

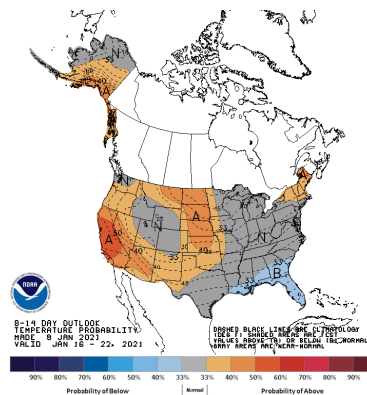


**NATURAL GAS MARKET UPDATE**

January 8, 2021

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



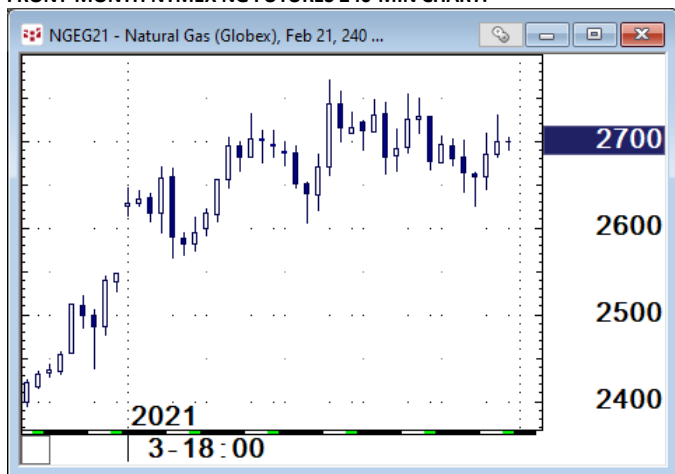
**NYMEX HENRY HUB SETTLEMENT PRICES:**

1/8/21	Settle	Season		Year	
Feb21	2.700	Feb21-Mar21	2.678	Cal 22	2.645
Mar21	2.656	Apr21-Oct21	2.760	Cal 23	2.488
Apr21	2.659	Nov21-Mar22	2.984	Cal 24	2.509
May21	2.680	Apr22-Oct22	2.492	Cal 25	2.537
Jun21	2.733	Nov22-Mar23	2.700	Cal 26	2.555
Jul21	2.798	Apr23-Oct23	2.354	Cal 27	2.588
Aug21	2.816	Nov23-Mar24	2.675	Cal 28	2.622
Sep21	2.804	Apr24-Oct24	2.372	Cal 29	2.666
Oct21	2.829	Nov24-Mar25	2.734	Cal 30	2.724

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

Feb-21	2.2450	Feb21-Mar21	2.2168
Mar-21	2.1885	Apr21-Oct21	2.0899
Apr-21	2.1790	Nov21-Mar22	2.3946
May-21	2.0900	Apr22-Oct22	1.8572
Jun-21	2.1105	Nov22-Mar23	2.1289
Jul-21	2.1630	Apr23-Oct23	1.7157
Aug-21	2.1460	Nov23-Mar24	2.1229
Sep-21	1.9565	Feb21-Jan22 (1-Yr Strip)	2.1835
Oct-21	1.9840	Calendar 2022	2.0355
Nov-21	2.1735	Calendar 2023	1.8891
Dec-21	2.4140	Calendar 2024	1.9096
Jan-22	2.5520	Calendar 2025	1.9781

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



CQG Inc. © 2021 NYMEX21,240 | 01/08/2021 17:27:56, CQG 21.12.8003 Alpha

**DAILY CASH MARKET PRICES (for GD8):**

Algonquin city-gates	3.320
Columbia Gas Transmission (TCO)	2.465
Dominion South Point	2.395
Henry Hub	2.730
Tetco M3	2.710
Transco Station 85 (Zone 4)	2.725
Transco Zone 5 South	3.050
Waha	2.620

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

As of Week Ending:	01/01/2021	Build/(Draw)
Current Storage	3,330 Bcf	(130) Bcf
		Surplus/(Deficit)
Last Year Storage	3,192 Bcf	138 Bcf
5-Year Average	3,129 Bcf	201 Bcf
<b>ICE Traded Markets:</b>		ICE Settle:
Weekly Storage Inventory Number (01/14/2021)		(120) Bcf
End of Natural Gas Draw Swap (04/08/2021)		1,560 Bcf

**Market Commentary:** After a mediocre month of December natural gas price action to round out 2020, NG finished out the year on an uptick, rallying back into the mid-2.50's for prompt Feb Nymex on last Thursday's abridged session on account of the holiday, and after a 3-day break Globex gapped up this past Sunday to start off 2021 north of 2.60. The market has seen significant push and pull between that 2.60 area and the mid-to-high 2.70's, with moves down toward 2.60 being scooped up by dip buyers, while rallies into the mid-2.70's have been sold into. Weather conditions have not been brutally cold but they haven't been excessively mild either, which has kept price action more tame than usual as the market awaits a catalyst to make its next move. Production continues to hover just above 90 Bcf/day so far in the new year, and the past two storage reports have been slight disappointments versus consensus, but traders have shrugged that off and prices have actually moved higher following both reports despite the looser S&D that they imply. The Asian LNG market continues to be the story in natural gas, with Feb futures hitting \$17.25/MMBtu and March rose to \$12, and the Platts Japan Korea Marker was assessed at \$20.705 yesterday which marks a new all-time high for that benchmark, surpassing the prior record of \$20.20 from February of 2014. In Feb of 2014 US natural gas touched a high of \$6.49, but today JKM is north of \$20 while domestic Nymex (Henry Hub) futures remain below 2.75, as US markets continue to see robust supply that exceeded most expectations several months ago, and the lack of extreme cold is exacerbating that situation and contributing to lower NG prices. Asia has seen extreme cold collide with lack of adequate shipping capacity to move cargoes to those markets, driving record gas prices in the region. Japanese power prices have also raced well above historic norms and jumped to nearly 100 Yen/kWh (which equates to \$279/MMBtu) in the spot power market in that energy-starved nation, according to data out of JEPX. Here in the US things are much more tame, but the year is at least starting off on more supportive footing than last year, and the possibility for extreme cold to emerge is still a distinct possibility that could help propel us back to a 3-handle and potentially beyond, though the prospects for \$5 Nymex this winter are pretty slim at this point. Oil markets have been steadily on the rise, helped by a surprise output cut recently announced by Saudi Arabia of 1 million barrels per day in an effort to prop up prices, which seems to be working its magic, with global Brent crude trading above \$56 and domestic WTI crude is just shy of \$53 to finish out the trading week.

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