



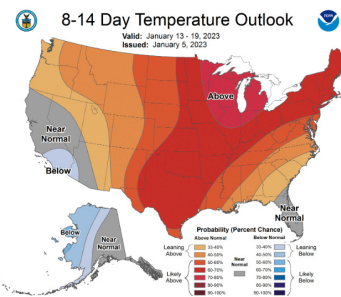
## NATURAL GAS MARKET UPDATE

Friday January 6, 2023, 11:00 AM

Snyder Brothers Inc., Gas Marketing  
 1 Glade Park East, P.O. Box 1022  
 Kittanning, PA 16201  
 Ph: 724-548-8101

[www.snyderbrothersinc.com](http://www.snyderbrothersinc.com)

## 8 TO 14 DAY TEMPERATURE ANOMALY OUTLOOK:



### NATURAL GAS FUTURES SETTLEMENT PRICES:

1/5/23	NYMEX NATURAL GAS				
Feb23	3.720	Feb23-Mar23	3.573	1-Year	3.804
Mar23	3.426	Apr23-Oct23	3.584	Cal 24	3.973
Apr23	3.358	Nov23-Mar24	4.416	Cal 25	4.179
May23	3.397	Apr24-Oct24	3.631	Cal 26	4.305
Jun23	3.559	Nov24-Mar25	4.551	Cal 27	4.346
Jun23	3.685	Apr25-Oct25	3.863	Cal 28	4.444
TTF - HOLLAND		NBP - UNITED KINGDOM		JKM - ASIA	
Feb-23	\$22.398	Feb-23	\$21.736	Feb-23	\$28.850
Mar-23	\$22.685	Mar-23	\$21.673	Mar-23	\$23.005
Apr-23	\$22.959	Apr-23	\$22.223	Apr-23	\$22.555
May-23	\$23.109	May-23	\$22.547	May-23	\$22.505
Jun-23	\$23.324	Jun-23	\$22.576	Jun-23	\$22.780
EASTERN GAS SOUTH FIXED-PRICE SETTLES (NYMEX + BASIS):					
Feb-23	2.8775	Feb23-Mar23	2.8255		
Mar-23	2.7735	Apr23-Oct23	2.5551		
Apr-23	2.7055	Nov23-Mar24	3.5863		
May-23	2.5795	Apr24-Oct24	2.4706		
Jun-23	2.7565	Nov24-Mar25	3.7220		
Jul-23	2.8525	Apr25-Oct25	2.6117		
Aug-23	2.7950	Feb23-Jan24 (1-Year)	2.8419		
Sep-23	2.1395	Calendar 2024	2.9588		
Oct-23	2.0575	Calendar 2025	3.1038		
Nov-23	2.9695	Calendar 2026	3.2211		

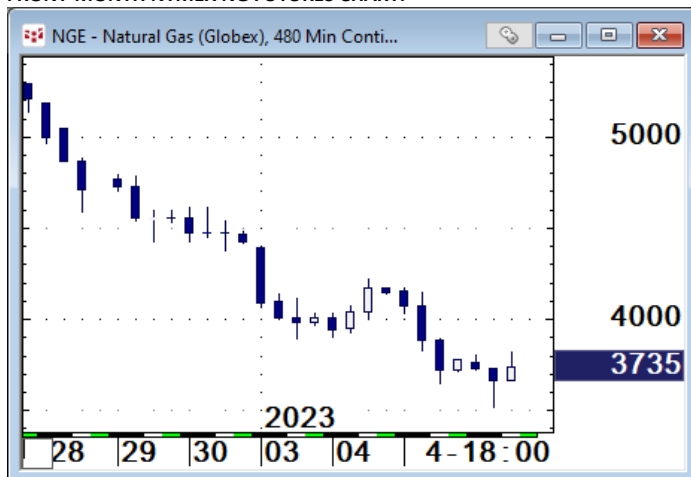
### WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	12/30/2022	Build/(Draw)
Current Storage	2,891 Bcf	(221) Bcf
		Surplus/(Deficit)
Last Year Storage	3,199 Bcf	(308) Bcf
5-Year Average	3,099 Bcf	(208) Bcf
End of NG Storage Withdrawals 04/06/2023		1,730 Bcf

**Market Commentary:** The bull market of 2022 is behind us at this point, with natural gas market bears continuing to dominate the market in the short-term as weather conditions fail to induce heating demand. The selloff that began in mid-December is now finishing its third week lower (barring a major turnaround today, which seems unlikely at this point), as prompt Nymex futures have dropped nearly 50% in just three weeks. Winter heating demand is the primary component of annual natural gas usage, and when it disappoints prices usually respond in a big way, and that is certainly the case recently with very little two-way action and sellers relentlessly pressing the market lower. Weather is definitely the main driver of the market right now, but production has also recovered from the freeze-off driven declines of two weeks ago, with Platts showing a 7-day average for dry-gas production of 97.4 Bcf/day, which is up sharply from the prior 7-day average of 88.8 Bcf/day and in-line with the first 3 weeks of December before the freeze-offs. LNG feedgas demand was up almost 1 Bcf/day for the past week to 11.9 Bcf/day, and while Freeport LNG is still sticking to their target of a return to service in the second half of January, there is understandable skepticism around that given how things have gone since the incident in early June, and a Bloomberg story out yesterday quoted one firm's assessment that the likely restart is still months away. Cash prices have also come down appreciably, with primarily \$2-handles seen at Appalachian hubs so far in 2023, and even Gulf Coast prices have been mostly in the \$3's recently, while the usual premium Northeast markets have been in the \$4's and \$5's. The West Coast continues to see the most expensive gas in the country, though no longer in the world with Europe and Asian markets now higher after prices out West fell off some, but SoCal city-gate was the most expensive market for today's delivery with an \$18 handle, and prices were in the teens at several far Western hubs as well. The Permian is still weak with Waha trading at a \$1-handle for today's delivery, but it had traded to a new recent low below 0 again, with a -\$10 print on the final day of 2022, which appears to match the prior all-time low from nearly 3 years ago, which occurred right around the time that WTI futures went negative in April of 2020. The Jan23 Nymex contract rolled off the board last week at \$4.709 for the month, which was down just over \$2 from the Dec22 Nymex settle and marks the lowest monthly close since Mar22 finished at 4.568, but was still up almost 70 cents from where Jan22 Nymex settled, and since assuming prompt status the Feb23 Nymex contract dropped over \$1.16 to this morning's low of 3.520, but has fought back some from that level and is currently just barely in positive territory for the day but up less than .02 at moment. The weather outlook needs to shift colder soon or the market is likely to write-off winter weather and begin to focus on summer prospects, and eventually the return of Freeport LNG and the demand it will bring.

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### FRONT-MONTH NYMEX NG FUTURES CHART:



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### DAILY CASH MARKET PRICES (for GD6):

Columbia Gas Transmission (TCO)	2.860
Eastern Gas South (formerly Dominion South)	2.755
Enable Gas, East	2.855
Henry Hub	3.755
SoCal city-gate	18.645
Tetco M3	2.995
Transco Zone 5 South	4.080
Waha	1.650