

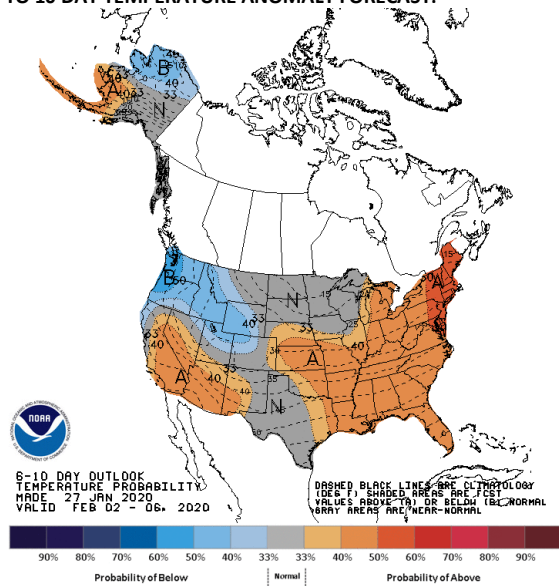


NATURAL GAS MARKET UPDATE

January 27, 2020

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NOAA 6 TO 10 DAY TEMPERATURE ANOMALY FORECAST:



NYMEX HENRY HUB SETTLEMENT PRICES:

1/27/20	Settle	Season	Year	Year	
Feb20	1.902	Feb20-Mar20	1.890	Cal 21	2.346
Mar20	1.878	Apr20-Oct20	2.070	Cal 22	2.381
Apr20	1.915	Nov20-Mar21	2.452	Cal 23	2.429
May20	1.977	Apr21-Oct21	2.251	Cal 24	2.474
Jun20	2.045	Nov21-Mar22	2.519	Cal 25	2.500
Jul20	2.114	Apr22-Oct22	2.273	Cal 26	2.522
Aug20	2.139	Nov22-Mar23	2.558	Cal 27	2.587
Sep20	2.133	Apr23-Oct23	2.319	Cal 28	2.652
Oct20	2.164	Nov23-Mar24	2.630	Cal 29	2.690

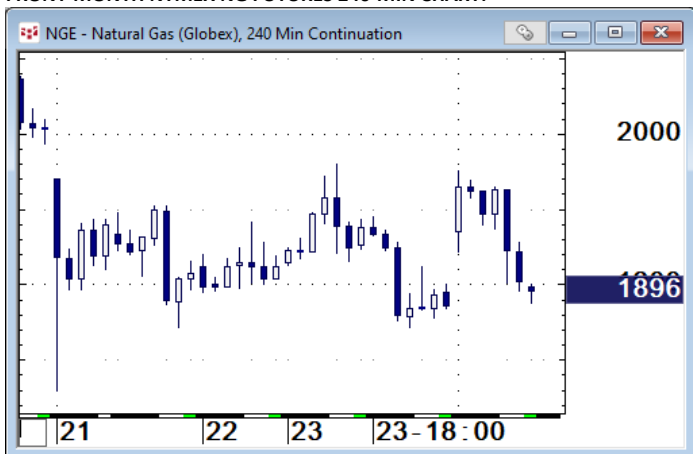
DOMINION-SOUTH FIXED-PRICE MARKETS (NYMEX/HENRY+ ICE DOM-SOUTH BASIS):

Month	Price	Season	Price
Feb-20	1.4845	Feb20-Mar20	1.4863
Mar-20	1.4880	Apr20-Oct20	1.5939
Apr-20	1.5450	Nov20-Mar21	2.0497
May-20	1.5645	Apr21-Oct21	1.7656
Jun-20	1.6300	Nov21-Mar22	2.1242
Jul-20	1.7015	Apr22-Oct22	1.7572
Aug-20	1.7090	Feb20-Jan21 (1-year)	1.6803
Sep-20	1.5030	Calendar 2021	1.8985
Oct-20	1.5040	Calendar 2022	1.9100
Nov-20	1.7790	Calendar 2023	1.8775
Dec-20	2.0575	Calendar 2024	1.8958
Jan-21	2.1970	Calendar 2025	1.9154

WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	1/17/2020	Build/(Draw)
Current Storage	2,947 Bcf	(92) Bcf
		Surplus/(Deficit)
Last Year Storage	2,393 Bcf	554 Bcf
5-Year Average	2,696 Bcf	251 Bcf
ICE Traded Markets:		ICE Settle:
Weekly Storage Inventory Number (01/30/2020)		(204) Bcf
End of Injection Season Storage (04/09/2020)		1,890 Bcf

FRONT-MONTH NYMEX NG FUTURES 240-MIN CHART:



CQG Inc. © 2020 NGE,240C | 01/27/2020 17:22:21, CQG 20.12.8034 Alpha

DAILY CASH MARKET PRICES (for GD25-27):

Columbia Gas Transmission (TCO)	1.615
Dominion South Point	1.505
Henry Hub	1.910
Socal, citygate	2.615
Sumas	1.680
Tennessee Gas Pipeline Zone 6	1.980
Transco Zone 5 South	1.965
Waha	0.705

Market Commentary: Natural gas gapped down on the reopen one week ago, last Sunday night, with last Monday being the first front-month 1-handle close since the first half of 2016. Prices opened in the mid-1.90's and were fairly quiet for the first hour or so, which tends to be a low-volume, low-volatility affair on most Sunday nights, but last Sunday night was not such a night, and instead selling pressure mounted until some apparently large sell stops got hit, and the market spiked down to a 1.83 low on Globex and ICE's parallel market for Henry Hub futures saw a low print of 1.80 before finding support. From there prices worked their way back to 1.90 quickly, and we have remained above 1.87 since then, with a high print of 1.980 hit last Thursday being the highest price we have seen for prompt futures since the break below 2.00 occurred. The storage report this past Thursday showed a -92 Bcf withdrawal, which was bullish versus consensus, but the enthusiasm was very short-lived and we had dipped back below 1.90 by the close on Friday. Forecasts turned colder over the weekend, which yielded a gap higher on the charts on last night's weekly reopen, with a high print of 1.976 for the Feb20 futures contract that rolls off the board on Wednesday afternoon, but warmer revisions to the forecast overnight last night resulted in that move being a premature fake-out, and by the close today we had once again broken back below 1.90 which fully closed last night's opening gap up. The 6 to 10 day outlook from NOAA continues to show orange across the bulk of the country, which puts us into early February, as the prospect for game-changing cold air has repeatedly and continually been kicked down the road a few weeks as the winter season has progressed. The market is developing a memory for this and treating each new revision in the timeline for colder air's supposed arrival with increasing skepticism and more of a "boy who cried wolf" mindset, and as we move into February and March there is simply not a lot of time left to work off the storage overhang that the mild conditions have generated over the past few months. Selling pressure has not been confined to this winter, with pressure mounting well out the forward curve, as Cal21 Nymex has seen a decline of nearly a dime in just the past couple of weeks.

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