

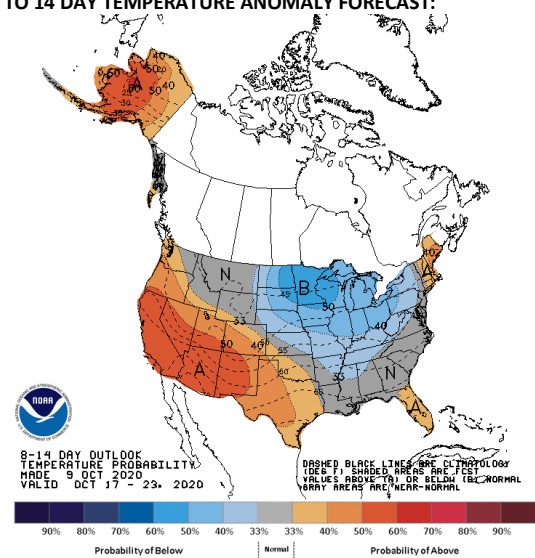


**NATURAL GAS MARKET UPDATE**

October 9, 2020

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**NOAA 8 TO 14 DAY TEMPERATURE ANOMALY FORECAST:**



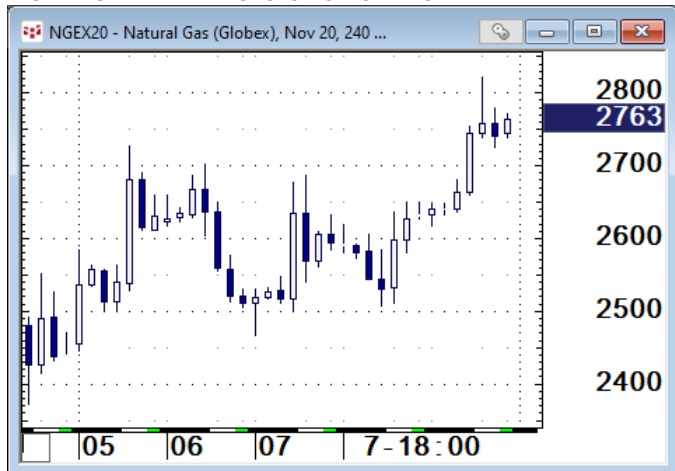
**NYMEX HENRY HUB SETTLEMENT PRICES:**

10/9/20	Settle	Season		Year	
Nov20	2.741	Nov20-Mar21	3.158	Cal 21	2.988
Dec20	3.204	Apr21-Oct21	2.858	Cal 22	2.641
Jan21	3.347	Nov21-Mar22	3.047	Cal 23	2.466
Feb21	3.305	Apr22-Oct22	2.457	Cal 24	2.450
Mar21	3.192	Nov22-Mar23	2.730	Cal 25	2.467
Apr21	2.858	Apr23-Oct23	2.312	Cal 26	2.486
May21	2.804	Nov23-Mar24	2.634	Cal 27	2.521
Jun21	2.833	Apr24-Oct24	2.312	Cal 28	2.568
Jul21	2.871	Nov24-Mar25	2.658	Cal 29	2.627

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

Month	Price	Season	Price
Nov-20	1.9960	Nov20-Mar21	2.6558
Dec-20	2.7290	Apr21-Oct21	2.2565
Jan-21	2.9070	Nov21-Mar22	2.6089
Feb-21	2.8750	Apr22-Oct22	1.8724
Mar-21	2.7720	Nov22-Mar23	2.2895
Apr-21	2.4405	Apr23-Oct23	1.7367
May-21	2.2765	Nov20-Oct21 (1-year)	2.4229
Jun-21	2.2805	Calendar 2021	2.4517
Jul-21	2.2910	Calendar 2022	2.1189
Aug-21	2.2590	Calendar 2023	1.9446
Sep-21	2.0825	Calendar 2024	1.9338
Oct-21	2.1655	Calendar 2025	1.9558

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



CQG Inc. © 2020 NGEX20,240 | 10/09/2020 17:25:04, CQG 21.10.8004 Alpha

**DAILY CASH MARKET PRICES (for GD9):**

Columbia Gas Transmission (TCO)	0.600
Dominion South Point	0.645
Henry Hub	1.480
Tetco M2 (receipts)	0.595
Tetco M3	0.675
Transco Station 85 (Zone 4)	1.500
Transco Zone 5 South	1.625
Waha	0.855

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

As of Week Ending:	10/02/2020	Build/(Draw)
Current Storage	3,831 Bcf	+75 Bcf
		Surplus/(Deficit)
Last Year Storage	3,387 Bcf	444 Bcf
5-Year Average	3,437 Bcf	394 Bcf
<b>ICE Traded Markets:</b>		ICE Settle:
Weekly Storage Inventory Number (10/15/2020)		+54 Bcf
End of Natural Gas Storage Swap (11/12/2020)		3,950 Bcf

**Market Commentary:** Volatility continues to be the theme in the natural gas futures market, with prices fighting back from last week's weakness in impressive fashion, and we have actually touched a new continuation high for the year today with a 2.821 high print for front-month Nov Nymex contract, although Nov did hit 3.002 in early September when Oct was still the front-month. Louisiana is facing another major storm as Hurricane Delta bears down on the state and is expected to make landfall in the same vicinity as Hurricane Laura did just 6 weeks ago. Laura was a powerful Category 4 storm when it hit, while Delta is expected to be a Cat 2 or Cat 3 storm when it moves onshore. Production shut-ins have already caused dry-gas production to dip in recent days as offshore producers curtail output and evacuate platforms in preparation, with dry-gas production slipping below 85 Bcf/day since Tuesday. Demand will also be taking a hit, with 20,000 residents in Louisiana already without power, and the Cameron LNG facility which had been offline for a month and had just seen its power restored is likely to be impacted by this system once again, with feedgas deliveries to the plant back down to 0 after a very brief (and slight) uptick earlier in the week. Storage facilities are filling up and cash markets have collapsed this week even as futures prices have taken off to the upside, with Dominion South cash trading as low as \$0.38 intraday today for the weekend, and Henry Hub cash has been weak also with a low print of \$1.40 there this week which we hit yesterday, though there was a big jump today for the weekend. Weather forecasts have turned a bit cooler for next week, though the impact in October is still pretty limited since we are in the shoulder season. Producers have continued to respond to the pricing cues that the market is throwing off, with Cabot Oil & Gas this week announcing that they began strategic production curtailments in mid-September that have reduced the firm's output by 0.37 Bcf/day, as mild weather in the region and maintenance at the Cove Point LNG facility in Maryland have both caused regional demand in the Northeast to take a hit. All eyes will be on Louisiana in the coming days as damage from Hurricane Delta is assessed and as the medium-term impacts to both supply and demand become more clear.

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