

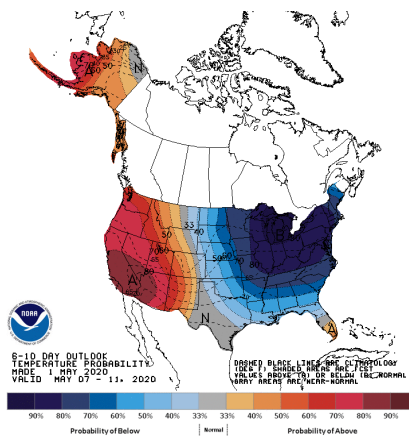


NATURAL GAS MARKET UPDATE

May 1, 2020

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NOAA 6 TO 10 DAY TEMPERATURE ANOMALY FORECAST:



NYMEX HENRY HUB SETTLEMENT PRICES:

5/1/20	Settle	Season	Year	Year	Year
Jun-20	1.890	Jun20-Oct20	2.193	Cal 21	2.745
Jul-20	2.134	Nov20-Mar21	2.940	Cal 22	2.516
Aug-20	2.242	Apr21-Oct21	2.622	Cal 23	2.418
Sep-20	2.302	Nov21-Mar22	2.804	Cal 24	2.384
Oct-20	2.396	Apr22-Oct22	2.367	Cal 25	2.393
Nov-20	2.643	Nov22-Mar23	2.620	Cal 26	2.422
Dec-20	2.965	Apr23-Oct23	2.290	Cal 27	2.463
Jan-21	3.104	Nov23-Mar24	2.570	Cal 28	2.498
Feb-21	3.063	Apr24-Oct24	2.264	Cal 29	2.521

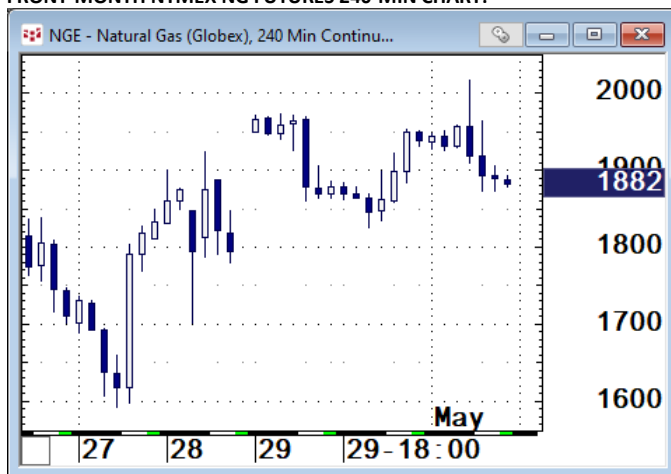
WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	4/24/2020	Build/(Draw)
Current Storage	2,210 Bcf	+70 Bcf
		Surplus/(Deficit)
Last Year Storage	1,427 Bcf	783 Bcf
5-Year Average	1,850 Bcf	360 Bcf
ICE Traded Markets:		ICE Settle:
Weekly Storage Inventory Number (05/07/2020)		+94 Bcf
End of Natural Gas Storage Swap (11/12/2020)		3,875 Bcf

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

Jun-20	1.5450	Jun20-Oct20	1.6683
Jul-20	1.7440	Nov20-Mar21	2.5160
Aug-20	1.7495	Apr21-Oct21	2.0753
Sep-20	1.6220	Nov21-Mar22	2.3938
Oct-20	1.6810	Apr22-Oct22	1.8509
Nov-20	2.1355	Nov22-Mar23	2.2182
Dec-20	2.5600	Jun20-May21 (1-year)	2.0995
Jan-21	2.6840	Calendar 2021	2.2496
Feb-21	2.6705	Calendar 2022	2.0463
Mar-21	2.5300	Calendar 2023	1.9382
Apr-21	2.1915	Calendar 2024	1.8761
May-21	2.0815	Calendar 2025	1.8747

FRONT-MONTH NYMEX NG FUTURES 240-MIN CHART:



CQG Inc. © 2020 NGE,240C | 05/01/2020 17:40:25, CQG 20.12.8065 Alpha

DAILY CASH MARKET PRICES (for GD1):

Columbia Gas Transmission (TCO)	1.515
Dominion South Point	1.415
Henry Hub	1.685
Leidy Line receipts (Transco)	1.380
Tetco M3	1.430
Transco Station 85 (Zone 4)	1.645
Transco Zone 5 South	1.650
Waha	1.305

Market Commentary: This has been another action-packed week for the natural gas market, with early week lows giving way to late week highs above 2.00 for the new front-month Jun20 Nymex contract. Last Friday was the first day that it became evident that the soon-to-expire May20 Henry Hub contracts on CME and ICE were not tracking each other as they normally would. Typically, ICE trades at a slight discount to Nymex (CME) and there are algorithmic trading programs that step in any time the price gets out of the normal differential of about .001 to .004 and arbitrage the prices back to normal. That behavior was unaffected for the Jun20 contracts forward, but the trade into negative territory and associated losses on the May20 Nymex WTI crude contract on its penultimate session spooked many brokers who subsequently placed limits on their customers ability to trade in the expiring May20 (deliverable) Nymex NG contract, and the reduction in liquidity was evident over Monday and Tuesday's sessions as well, with ICE and CME generally trading in the same direction, but the differential was above 2 cents in both directions at times, which is very strange for two contracts that represent the same commodity and share each other's settlement prices. After May Nymex traded as low as 1.593 on Monday (.025 lower than ICE), May Nymex traded as high as 1.923 on Tuesday morning (while the ICE contract only got as high as 1.895), before an eventual final monthly settlement price of \$1.794 for May Henry Hub (Nymex). Jun20 assumed leadership from there, and first took a dive down into the low 1.80's on Weds, before staging a recovery back toward 1.90 yesterday morning ahead of the weekly storage report. Storage came in at +70 Bcf, which yielded a minimal reaction initially but prices eventually reached the mid-1.90's late yesterday, then continued on up overnight with an eventual high of 2.016 hit early this AM, which was summarily rejected on this attempt, just as it was on Tuesday when the Jun20 Nymex traded near there as well (which was when May20 was still the front-month). Oil prices recovered sharply this week, doubling from the \$10.07 low for Jun WTI that was touched on Tuesday morning, and calling into question the likelihood that we could see Jun CL trade into negative territory as well, as oil storage starts to hit its limits. Those fears seem to have been pushed back a bit, but with two weeks to go that remains a real possibility for Jun20 Nymex CL. The fact that NG raced higher as oil went negative was notable, but the rally in oil this week did not yield a commensurate selloff in natural gas, which is good for NG producers.

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