



## NATURAL GAS MARKET UPDATE October 19, 2018

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### NYMEX HENRY HUB SETTLEMENT PRICES:

10/19/18	Settle	Season	Year	Year	
Nov18	3.250	Nov18-Mar19	3.268	Cal 19	2.898
Dec18	3.309	Apr19-Oct19	2.749	Cal 20	2.689
Jan19	3.385	Nov19-Mar20	2.925	Cal 21	2.604
Feb19	3.299	Apr20-Oct20	2.571	Cal 22	2.605
Mar19	3.101	Nov20-Mar21	2.772	Cal 23	2.659
Apr19	2.749	Apr21-Oct21	2.499	Cal 24	2.743
May19	2.708	Nov21-Mar22	2.736	Cal 25	2.844
Jun19	2.733	Apr22-Oct22	2.506	Cal 26	2.951
Jul19	2.768	Nov22-Mar23	2.757	Cal 27	3.038

### DOMINION-SOUTH FIXED-PRICE MARKETS (NYMEX/HENRY+ ICE DOM-SOUTH BASIS):

Nov-18	2.895	Nov18-Mar19	2.891
Dec-18	2.942	Apr19-Oct19	2.219
Jan-19	2.985	Nov19-Mar20	2.490
Feb-19	2.919	Apr20-Oct20	2.015
Mar-19	2.716	Nov20-Mar21	2.333
Apr-19	2.384	Nov18-Oct19 (1-yr)	2.499
May-19	2.268	Calendar 2019	2.421
Jun-19	2.266	Calendar 2020	2.183
Jul-19	2.276	Calendar 2021	2.036
Aug-19	2.223	Calendar 2022	1.914
Sep-19	2.056	Calendar 2023	1.959
Oct-19	2.065	Calendar 2024	2.057
Nov-19	2.353	Calendar 2025	2.175
Dec-19	2.541	Calendar 2026	2.278
Jan-20	2.622	Calendar 2027	2.365

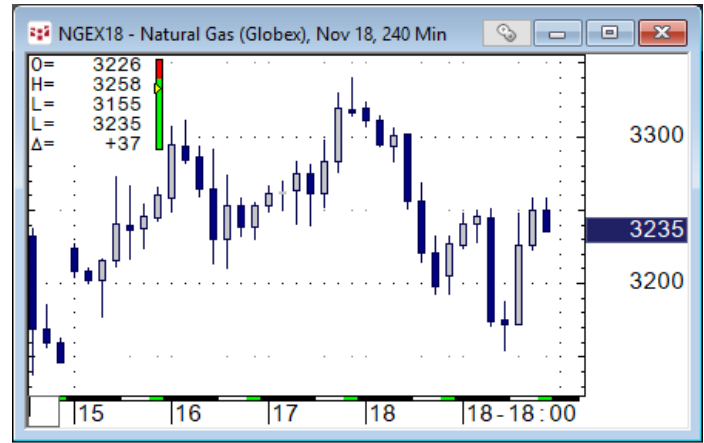
### GAS DAILY CASH MARKET PRICES (for GD19):

Columbia Gas Transmission (TCO)	3.065
Dominion South Point	2.895
Henry Hub	3.280
Texas Eastern M-2 (receipts)	2.900
Transco-Leidy (receipts)	2.960
Transco Station 85	3.240
Transco Zone 5 South	3.285
Transco Station 210	2.985

### WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	10/12/2018	Build/(Draw)
Current Storage	3,037 Bcf	+81 Bcf
		Surplus/(Deficit)
Last Year Storage	3,638 Bcf	(601) Bcf
5-Year Average	3,642 Bcf	(605) Bcf
<b>ICE Traded Markets:</b>		
End of Injection Season Storage (11/08/2018)		3,198 Bcf
End of Withdrawal Season Storage (04/11/2019)		1,440 Bcf

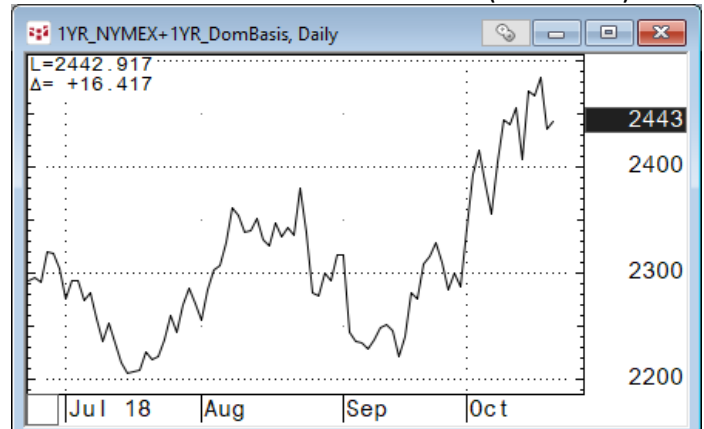
### FRONT-MONTH NYMEX NG FUTURES 4-HOUR CHART:



CQG Inc. © 2018

Fri Oct 19 2018 16:04:12, CQG 19.9.8034 Alpha

### FIXED-PRICE DOM SOUTH 1-YEAR STRIP DAILY CHART (NOV18-OCT19):



CQG Inc. © 2018

Fri Oct 19 2018 16:04:34, CQG 19.9.8034 Alpha

\*NOTE: CQG basis data comes from CME ClearPort, which has its own DominionSouth basis contract that generally tracks the liquid ICE contracts, but can deviate slightly.

**Market Commentary:** After last week's lackluster conclusion, things began this week with a little gap up on the charts with a low 3.20's opening print, and the gap remained throughout the early part of the week. The market staged a run back up over 3.30 by Monday night for prompt Nov18 futures, before consolidating in the 3.20's on Tuesday, and then on Wednesday we took a run up to 3.34 into the close which proved to be the high print for the week. Things pulled back from there and the market was sharply lower in the low 3.20's by yesterday morning ahead of the storage report, and when the reported injection of only +81 Bcf was released things did pop back higher briefly, but it didn't get very far or last very long, and we were making new lows into the close. After breaking below 3.20 briefly, prices moved back up over the final hours of yesterday afternoon and continued higher overnight, trading up to 3.25 before sellers stepped back in front of things. By 7:30 this morning they had managed to close the gap from Sunday night with a 3.155 low print for the week, and we launched a dime from there to settle at 3.25 for Nov, before pulling back a few cents late in the session as some length was shed heading into the weekend. The 3.15 level is seeing its influence increase on each test where it holds, so that area will be a key one to watch as an indication of short-term sentiment. On the upside we have had a tough time holding above 3.30 for any extended period, though we have breached it several times, and keep in mind that last winter even when conditions were frigid and cash prices were going nuts, the prompt Nymex only traded as high as 3.66, which happened during the month of January. Granted, the storage outlook this year is a bit more challenging, but mild weather can still create bearish headwinds.

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