



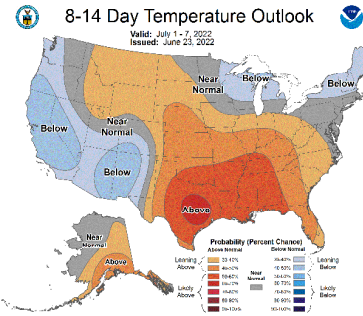
NATURAL GAS MARKET UPDATE

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NOAA 8 TO 14 DAY TEMPERATURE ANOMALY OUTLOOK:



NATURAL GAS FUTURES SETTLEMENT PRICES:

| 6/23/22 | NYMEX NATURAL GAS | | | | |
|--|-------------------|----------------------|----------|------------|----------|
| Jul22 | 6.239 | Jul22-Oct22 | 6.273 | Cal 23 | 5.242 |
| Aug22 | 6.283 | Nov22-Mar23 | 6.335 | Cal 24 | 4.748 |
| Sep22 | 6.280 | Apr23-Oct23 | 4.813 | Cal 25 | 4.626 |
| Oct22 | 6.289 | Nov23-Mar24 | 5.242 | Cal 26 | 4.628 |
| Nov22 | 6.375 | Apr24-Oct24 | 4.536 | Cal 27 | 4.634 |
| Dec22 | 6.491 | Nov24-Mar25 | 4.970 | Cal 28 | 4.700 |
| TTF - HOLLAND | | NBP - UNITED KINGDOM | | JKM - ASIA | |
| Jul-22 | \$41.220 | Jul-22 | \$22.939 | Jul-22 | |
| Aug-22 | \$41.441 | Aug-22 | \$31.060 | Aug-22 | \$37.130 |
| Sep-22 | \$42.057 | Sep-22 | \$37.710 | Sep-22 | \$36.575 |
| Oct-22 | \$42.479 | Oct-22 | \$39.548 | Oct-22 | \$36.305 |
| Nov-22 | \$42.497 | Nov-22 | \$43.082 | Nov-22 | \$37.635 |
| EASTERN GAS SOUTH FIXED-PRICE SETTLES (NYMEX + BASIS): | | | | | |
| Jul-22 | 5.4290 | Jul22-Oct22 | 5.1015 | | |
| Aug-22 | 5.4680 | Nov22-Mar23 | 5.4752 | | |
| Sep-22 | 4.8850 | Apr23-Oct23 | 3.4363 | | |
| Oct-22 | 4.6240 | Nov23-Mar24 | 4.3857 | | |
| Nov-22 | 5.2600 | Apr24-Oct24 | 3.1495 | | |
| Dec-22 | 5.5735 | Nov24-Mar25 | 4.1414 | | |
| Jan-23 | 5.7410 | Jul22-Jun23 (1-Year) | 4.8842 | | |
| Feb-23 | 5.6480 | Calendar 2023 | 4.0737 | | |
| Mar-23 | 5.1535 | Calendar 2024 | 3.6161 | | |
| Apr-23 | 3.8485 | Calendar 2025 | 3.4597 | | |

WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

| As of Week Ending: | 6/17/2022 | Build/(Draw) |
|---|-----------|-------------------|
| Current Storage | 2,169 Bcf | +74 Bcf |
| | | Surplus/(Deficit) |
| Last Year Storage | 2,474 Bcf | (305) Bcf |
| 5-Year Average | 2,500 Bcf | (331) Bcf |
| Prelim. Estimate for: 06/30/2022 (ICE Settle) | | +60 Bcf |
| End of NG Storage Injections Swap 11/10/2022 | | 3,510 Bcf |

Market Commentary: Natural gas bulls have suffered a serious setback over the last week with the correction that has unfolded, with Nymex futures down 35% since the 14-year high touched on June 8th, and are down 16% between just last Thursday's close and yesterday's. Balances have improved thanks to the incident at Freeport, but that development aside, the fundamentals do remain broadly supportive to prices, but the bull run has taken a breather for the moment as the US market deals with the 2 Bcf/day in additional supply that Freeport had been taking until a few weeks ago. Production has ticked up slightly, but a new 7-day average of 94.7 Bcf/day is up only slightly from the week prior, and is only a hair above the month-to-date average of 94.6 Bcf/day as production trends remain stagnant. The past two storage reports have shown slightly bearish misses, with last week including the revision to the prior data, and then yesterday's report came in at +74 Bcf which was above even the highest estimates and suggests that fundamentals may be loosening to some extent in the short term at least. Still, the EOS swap is only at 3,510 Bcf currently, which is up from before Freeport was knocked offline, but not by as much as those volumes might suggest. With 2 Bcf/day offline for at least 90 days, that should translate to 180 Bcf of additional supply for the market, but the storage swap for November has only risen by a little over 100 Bcf since that event, suggesting the market remains nervous about next winter with the Jan23 \$30 Nymex call settling at \$0.135 last night despite being more than \$23 out-of-the-money. The loss of LNG export volumes has been a boon to global NG benchmarks, particularly the TTF futures, which have jumped from the mid- \$20's two weeks ago to north of \$41 for Jul22 currently, while Jul22 prices in the UK are almost 50% lower, and front-month JKM futures for Aug22 delivery in Asia closed at \$37 as of last night as the world contends with less supply out of the US, though it appears that the UK is least in need of those molecules for now. Cash prices have come down as well, with \$5-handles seen in recent days for many Northeast hubs, while Gulf Coast hubs have been mostly in the \$6's in recent days. The additional volumes from Freeport have had a massive impact on the market in a short period of time, but it remains susceptible to any additional unforeseen loss of supply or uptick in demand from a major heat wave, for example. Volatility is likely to remain elevated for the time being, until such time as production shows a meaningful uptick and moves back toward a genuine growth trajectory, or the market sees another major loss of demand similar to what happened at Freeport LNG two weeks ago. Though it could come in other forms of course, but a major incident at Sabine Pass for instance, would likely send prices reeling, just as a widespread heat wave forecasted to last for weeks would likely create a new bull run.

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FRONT-MONTH NYMEX NG FUTURES CHART:



CGQ Inc. © 2022 NGE,300C | 06/24/2022 08:43:29, CGQ 23.6.8012 Alpha

DAILY CASH MARKET PRICES (for GD24):

| | |
|---|-------|
| Chicago, city-gates | 6.410 |
| Columbia Gas Transmission (TCO) | 5.680 |
| Eastern Gas South (formerly Dominion South) | 5.620 |
| Henry Hub | 6.470 |
| Tetco M2 (Receipts) | 5.585 |
| Tetco M3 | 5.675 |
| Transco Zone 5 South | 7.500 |
| Waha | 6.180 |