



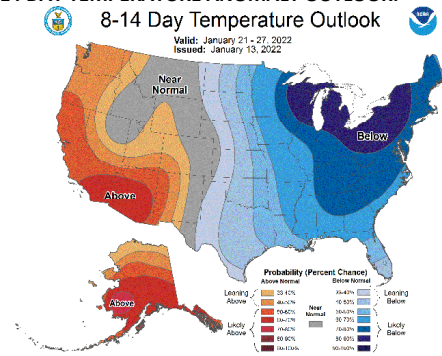
NATURAL GAS MARKET UPDATE

Thursday January 13, 2022 6:00 PM

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NOAA 8 TO 14 DAY TEMPERATURE ANOMALY OUTLOOK:



NATURAL GAS FUTURES SETTLEMENT PRICES:

| 1/13/22 | NYMEX NATURAL GAS | | | | |
|--|-------------------|----------------------|----------|------------|----------|
| Feb22 | 4.270 | Feb22-Mar22 | 4.138 | Cal 23 | 3.544 |
| Mar22 | 4.005 | Apr22-Oct22 | 4.030 | Cal 24 | 3.194 |
| Apr22 | 3.938 | Nov22-Mar23 | 4.240 | Cal 25 | 3.099 |
| May22 | 3.958 | Apr23-Oct23 | 3.264 | Cal 26 | 3.063 |
| Jun22 | 4.011 | Nov23-Mar24 | 3.539 | Cal 27 | 3.084 |
| Jul22 | 4.070 | Apr24-Oct24 | 2.997 | Cal 28 | 3.158 |
| TTF - HOLLAND | | NBP - UNITED KINGDOM | | JKM - ASIA | |
| Feb-22 | \$28.724 | Feb-22 | \$28.151 | Feb-22 | \$32.605 |
| Mar-22 | \$28.372 | Mar-22 | \$27.925 | Mar-22 | \$26.315 |
| Apr-22 | \$22.121 | Apr-22 | \$22.415 | Apr-22 | \$20.180 |
| May-22 | \$21.621 | May-22 | \$21.808 | May-22 | \$19.745 |
| Jun-22 | \$21.513 | Jun-22 | \$21.721 | Jun-22 | \$19.935 |
| EASTERN GAS SOUTH FIXED-PRICE SETTLES (NYMEX + BASIS): | | | | | |
| Feb-22 | 3.6175 | Feb22-Mar22 | 3.5338 | | |
| Mar-22 | 3.4500 | Apr22-Oct22 | 3.0979 | | |
| Apr-22 | 3.3230 | Nov22-Mar23 | 3.5742 | | |
| May-22 | 3.1680 | Apr23-Oct23 | 2.4621 | | |
| Jun-22 | 3.1910 | Nov23-Mar24 | 2.9360 | | |
| Jul-22 | 3.2575 | Apr24-Oct24 | 2.2099 | | |
| Aug-22 | 3.1995 | Nov24-Mar25 | 2.8013 | | |
| Sep-22 | 2.7730 | Feb22-Jan23 (1-Year) | 3.2890 | | |
| Oct-22 | 2.7735 | Calendar 2023 | 2.8234 | | |
| Nov-22 | 3.2415 | Calendar 2024 | 2.4880 | | |

FRONT-MONTH NYMEX NG FUTURES CHART:



CQG Inc. © 2022 NGE,300C | 01/13/2022 17:55:00, CQG 22.12.8018 Alpha

DAILY CASH MARKET PRICES (for GD13):

| | |
|---|-------|
| Algonquin, citygates | 18.96 |
| Columbia Gas Transmission (TCO) | 4.330 |
| Eastern Gas South (formerly Dominion South) | 4.290 |
| Henry Hub | 4.585 |
| Tetco M2 (Receipts) | 4.275 |
| Tetco M3 | 5.225 |
| Transco Zone 6 NY | 5.335 |
| Waha | 4.110 |

WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

| As of Week Ending: | 01/07/2022 | Build/(Draw) |
|---|------------|-------------------|
| Current Storage | 3,016 Bcf | (179) Bcf |
| | | Surplus/(Deficit) |
| Last Year Storage | 3,215 Bcf | (199) Bcf |
| 5-Year Average | 2,944 Bcf | 72 Bcf |
| Prelim. Estimate for: 01/20/2022 (ICE settle) | | (198) Bcf |
| End of NG Storage Withdrawals Swap 04/14/2022 | | 1,475 Bcf |

Market Commentary: Natural gas prices had been stuck below \$4 for most of the past month until this week, having gapped down the first weekend in December as early heating demand failed to materialize despite what had been tight market conditions last Fall, but that has all changed this week with cold air finally showing its face. The week between Christmas and the New Year did see NG try to break back into the \$4's, and Jan did settle at 4.024, but the move was short-lived and unable to hold the bid, and as soon as Jan22 had settled and Feb22 became prompt, back down we went with a dip into the 3.50's on the second to last day of 2021, though that too was unable to hold and was quickly scooped up by value-oriented participants. Last week was the first of the new year and did see some price improvement, but no \$4-handles printed though we did get within .02 of that level. A lot can change in a few days in the weather outlook, and that was certainly the case this past weekend with a sharply higher open on Sunday into the \$4-teens, and the brief test of the upper \$3's was short-lived and similarly quickly absorbed by the market. Tuesday saw a push up to 4.261 which had also capped the rally (to the tick) on Jan22's settlement day when prices got squeezed to the upside, but Tuesday night saw prices take off again and with a vengeance. By 7:00 AM on Wednesday the Feb22 Nymex contract had tested the 4.50 level before breaking above 4.60 around the open, with an eventual afternoon high of 4.879 which has proved to be our week-to-date high print. Sellers managed to knock things back down a bit overnight last night and we had dipped back below 4.50 by today's open, and the weekly storage report failed to help the market reverse that course. The EIA reported a -179 Bcf withdrawal, which was in line with consensus but not enough to keep the bull move going, and this afternoon we dipped back to a session low of 4.258, which was right where the rally stalled out on Tuesday before yesterday's major rip higher (what was resistance becomes support). Weather has undoubtedly provided the catalyst for this reversal, but the ferocity of the rip higher suggests that some were caught off guard and on the wrong side of the move, which added fuel to yesterday's rally. European prices remain in the upper \$20's for Feb22 futures, while Asian JKM remains in the low \$30's, though only for Feb delivery. Cash prices have firmed up from last week in local markets, with \$4 handles prevailing across local trading hubs, while the constrained premium Northeast markets have come down from last week's lofty highs, though Algonquin in the Boston area was still close to \$20 for today's delivery. The 8 to 14 day outlook from NOAA continues to offer some hope for NG bulls, but what materializes beyond will be key in determining where prices will head from here.

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