



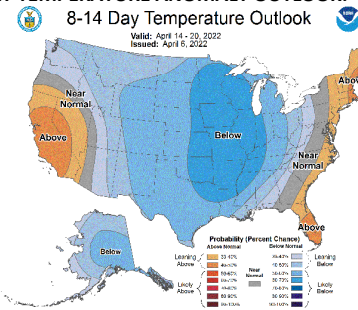
## NATURAL GAS MARKET UPDATE

Thursday April 7, 2022, 1:30 PM

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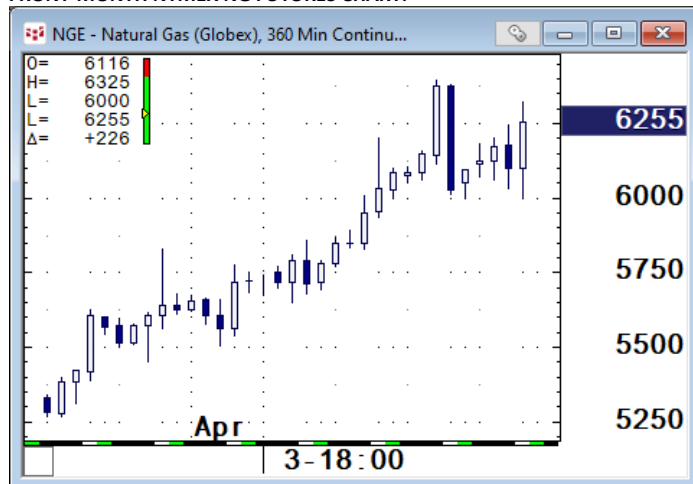
## NOAA 8 TO 14 DAY TEMPERATURE ANOMALY OUTLOOK:



### NATURAL GAS FUTURES SETTLEMENT PRICES:

4/6/22	NYMEX NATURAL GAS				
May22	6.029	May22-Oct22	6.136	Cal 23	4.792
Jun22	6.107	Nov22-Mar23	6.238	Cal 24	4.042
Jul22	6.172	Apr23-Oct23	4.279	Cal 25	4.009
Aug22	6.176	Nov23-Mar24	4.538	Cal 26	4.087
Sep22	6.157	Apr24-Oct24	3.841	Cal 27	4.127
Oct22	6.177	Nov24-Mar25	4.241	Cal 28	4.187
TTF - HOLLAND		NBP - UNITED KINGDOM		JKM - ASIA	
May-22	\$34.231	May-22	\$31.331	May-22	\$33.440
Jun-22	\$34.392	Jun-22	\$32.495	Jun-22	\$30.485
Jul-22	\$34.528	Jul-22	\$33.120	Jul-22	\$29.990
Aug-22	\$34.621	Aug-22	\$33.482	Aug-22	\$30.705
Sep-22	\$34.717	Sep-22	\$34.264	Sep-22	\$31.555
EASTERN GAS SOUTH FIXED-PRICE SETTLES (NYMEX + BASIS):					
May-22	5.2815	May22-Oct22	5.2280		
Jun-22	5.3545	Nov22-Mar23	5.4372		
Jul-22	5.4195	Apr23-Oct23	3.1666		
Aug-22	5.4035	Nov23-Mar24	3.6744		
Sep-22	5.0070	Apr24-Oct24	2.8096		
Oct-22	4.9020	Nov24-Mar25	3.4476		
Nov-22	5.2390	May22-Apr23 (1-Year)	5.1778		
Dec-22	5.5280	Calendar 2023	3.7940		
Jan-23	5.7670	Calendar 2024	3.1260		

### FRONT-MONTH NYMEX NG FUTURES CHART:



CQG Inc. © 2022 NGE,360C | 04/07/2022 13:30:09, CQG 22.12.8050

### DAILY CASH MARKET PRICES (for GD7):

Algonquin, citygates	6.385
Columbia Gas Transmission (TCO)	5.920
Eastern Gas South (formerly Dominion South)	5.945
Henry Hub	6.245
Tetco M2 (Receipts)	5.950
Tetco M3	6.175
Transco Zone 5 South	6.315
Waha	5.740

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

As of Week Ending:	4/1/2022	Build/(Draw)
Current Storage	1,382 Bcf	(33) Bcf
		Surplus/(Deficit)
Last Year Storage	1,781 Bcf	(399) Bcf
5-Year Average	1,667 Bcf	(285) Bcf
Prelim. Estimate for: 04/14/2022 (ICE settle)		+28 Bcf
End of NG Storage Withdrawals Swap 04/14/2022		1,420 Bcf
End of NG Storage Injections Swap 11/10/2022		3,500 Bcf

**Market Commentary:** The natural gas market continues to defy gravity and punish those attempting to pick the top of this explosive rally, with May Nymex having jumped ~\$1 since becoming the prompt contract, and cash markets have been along for the ride as well. Last week's storage report came in at +26 Bcf, which was just a couple of Bcf below consensus, but prices used that as a launch pad nonetheless, though on that occasion the rally above 5.80 was sold into and prices finished up last week in the mid-5.70's. That's where prices kicked off for this week as well, and we have remained above 5.65 since Sunday night's open, with that low touched on Monday morning ahead of the open, and it has been all upside from there. Prices had achieved a \$6 handle just 24 hours later, and got up to 6.20 by late morning on Tuesday before moving back down to 6.00. Again yesterday morning prices were on the upswing, this time topping out at our week-to-date high of 6.394 which is a new all-time high for the May22 Nymex contract, taking out the prior contract high of from 2013 by about 25 cents, but was still about 7 cents shy of the 6.466 continuation high from early October (and about \$1 below the Feb22 spike high from Jan 27<sup>th</sup> on that contract's settlement day, but that was confined to that one contract with not even another Nymex \$5 handle anywhere on the forward curve on Jan 27<sup>th</sup>). Global NG benchmarks have been quieter in recent weeks and trickled slightly lower from last week, with May22 delivery between \$31 and \$34/MMBtu as of last night's close. Russia has attempted to coerce its natural gas customers from "unfriendly countries" to pay for their natural gas in Russian rubles instead of the US dollars and Euros that were agreed to in the contract documents, threatening to cut off supplies to those who do not comply. It is unclear how that will play out, but TTF prices don't appear to reflect an imminent concern with European prices more than 50% below their early March highs above \$70 (while Asian JKM futures topped \$50 that same day). Production in the US has dropped slightly from last week, with a 7-day average of 93.1 Bcf/day according to Platts, which is down from 94.5 Bcf/day the week prior, and that has helped keep prices well bid in an attempt to reduce demand and free up molecules to be injected in storage. The extent to which these prices do impact demand remains to be seen, but last summer the market did an admirable job of illustrating that demand elasticity is not what it once was before all of the coal-fired generation that has been retired over the past several years. "The best cure for high prices is high prices", as the saying goes, and the forward curve reflects the market's current belief that \$6 natural gas will not last into 2024 and even the summer of 2023 Nymex is more than 2.00 lower at 4.30 vs. May22-Oct22 Nymex trading at 6.35 intraday today.

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