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Month	Settle	8/3/2018	Strip Avg,
Sep-18	2.853	Sep18-Oct18	2.858
Oct-18	2.862	Nov18-Mar19	2.993
Nov-18	2.898	Apr19-Oct19	2.638
Dec-18	2.998	Nov19-Mar20	2.830
Jan-19	3.082	Apr20-Oct20	2.504
Feb-19	3.045	Sep18-Aug19 (1-yr)	2.820
Mar-19	2.941	Calendar 2019	2.756
Apr-19	2.626	Calendar 2020	2.619
May-19	2.595	Calendar 2021	2.577
Jun-19	2.624	Calendar 2022	2.605
Jul-19	2.657	Calendar 2023	2.664
Aug-19	2.662	Calendar 2024	2.737

**ICE BASIS FUTURES PRICES:**

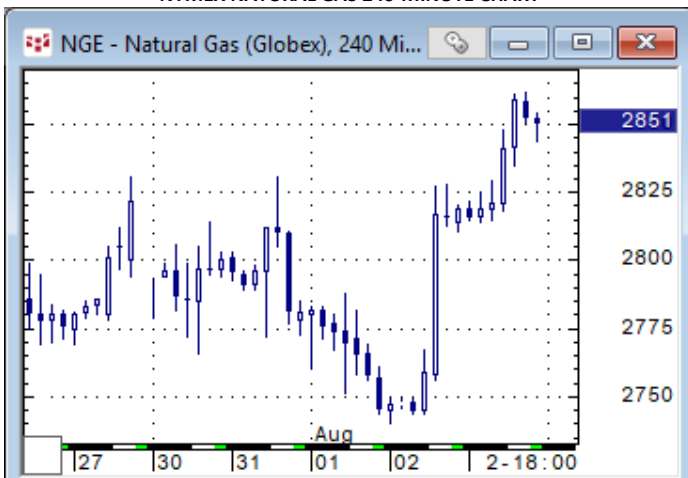
Tetco M2 Basis	8/3/2018	Dominion-South Basis	
Sep-18	-0.4225	Sep-18	-0.4250
Oct-18	-0.4200	Oct-18	-0.4225
Sep18-Oct18	-0.4213	Sep18-Oct18	-0.4238
Nov18-Mar19	-0.3365	Nov18-Mar19	-0.3750
Apr19-Oct19	-0.5286	Apr19-Oct19	-0.5004
Sep18-Aug19 (1-yr)	-0.4167	Sep18-Aug19 (1-yr)	-0.4192
Calendar 2019	-0.4690	Calendar 2019	-0.4675
Calendar 2020	-0.5279	Calendar 2020	-0.5213
Calendar 2021	-0.6275	Calendar 2021	-0.6110
Calendar 2022	-0.6838	Calendar 2022	-0.6690
Calendar 2023	-0.6992	Calendar 2023	-0.6694

**TODAY'S GAS DAILY CASH MARKET PRICES (for GD3):**

TRAN Z6 NY	2.880	Henry Hub	2.790	Dom-South	2.545
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**Market Commentary:** Natural gas prices perked up yesterday in the wake of the weekly storage report from the EIA, with the government reporting that storage grew by just 35 Bcf for the week, which was shy of consensus for the third consecutive week, and prices responded with a rally. After trading below 2.75 ahead of the report, the data yielded an understandable knee-jerk reaction higher, and the market has maintained those gains since then and built on them slightly in today's trading session as well. Basis prices have also been in a general strengthening trend this week, which saw the strongest prompt prices of the year at -.37 for Sep18 earlier in the week, and the longer-dated contracts also saw strength as midstream capacity additions make their mark on the market. The local DomSouth basis market for Cal19 had traded as negative as -.7250 this spring and has since traded above -.50 at one point this week, as takeaway capacity no longer represents the constraint on supply that it had just a few years ago. Weather over the course of most of the month of July has not seen as many widespread heat anomalies as we saw in late June

**NYMEX NATURAL GAS 240-MINUTE CHART**

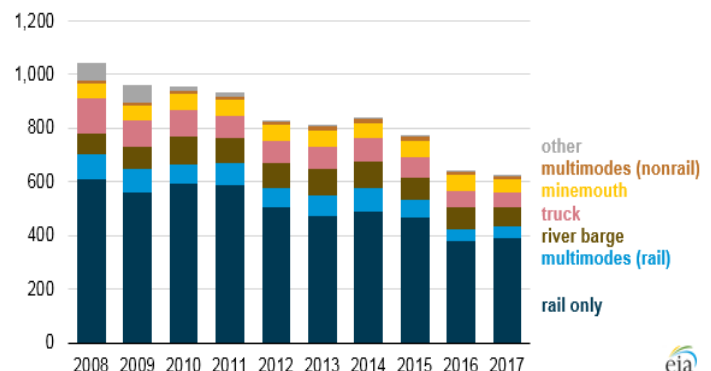


CQG Inc. © 2018 Fri Aug 03 2018 17:58:52, CQG 19.6.8034 Alpha

As of Week Ending:	7/27/2018	Build/(Draw)
Current Storage	2,308 Bcf	+35 Bcf
		Surplus/(Deficit)
Last Year Storage	2,996 Bcf	(688) Bcf
5-Year Average	2,873 Bcf	(565) Bcf

and very early July, but that hasn't translated to healthy storage refills, as consensus models continue to miss the mark and over-forecast weekly storage injections, at least for the past three reports. As injections have fallen shy of market expectations, the outlook for End of Season storage levels heading in to winter has fallen fast as well, with the market currently pricing in a peak storage level of just 3.4 Tcf come November, which is down by more than 500 Bcf over the past month alone. While it has been widely reported that the domestic coal sector is in decline and that it is largely being usurped by inexpensive natural gas, the below graphic helps to provide a visual of what that means in practice. Coal has seen shipments and consumption decline in each of the past four years, and the trend has been downward for even longer than that, with shipments falling by 36% between 2008 and 2017, with 2008 having been the year where US coal production reached its highest level. Dry-gas production has held fairly steady at ~80 Bcf/day for most of the past month, with a handful of those days north of 81 Bcf. The fact that prices have moved somewhat higher to finish out the week is encouraging, but the buying interest has been lackluster thus far and the impact on price has been less than one might have guessed that it would be. Winter prices are still sub-3.00 for the Nov18-Mar19 winter Nymex strip and storage spreads are not as wide as one might expect given the need for aggressive builds over the final months of the summer injection season. This is all to suggest that the market is counting on robust production to fill the gap, which is a risky gamble for end-users and may result in some notable price spikes this winter if extremely cold weather conditions come to pass.

**U.S. coal shipments by transport mode (2008-2017)**  
million short tons



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