



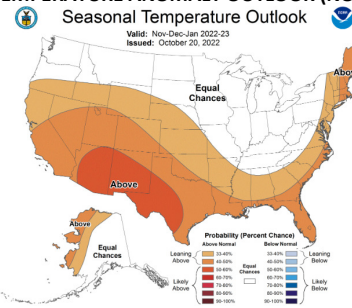
## NATURAL GAS MARKET UPDATE

Friday October 21, 2022, 9:15 AM

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## NOAA 3-MONTH TEMPERATURE ANOMALY OUTLOOK (NOV-JAN):



### NATURAL GAS FUTURES SETTLEMENT PRICES:

10/20/22	NYMEX NATURAL GAS				
Nov22	5.358	Nov22-Mar23	5.722	Cal 23	5.083
Dec22	5.838	Apr23-Oct23	4.692	Cal 24	4.610
Jan23	6.111	Nov23-Mar24	5.345	Cal 25	4.445
Feb23	5.928	Apr24-Oct24	4.244	Cal 26	4.368
Mar23	5.374	Nov24-Mar25	4.881	Cal 27	4.320
Apr23	4.618	Apr25-Oct25	4.162	Cal 28	4.422
TTF - HOLLAND		NBP - UNITED KINGDOM		JKM - ASIA	
Nov-22	\$36.765	Nov-22	\$25.372	Nov-22	N/A
Dec-22	\$44.319	Dec-22	\$43.970	Dec-22	\$32.350
Jan-23	\$45.674	Jan-23	\$46.578	Jan-23	\$36.700
Feb-23	\$46.232	Feb-23	\$48.133	Feb-23	\$37.065
Mar-23	\$45.939	Mar-23	\$46.753	Mar-23	\$33.885
EASTERN GAS SOUTH FIXED-PRICE SETTLES (NYMEX + BASIS):					
Nov-22	4.4780	Nov22-Mar23	4.9858		
Dec-22	5.0530	Apr23-Oct23	3.5382		
Jan-23	5.3710	Nov23-Mar24	4.6550		
Feb-23	5.2555	Apr24-Oct24	3.0602		
Mar-23	4.7715	Nov24-Mar25	4.1878		
Apr-23	3.9205	Apr24-Oct25	2.9465		
May-23	3.5995	Nov22-Oct23 (1-Year)	4.1414		
Jun-23	3.6285	Calendar 2023	4.1013		
Jul-23	3.7205	Calendar 2024	3.6308		
Aug-23	3.7255	Calendar 2025	3.4431		

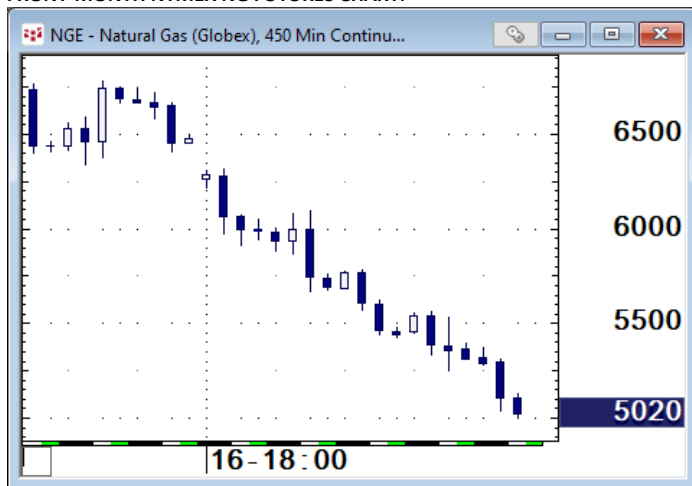
### WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	10/14/2022	Build/(Draw)
Current Storage	3,342 Bcf	+111 Bcf
		Surplus/(Deficit)
Last Year Storage	3,448 Bcf	(106) Bcf
5-Year Average	3,525 Bcf	(183) Bcf
Prelim. Estimate for: 10/27/2022 (ICE Settle)		+45 Bcf
End of NG Storage Injections Swap 11/10/2022		3,575 Bcf

**Market Commentary:** Momentum has continued to pick up to the downside this week, with prompt natural gas futures now just above \$5 and have seen prices decline by 50% in two months' time, with the 10.028 front-month high printing on August 23<sup>rd</sup>. Yesterday's storage report came in at +111 Bcf for the 5<sup>th</sup> consecutive triple-digit injection, which has helped to alleviate concerns that storage would fall short when the injection season concluded. Last Thursday was an up day with a close near 6.75, but on Friday bear market forces returned and we finished the week below 6.50, and then on Sunday night prices gapped down on the charts with an open of 6.263 and it has been pretty much all downhill from there, culminating in a 7-month Nymex low of 5.011 touched this morning. Global NG benchmarks have also been on the decline and are lower from last week despite an up day yesterday, with TTF closing in the mid-\$30's last night for Nov22, NBP was in the mid-\$20's, and the highest priced contract out there right now is the Feb23 NBP contract which was just above \$48 as of last night's close. Those are still hefty prices for consumers to foot the bill for, but have come down significantly from their summer highs as well. Production has dipped slightly from last week with a 7-day average of 96.6 Bcf/day, down 0.5 from the week before, and leaving the month-to-date average for Oct at 97.2 Bcf/day according to Platts data. No news out of Freeport LNG still, and Cove Point in Maryland has been offline for most of the month for maintenance, but feedgas demand was up 0.5 Bcf/day for the week to 11.5 Bcf/day anyway, though neither that uptick nor the downtick in production have proven sufficient to stem the tide of the steep selloff we have seen, with prompt Nymex losing another ~20% with this week's decline. Following a very hot summer for the US, the current outlook from NOAA is for a mild start to winter, with the 3-month outlook for Nov, Dec, and Jan above pointing to above normal temperatures across the Southwest and covering the bottom of the country and up the Eastern Seaboard into New England, with equal chances in the Midwest and Northern Plains. If that comes to pass and early cold does not emerge, the market may find itself in decent shape supply-wise, but as is generally the case in the natural gas market, if weather surprises to the bullish side, prices are likely to respond enthusiastically, assuming it happens sooner than later (with February generally being too late to move the needle a great deal on prices). Markets have a tendency to shoot too far in one direction before snapping back in the other, which we have seen repeatedly in NG over the past year and in both directions. In early July Nymex had fallen more than \$4 in less than one month, only to regain all it lost and then some over the following three weeks, and we have seen more big swings in both directions since then, though the recent selloff has endured longer and seen more ground lost on prices than what was experienced this summer.

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### FRONT-MONTH NYMEX NG FUTURES CHART:



CQG Inc. © 2022 NGE,450C | 10/21/2022 09:15:17, CQG 23.10.8006 Alpha

### DAILY CASH MARKET PRICES (for GD21):

Columbia Gas Transmission (TCO)	4.435
Eastern Gas South (formerly Dominion South)	4.365
Enable Gas, East	4.630
Henry Hub	5.050
Tetco M2 (receipts)	4.290
Tetco M3	4.425
Transco Zone 5 South	5.130
Waha	3.960