



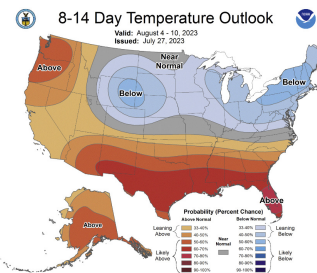
## NATURAL GAS MARKET UPDATE

Friday July 28, 2023 1:00 PM

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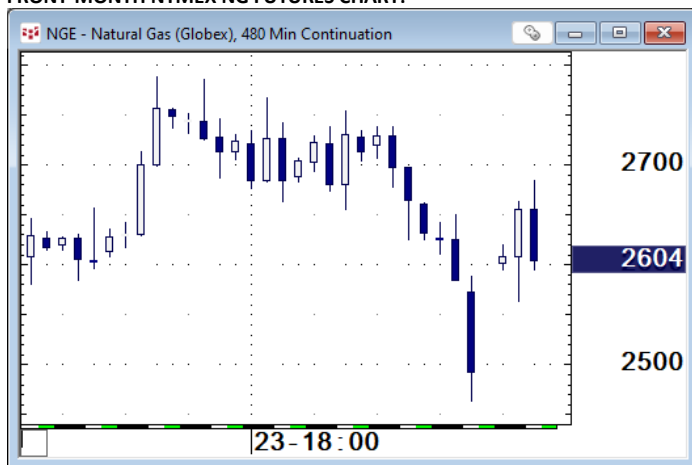
## 8 TO 14 DAY TEMPERATURE ANOMALY OUTLOOK:



### NATURAL GAS FUTURES SETTLEMENT PRICES (\$/MMBtu):

7/27/23	NYMEX NATURAL GAS				
Sep23	\$2.595	Sep23-Oct23	\$2.655	1-Year	\$3.254
Oct23	\$2.714	Nov23-Mar24	\$3.519	Cal 24	\$3.481
Nov23	\$3.142	Apr24-Oct24	\$3.272	Cal 25	\$3.976
Dec23	\$3.560	Nov24-Mar25	\$4.165	Cal 26	\$4.020
Jan24	\$3.765	Apr25-Oct25	\$3.722	Cal 27	\$3.992
Feb24	\$3.696	Nov25-Mar26	\$4.469	Cal 28	\$3.952
TTF - HOLLAND		NBP - UNITED KINGDOM		JKM - ASIA	
Aug-23	\$9.17	Aug-23	\$9.00	Aug-23	
Sep-23	\$9.48	Sep-23	\$9.32	Sep-23	\$10.97
Oct-23	\$11.12	Oct-23	\$10.89	Oct-23	\$12.32
Nov-23	\$14.76	Nov-23	\$14.51	Nov-23	\$14.32
Dec-23	\$16.65	Dec-23	\$17.13	Dec-23	\$16.76
EASTERN GAS SOUTH FIXED-PRICE SETTLES (NYMEX + BASIS):					
Sep-23	\$1.10	Sep23-Oct23	\$1.11		
Oct-23	\$1.12	Nov23-Mar24	\$2.63		
Nov-23	\$1.79	Apr24-Oct24	\$2.30		
Dec-23	\$2.62	Nov24-Mar25	\$3.33		
Jan-24	\$2.92	Apr25-Oct25	\$2.59		
Feb-24	\$3.00	Nov25-Mar26	\$3.56		
Mar-24	\$2.83	Sep23-Aug24 (1-Year)	\$2.29		
Apr-24	\$2.47	Calendar 2024	\$2.57		
May-24	\$2.35	Calendar 2025	\$2.96		
Jun-24	\$2.40	Calendar 2026	\$2.93		

### FRONT-MONTH NYMEX NG FUTURES CHART:



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### DAILY CASH MARKET PRICES (for GD28):

Algonquin city-gates (New England)	4.485
Columbia Gas Transmission (TCO)	1.460
Eastern Gas South (formerly Dominion South)	1.305
Enable Gas, East (Mid-Con)	2.345
Henry Hub	2.480
Tetco M3	1.770
Transco Zone 5 South	3.590
Waha (Permian Basin)	2.170

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

As of Week Ending:	7/21/2023	Build/(Draw)
Current Storage	2,987 Bcf	+16 Bcf
		Surplus/(Deficit)
Last Year Storage	2,414 Bcf	573 Bcf
5-Year Average	2,642 Bcf	345 Bcf

### KEY FUNDAMENTAL METRICS:

Platts data	Past 7 days	Prior 7 days
Dry-gas Production	102.1 Bcf/day	102.0 Bcf/day
Weekly Change	+0.1 Bcf/day	
LNG Feedgas Demand	12.6 Bcf/day	12.7 Bcf/day
Weekly Change	-0.1 Bcf/day	

**Market Commentary:** The natural gas market has failed to revert to its former glory days of 2022, or even to return to the YTD highs just above \$3 that printed nearly 5 months ago in early March, with prompt Nymex prices instead confined to a trading range of roughly 2.45 to 2.85 over the past 6 weeks, though there have only been 3 days it breached 2.80 within that and 3 days where it traded below 2.50, so the predominant range has been even tighter with the bulk of activity between 2.55 and 2.75 for a significant period of time. Local basis has remained fairly ugly, with discounts remaining below -\$1.10 for prompt over that period even after having moved higher by mid-month, but Eastern Gas South basis has recently taken a nosedive once again, with the Sep23 contract touching a low of -1.59 on Tuesday after an explosion on the TCO system resulted in a Force Majeure declaration, which sent area basis prices reeling lower when the news hit due to the loss of takeaway capacity out of the region. The market had been looking a lot stronger last week, and kicked off the current week in the same 2.70 vicinity, but as the week has progressed, NG market bears have regained the upper hand, and managed to knock the expiring Aug23 Nymex contract down below 2.50 for the monthly settle yesterday afternoon, with a \$2.492 finish, and with the Eastern basis differential of roughly -1.42, the expectation is for a monthly Eastern Gas South index right around 1.07 for the month, which would be the lowest since October of 2020 came in at \$1 even. Hot weather is helping prevent a further washout evidently, with yesterday's EIA report showing a weekly injection of just +16 Bcf, and last week's report was higher but still only +41 Bcf, and that has helped reduce expectations for where storage finishes up at the end of the injection season in roughly 3 months' time, with an estimate from a Macquarie Bank report having decreased from 4.5 Tcf a month ago, down to 4.2 Tcf as of yesterday morning (and months ago they had it pegged at 4.8 Tcf, which this report mentioned was above both demonstrated peak and also design capacity and not possible, but that was where flows were pointing them to at the time nonetheless). Production has done exactly what the market did not want to happen and inched higher, with a 7-day average for dry-gas production of 102.1 Bcf/day, while feedgas demand has been more quiet and saw a 7-day average of 12.6 Bcf/day. In the delivered LNG space, Asian buyers continue to outbid Europe to draw cargoes their way, and that remains the structure for the Sep23 and Oct23 contract months, before the Dutch TTF market takes back the top spot in Nov23, and the UK's NBP has that honor in the Dec23 expiry currently.

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