Jul-18	-0.6550	Jul-18	-0.6400
Aug-18	-0.6125	Aug-18	-0.5900
Jul18-Oct18	-0.6463	Jul18-Oct18	-0.6219
Nov18-Mar19	-0.4150	Nov18-Mar19	-0.4570
Apr19-Oct19	-0.5829	Apr19-Oct19	-0.5575
Jul18-Jun19 (1-yr)	-0.5121	Jul18-Jun19 (1-yr)	-0.5152
Calendar 2019	-0.5229	Calendar 2019	-0.5244
Calendar 2020	-0.5794	Calendar 2020	-0.5690
Calendar 2021	-0.6758	Calendar 2021	-0.6610
Calendar 2022	-0.6996	Calendar 2022	-0.6777

#### TODAY'S GAS DAILY CASH MARKET PRICES (for GD8):

TRAN Z6 NY	2.775	Henry Hub	2.930	Dom-South	2.105
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**Market Commentary:** The impact of record-setting heat for the month of May continues to be felt in the natural gas market, as robust demand helped to limit storage injections and keep the dream alive for natural gas bulls hoping for some upside this summer. After taking a run at 3.00 two weeks ago, prices backed off and went into retreat early last week, which only lasted until last week's storage report saw prices trade back up toward 3.00 to finish out the week, but we failed to break above 2.99 this time, and pulled back a few cents to close in the mid-2.90's for the week. This week kicked off in that same neighborhood, and again attempted to rally but only barely broke 2.98, before retreating a dime back down. We saw some price consolidation in the 2.90 vicinity ahead of yesterday's storage report, but things started their way higher yesterday morning before the report, and the market topped out just shy of 2.99 and then began working its way back lower ahead of storage. The +92 Bcf injection that was reported was more or less in-line with expectations, but was not enough to incite another round of buying, and prices have instead continued their way down. Today saw a retest of the weekly lows of ~2.875, but they held once more and we are finishing out the week

#### NYMEX NATURAL GAS 240-MINUTE CHART



CQG Inc. © 2018

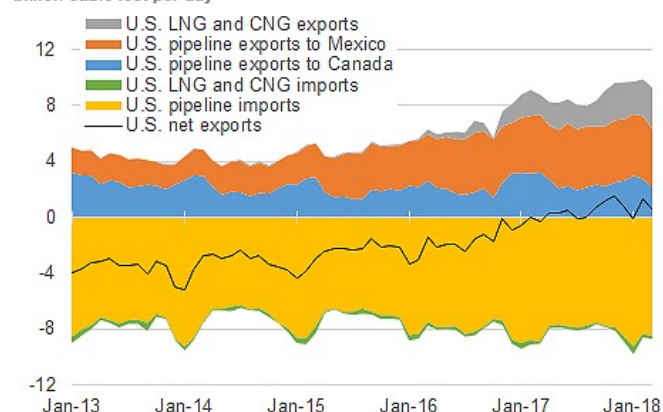
Fri Jun 08 2018 16:11:14, CQG 19.5.8012 Alpha

As of Week Ending:	6/1/2018	Build/(Draw)
Current Storage	1,817 Bcf	+92 Bcf
		Surplus/(Deficit)
Last Year Storage	2,616 Bcf	(799) Bcf
5-Year Average	2,329 Bcf	(512) Bcf

right around 2.90, as low storage inventories duke it out with waning expected CDD counts in major Eastern metro regions for influence on prices. The 6 to 10 day outlook from NOAA shows above normal temperature expectations for much of the country, but not in the Midwest and East Coast where demand counts the most, which may help storage operators make some more progress than they have been able to in recent weekly storage reports. While the US remains a significant importer of Canadian molecules via pipeline networks, offsetting NG pipeline exports to Canada and pipeline exports to Mexico, and more recently LNG (and to a lesser extent CNG) exports, all aggregate to a greater volume than pipeline imports, and this has shifted the country from being a net importer into a net exporter of natural gas. This phenomenon should only continue to increase as Mexican demand grows and more LNG liquefaction trains come online in the coming years, with Elba Island in Georgia, Corpus Christi in Texas, and Cameron LNG in Louisiana all expected to enter service in 2019, and Freeport LNG is now facing delays and the anticipated start date there has recently been pushed back into next year as well. These projects in concert with the already operating Sabine Pass and Cove Point facilities, will leave the Lower 48 with upwards of 9.5 Bcf/day in export capacity by the end of next year. With next winter's prices in the UK now hovering in the ~\$7.50/MMBtu zone, and Asian LNG \$2 higher, this should be a boon to domestic exporters of LNG.

#### U.S. natural gas imports and exports

billion cubic feet per day



Source: U.S. Energy Information Administration's Natural Gas Monthly

Note: A minor fraction of Canadian exports and imports consist of compressed natural gas (CNG).

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