

Month	Settle	7/12/2018	Strip Avg.
Aug-18	2.797	Aug18-Oct18	2.781
Sep-18	2.766	Nov18-Mar19	2.944
Oct-18	2.780	Apr19-Oct19	2.651
Nov-18	2.832	Nov19-Mar20	2.857
Dec-18	2.949	Apr20-Oct20	2.559
Jan-19	3.033	Aug18-Jul19 (1-yr)	2.801
Feb-19	3.000	Calendar 2019	2.757
Mar-19	2.906	Calendar 2020	2.668
Apr-19	2.635	Calendar 2021	2.605
May-19	2.607	Calendar 2022	2.616
Jun-19	2.637	Calendar 2023	2.679
Jul-19	2.668	Calendar 2024	2.750

#### ICE BASIS FUTURES PRICES:

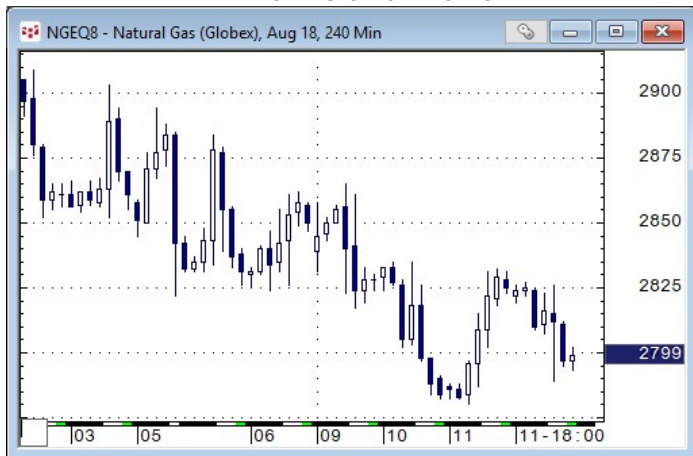
Tetco M2 Basis	7/12/2018	Dominion-South Basis	
Aug-18	-0.5850	Aug-18	-0.5625
Sep-18	-0.6175	Sep-18	-0.5950
Aug18-Oct18	-0.5992	Aug18-Oct18	-0.5783
Nov18-Mar19	-0.3725	Nov18-Mar19	-0.4195
Apr19-Oct19	-0.5657	Apr19-Oct19	-0.5468
Aug18-Jul19 (1-yr)	-0.4785	Aug18-Jul19 (1-yr)	-0.4829
Calendar 2019	-0.5040	Calendar 2019	-0.5096
Calendar 2020	-0.5425	Calendar 2020	-0.5371
Calendar 2021	-0.6460	Calendar 2021	-0.6365
Calendar 2022	-0.6900	Calendar 2022	-0.6790

#### TODAY'S GAS DAILY CASH MARKET PRICES (for GD12):

TRAN Z6 NY	2.915	Henry Hub	2.835	Dom-South	2.170
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**Market Commentary:** Little has changed in the natural gas market recently aside from the price, with the same dueling influences of a deficit in storage and record production continuing to vie for traders' attention. That said, the weather pattern that had produced a bout of excitement a few weeks ago has seen its impacts wane, and while there continues to be some heat on the horizon, particularly for the coasts, the widespread heatwave has let up. Production is still humming along at ~80 Bcf/day for the past two weeks and should continue to trend higher as time moves forward, but the storage outlook also remains bullish as utilities keep buying both for power generation and for storage ahead of next winter's heating season. Despite their activity, the storage deficit remains formidable and the market is currently only expecting peak storage in the 3.5 Tcf region come fall, which would be a relatively light cushion to meet winter heating needs should we see any kind of a repeat of last January's bitter cold weather. With record and growing production and the newfound belief that producers can step up production much more rapidly than in years' past, the market is shrugging about that 3.5 Tcf expectation at the moment though. After failing to regain the 2.90

#### NYMEX NATURAL GAS 240-MINUTE CHART



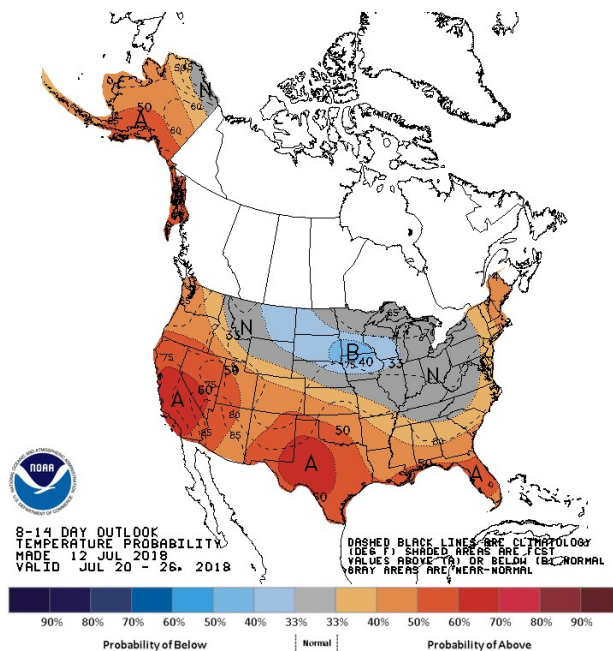
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Snyder Brothers Inc., Gas Marketing  
1 Glade Park East, P.O. Box 1022  
Kittanning, PA 16201  
Ph: 724-548-8101  
Fax 724-545-8243  
[www.snyderbrothersinc.com](http://www.snyderbrothersinc.com)

As of Week Ending:	7/6/2018	Build/(Draw)
Current Storage	2,203 Bcf	+51 Bcf
		Surplus/(Deficit)
Last Year Storage	2,928 Bcf	(725) Bcf
5-Year Average	2,722 Bcf	(519) Bcf

level last week, prices started lower and traded down to ~2.825 before bouncing, and this level acted as price support on several tests of it last week, before ultimately bouncing to finish in the mid-2.80's. This week saw prices open back up in the mid-2.80's once more, but ultimately failed to trade much above 2.85 on Monday morning before sellers knocked it back down, and Tuesday saw that support broken and the Auggie contract broke below 2.80 for the first time since mid-May. In technical analysis what was support becomes resistance, so the market's inability to trade much above the old 2.825 support level validates the downtrend and encourages more shorts to jump on the bandwagon. With volatility as subdued as it has been, the bandwagon may not be as comfortable as they might expect though, and we are getting closer to the 2.75 zone which has acted as an area of support for the August contract over the past few months as well, and you have to go all the way back to February to find the last time the Aug18 contract traded below 2.70. With the storage deficit remaining as wide as it is the market is going to have a hard time cascading lower right now, but with production humming along if storage begins to fill more rapidly than anticipated, we are likely to see some selling pressure re-emerge.



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