

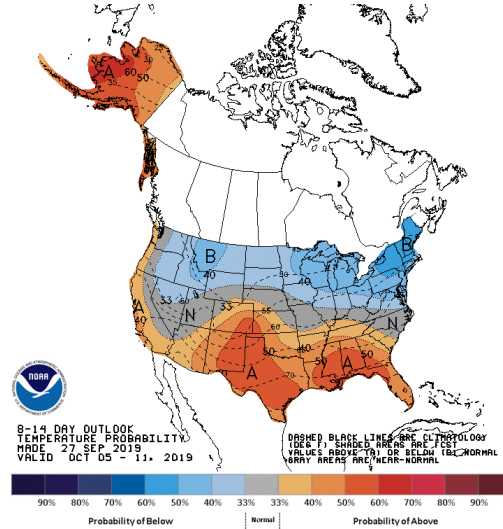


NATURAL GAS MARKET UPDATE

September 27, 2019

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NOAA 8 TO 14 DAY TEMPERATURE ANOMALY FORECAST:



NYMEX HENRY HUB SETTLEMENT PRICES:

9/27/19	Settle	Season	Year	Year	Year
Nov19	2.404	Nov19-Mar20	2.570	Cal 20	2.447
Dec19	2.565	Apr20-Oct20	2.345	Cal 21	2.450
Jan20	2.681	Nov20-Mar21	2.616	Cal 22	2.507
Feb20	2.646	Apr21-Oct21	2.334	Cal 23	2.577
Mar20	2.552	Nov21-Mar22	2.634	Cal 24	2.643
Apr20	2.312	Apr22-Oct22	2.400	Cal 25	2.692
May20	2.289	Nov22-Mar23	2.688	Cal 26	2.745
Jun20	2.326	Apr23-Oct23	2.470	Cal 27	2.849
Jul20	2.366	Nov23-Mar24	2.785	Cal 28	2.947

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

Month	Price	Season	Price
Nov-19	1.7965	Nov19-Mar20	2.1741
Dec-19	2.1775	Apr20-Oct20	1.8541
Jan-20	2.3460	Nov20-Mar21	2.2294
Feb-20	2.3285	Apr21-Oct21	1.8294
Mar-20	2.2220	Nov21-Mar22	2.2190
Apr-20	1.9720	Nov19-Oct20(1-Year)	1.9875
May-20	1.8740	Calendar 2020	2.0071
Jun-20	1.9060	Calendar 2021	1.9938
Jul-20	1.9510	Calendar 2022	1.9968
Aug-20	1.9365	Calendar 2023	2.0210
Sep-20	1.6815	Calendar 2024	2.0968
Oct-20	1.6580	Calendar 2025	2.1332

FRONT-MONTH NYMEX NG FUTURES 480-MIN CHART:



CQG Inc. © 2019 NYMEX19,480 | 09/27/2019 19:55:04, CQG 20.9.8009 Alpha

DAILY CASH MARKET PRICES (for GD27):

Columbia Gas Transmission (TCO)	1.945
Dominion South Point	1.305
Henry Hub	2.510
Socal, citygate	3.100
Sumas	2.210
Tetco M3	1.350
Transco Zone 5 South	2.590
Waha	1.565

WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	9/20/2019	Build/(Draw)
Current Storage	3,205 Bcf	+102 Bcf
		Surplus/(Deficit)
Last Year Storage	2,761 Bcf	444 Bcf
5-Year Average	3,252 Bcf	(47) Bcf
ICE Traded Markets:	ICE Settle:	
Weekly Storage Inventory Number (10/03/2019)	+104 Bcf	
End of Injection Season Storage (11/14/2019)	3,802 Bcf	

Market Commentary: After a very strong run for both oil and gas in the wake of the attack on Saudi Arabian oil facilities, the markets have retraced sharply and we find ourselves down 11% from the highs touched just last Wednesday in natural gas, and oil is down about 12% or 13% since the open two Sundays ago in the wake of the attack, but before the extent of the damage had been fully digested. What went up has come back down, and rather quickly at that. Last week finished up to the downside, though we were still in the low 2.50's, and this week Nymex prices opened in the low 2.50's for then-prompt Oct19, which attempted to trade up on Tuesday after consolidating much of Monday's session, but the early AM rally attempt was thwarted rather quickly, and the 2.590 high print proved to be the high for the week. Options expired on Wednesday with a settle of 2.502 which helped the options market-makers limit the payout on the open interest of calls and puts at that popular strike level, and yesterday was both a storage day and also contract termination for Oct19 Nymex. The storage report showed a large build of +102 Bcf which was well above consensus and yielded a quick drop in prices, though prices had already come under pressure prior to the storage report so the actual decline when the data hit was around 8 cents, but that is still more than we have seen from most storage reports this injection season. The bearish price response spelled trouble for producers with a monthly settle of 2.428, which is still up nicely from last month, but basis prices in the region have been cratering and will help end-users enjoy the lowest monthly DTI index in the past two years at an expected price of approximately 1.35, which hasn't been lower since Oct of 2017 came in at 1.10. The 8 to 14 day outlook from NOAA is finally showing some cooler weather for northern regions as we move into October, which is to be expected, but is coming much later than normal this year. If it gets cold early on and stays that way for a sustained period, a rally should ensue, but with storage now 444 Bcf above last year we are unlikely to see a severe price shock as occurred last November, but markets are notoriously difficult to predict as are long-term weather forecasts.

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