

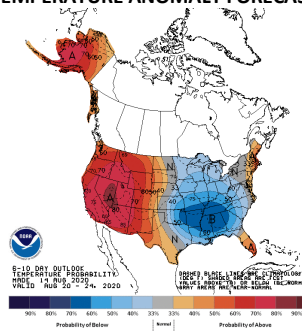


**NATURAL GAS MARKET UPDATE**

August 14, 2020

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**NOAA 6 TO 10 DAY TEMPERATURE ANOMALY FORECAST:**



**NYMEX HENRY HUB SETTLEMENT PRICES:**

8/14/20	Settle	Season		Year	
Sep20	2.356	Sep20-Oct20	2.426	Cal 21	2.855
Oct20	2.495	Nov20-Mar21	3.060	Cal 22	2.600
Nov20	2.811	Apr21-Oct21	2.734	Cal 23	2.488
Dec20	3.104	Nov21-Mar22	2.924	Cal 24	2.502
Jan21	3.203	Apr22-Oct22	2.443	Cal 25	2.541
Feb21	3.156	Nov22-Mar23	2.702	Cal 26	2.608
Mar21	3.026	Apr23-Oct23	2.348	Cal 27	2.671
Apr21	2.732	Nov23-Mar24	2.673	Cal 28	2.748
May21	2.689	Apr24-Oct24	2.373	Cal 29	2.866

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

As of Week Ending:	8/7/2020	Build/(Draw)
Current Storage	3,332 Bcf	+58 Bcf
		Surplus/(Deficit)
Last Year Storage	2,724 Bcf	608 Bcf
5-Year Average	2,889 Bcf	443 Bcf
<b>ICE Traded Markets:</b>		ICE Settle:
Weekly Storage Inventory Number (08/20/2020)		+49 Bcf
End of Natural Gas Storage Swap (11/12/2020)		3,988 Bcf

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

Sep-20	1.3085	Sep20-Oct20	1.3493
Oct-20	1.3900	Nov20-Mar21	2.5670
Nov-20	2.0910	Apr21-Oct21	2.1669
Dec-20	2.6190	Nov21-Mar22	2.4970
Jan-21	2.7630	Apr22-Oct22	1.8926
Feb-21	2.7360	Nov22-Mar23	2.2825
Mar-21	2.6260	Sep20-Aug21 (1-year)	2.2195
Apr-21	2.3320	Calendar 2021	2.3433
May-21	2.1915	Calendar 2022	2.1132
Jun-21	2.1690	Calendar 2023	1.9861
Jul-21	2.2135	Calendar 2024	2.0028
Aug-21	2.1945	Calendar 2025	2.0232

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



CQG Inc. © 2020 NGE,240C | 08/14/2020 17:31:53, CQG 21.7.8021 Alpha

**DAILY CASH MARKET PRICES (for GD14):**

Columbia Gas Transmission (TCO)	1.890
Dominion South Point	1.035
Henry Hub	2.120
Tetco M2 (receipts)	0.830
Tetco M3	1.295
Transco Station 85 (Zone 4)	2.120
Transco Zone 5 South	2.165
Waha	1.655

**Market Commentary:** Last week offered a glimpse of the stronger Nymex market that many had been waiting all year to show up, and this week began in roughly the same area in the mid-2.20's where we closed out last week. Some selling pressure overnight into Monday AM knocked prices back down just below the teens before finding support and rallying several cents. Sep Nymex saw some buying interest on Monday evening's Globex session which saw prices spike almost back to 2.20, but then fell back just as quickly as they rose, and then Tuesday early AM we ran up to 2.23 before backing off once again below 2.20. The market stayed mostly sub-2.20 throughout the rest of Tuesday and into Wednesday, and traded down to what proved to be a weekly low print of 2.085 on Wednesday morning, but regained 2.10 shortly thereafter and we have remained above 2.10 since. Yesterday's storage report came in at +58 Bcf, which was slightly above consensus but only by a few Bcf, and while the knee-jerk reaction was lower, we traded up to test the 2.20 level again a few minutes in the wake of the report, but were unable to break above on that attempt. The rest of yesterday and overnight last night saw consolidation in the 2.17 to 2.20 area, before buyers stepped in aggressively a few hours ahead of this morning's open, with an initial move up to 2.21 before price consolidated around the 2.20 mark for a bit, and about 5 minutes ahead of the 9:00 AM open, the real rally began, trading up to 2.34 within the first 45 minutes, and we eventually topped out at 2.379 for prompt Sep Nymex, after which time things quieted right down and we never got much below there since the highs printed, underscoring the strength of the rally. Where the rally emanated from is less clear, with forecasts overnight actually having cooled off somewhat, but power burns have remained strong and averaged more than 40 Bcf/day month-to-date even as conditions moderated, and LNG feedgas demand ticked up slightly more from last week to a 7-day average of 4.4 Bcf/day, which is up 0.5 Bcf/day from the week prior and again marks the highest weekly average since late June, which offers some more cause for optimism on the demand front. Dry gas production continues to hover around 87.5 Bcf/day this month, which is little changed from last month, but is down significantly from last year's monthly average for August 2019 of roughly 92.5 Bcf/day. An interesting piece of the puzzle has been the stark contrast of fortunes regionally as this rally has unfolded, with Northeast markets not having participated to the same extent over the remaining summer contract months, nor in the cash market recently, as conditions have been more mild and demand has been impacted, yielding selling pressure in the production-concentrated Northeast markets.

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