

# NATURAL GAS MARKET UPDATE April 3, 2020

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#### NYMEX HENRY HUB SETTLEMENT PRICES:

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4/3/20	Settle	Season		Year			
May20	1.621	May20-Oct20	1.896	Cal 21	2.513		
Jun20	1.738	Nov20-Mar21	2.645	Cal 22	2.386		
Jul20	1.919	Apr21-Oct21	2.411	Cal 23	2.369		
Aug20	1.987	Nov21-Mar22	2.595	Cal 24	2.380		
Sep20	2.020	Apr22-Oct22	2.261	Cal 25	2.403		
Oct20	2.091	Nov22-Mar23	2.535	Cal 26	2.439		
Nov20	2.342	Apr23-Oct23	2.251	Cal 27	2.496		
Dec20	2.680	Nov23-Mar24	2.543	Cal 28	2.532		
Jan21	2.796	Apr24-Oct24	2.267	Cal 29	2.554		

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

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May-20	1.2635	May20-Oct20	1.4089
Jun-20	1.3555	Nov20-Mar21	2.2362
Jul-20	1.5140	Apr21-Oct21	1.9414
Aug-20	1.5270	Nov21-Mar22	2.2084
Sep-20	1.3700	Apr22-Oct22	1.7902
Oct-20	1.4235	Nov22-Mar23	2.1553
Nov-20	1.8495	May20-Apr21 (1-year)	1.8063
Dec-20	2.2900	Calendar 2021	2.0713
Jan-21	2.3910	Calendar 2022	1.9523
Feb-21	2.3795	Calendar 2023	1.9184
Mar-21	2.2710	Calendar 2024	1.8959
Apr-21	2.0410	Calendar 2025	1.9080

#### FRONT-MONTH NYMEX NG FUTURES 240-MIN CHART:



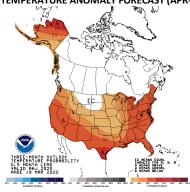
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## DAILY CASH MARKET PRICES (for GD3)

DAILT CAST MARKET TRICES (101 003).	
Columbia Gas Transmission (TCO)	1.335
Dominion South Point	1.255
Henry Hub	1.480
Leidy Line receipts (Transco)	1.245
Transco Station 85 (Zone 4)	1.435
Tetco M3	1.335
Transco Zone 5 South	1.420
Waha	0.070





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

As of Week Ending:	3/27/2020		Build/(Draw)	
Current Storage	1,986	Bcf	(19)	Bcf
			Surplus/(Deficit)	
Last Year Storage	1,123	Bcf	863	Bcf
5-Year Average	1,694	Bcf	292	Bcf
ICE Traded Markets:			ICE Settle:	
Weekly Storage Inventory I	+27	Bcf		
End of Natural Gas Storage	3,732	Bcf		

Market Commentary: The May20 Nymex contract assumed frontmonth status last Friday afternoon, but its real debut began this past Sunday night as prices opened up in the low 1.60's once again. From there things firmed up overnight into Monday AM, with a break up above 1.70 on Monday's close, and an eventual weekly high print of 1.731 hit early on Tuesday morning. Bears regained control and knocked prompt prices back down into the low 1.60's as the economic implications of the shelter in place orders and their effects on demand were reconsidered, but beyond the balance of summer strip, prices have been on the upswing most of the week, with expectations for tightening supply/demand balances to underpin prices as we move into 2021, with tightening credit conditions and general investor apathy around energy investments given the recent industry trajectory, both serving to limit E&P firms' access to capital markets and production curtailments should naturally follow out of that process. Dwindling oil prices have recently been a boon to NG markets due to prospects for falling associated gas volumes to result from oil's recent weakness, but yesterday morning President Trump announced that he had been in touch with the Saudis, who reported to him that they had spoken with the Russians, and that a cut of approximately 10 million barrels per day, and potentially as much as 15 million were likely to be forthcoming, and that announcement sent oil prices screaming higher, with both WTI and Brent crude jumping by 30% in mere minutes, before the enthusiasm was pared somewhat by the reality that such drastic cuts by both may not play out with as much immediacy as the announcement itself. Today oil found more aggressive buyers than sellers once again, and front-month WTI and Brent crude both saw gains of 15%+ to round out the week, which reduces the bull case for NG to some extent (though longer-dated contracts rallied less), but despite that fact NG also saw a sharp uptick late in the day today and it too finished with a nice gain on the day and prompt May futures were up almost 7% with the late-afternoon move back into the upper 1.60's. The 3-month temperature anomaly outlook from NOAA offers potential support as we move into the summer months when warmer temperatures are bullish, but it is worth keeping in mind the economic headwinds we are facing and the sharp GDP contractions that are likely to result from the measures governments have had to resort to in order to fight the global pandemic we are now living through. That phenomenon aside, S&D balances have been rather tight of late, but the pandemic is crushing economic growth which reduces the impact of that for the time being.

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