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Month	Settle	7/26/2018	Strip Avg.
Aug-18	2.780	Aug18-Oct18	2.774
Sep-18	2.762	Nov18-Mar19	2.936
Oct-18	2.780	Apr19-Oct19	2.610
Nov-18	2.830	Nov19-Mar20	2.808
Dec-18	2.941	Apr20-Oct20	2.494
Jan-19	3.025	Aug18-Jul19 (1-yr)	2.782
Feb-19	2.991	Calendar 2019	2.722
Mar-19	2.891	Calendar 2020	2.607
Apr-19	2.595	Calendar 2021	2.572
May-19	2.565	Calendar 2022	2.602
Jun-19	2.595	Calendar 2023	2.663
Jul-19	2.628	Calendar 2024	2.738

**ICE BASIS FUTURES PRICES:**

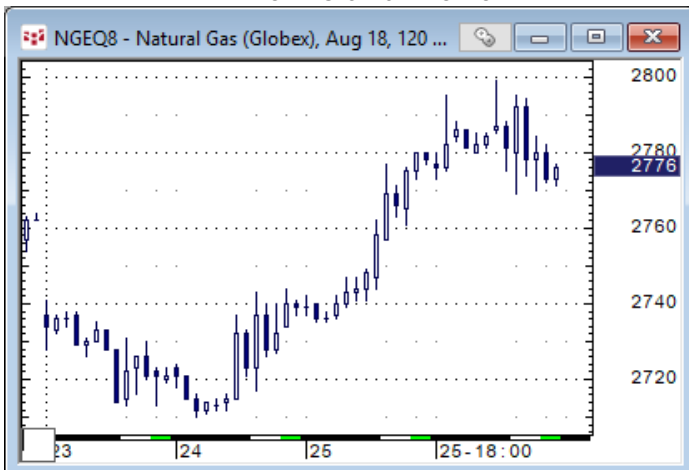
Tetco M2 Basis	7/26/2018	Dominion-South Basis	
Aug-18	-0.4200	Aug-18	-0.4275
Sep-18	-0.4600	Sep-18	-0.4700
Aug18-Oct18	-0.4433	Aug18-Oct18	-0.4517
Nov18-Mar19	-0.3405	Nov18-Mar19	-0.3870
Apr19-Oct19	-0.5275	Apr19-Oct19	-0.5071
Aug18-Jul19 (1-yr)	-0.4146	Aug18-Jul19 (1-yr)	-0.4256
Calendar 2019	-0.4710	Calendar 2019	-0.4754
Calendar 2020	-0.5331	Calendar 2020	-0.5260
Calendar 2021	-0.6346	Calendar 2021	-0.6273
Calendar 2022	-0.6992	Calendar 2022	-0.6858

**TODAY'S GAS DAILY CASH MARKET PRICES (for GD26):**

TRAN Z6 NY	2.875	Henry Hub	2.775	Dom-South	2.405
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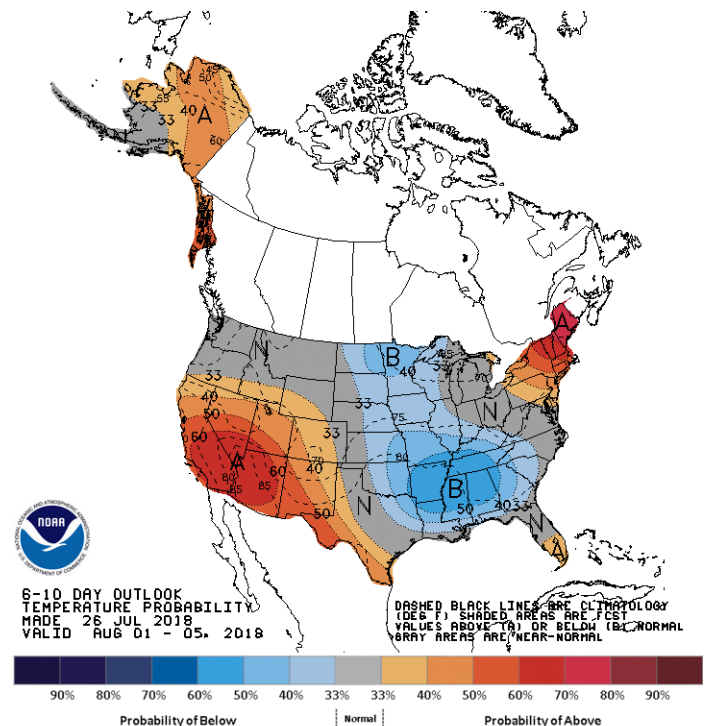
**Market Commentary:** The natural gas market continues to defy storage fundamentals, and instead is focused on the supply side of the equation as well as the lack of near-term demand catalysts to get traders excited. Instead the focus seems to be on the freight train of supply growth that is coming down the pike as the market grapples with an anticipated shift from a near-term storage deficit to a long-term production glut, that threatens to potentially send the market back into disarray in the years ahead. Local basis markets have gone well bid in recent weeks and continue to appreciate as Marcellus and Utica molecules increasingly are able to flow to premium markets down the line and provide higher netback prices to capacity holders, and with so much capacity having come online (and more still expected), the costs for owning that capacity have retreated to some extent. While basis prices have perked up noticeably in recent weeks, the swings in the Nymex NG market have been far more tame. After finishing last week with a little move up from 2.71 back into the upper 2.70's, this week saw prices gap back down a few cents to kick off the trading week, and we fell back into the low 2.70's by Tuesday before some buying interest resurfaced. The weather outlook is not overtly

**NYMEX NATURAL GAS 120-MINUTE CHART**



As of Week Ending:	7/20/2018	Build/(Draw)
Current Storage	2,273 Bcf	+24 Bcf
		Surplus/(Deficit)
Last Year Storage	2,978 Bcf	(705) Bcf
5-Year Average	2,830 Bcf	(557) Bcf

bullish at this stage, with above normal temperatures expected in the Southwest and Northeast on the 6 to 10 day temperature outlook map from NOAA, and the 8 to 14 day outlook has a similar look with mild air blanketing the middle part of CONUS (to borrow an acronym from the Wx contingent) and preventing the Lower 48 from experiencing another widespread heat wave. Today's storage report surprised to the bullish side once again, and once again the market yawned and barely reacted. Last week also saw storage come in less than expected and the market also did not react overly bullishly then, and now this week we saw storage build less than all but the most bullish predictions, and once again prices did not respond with much vigor. The market is expecting dry-gas production to have reached 84 Bcf per day by the time we are entering winter, and that 6 Bcf/day in additional production (versus last winter) is expected to provide an ample cushion to offset what is sure to be a sizeable storage deficit—or so the sellers insist.



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