

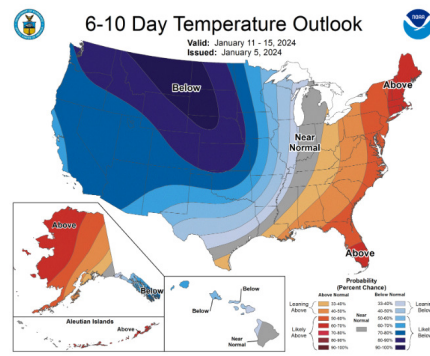


NATURAL GAS MARKET UPDATE

Friday January 5, 2024 6:30 PM

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

1/5/24	NYMEX NATURAL GAS				
Feb24	\$2.89	Feb24-Mar24	\$2.75	1-Year	\$3.01
Mar24	\$2.62	Apr24-Oct24	\$2.80	Cal 25	\$3.63
Apr24	\$2.57	Nov24-Mar25	\$3.67	Cal 26	\$3.89
May24	\$2.62	Apr25-Oct25	\$3.44	Cal 27	\$3.91
Jun24	\$2.75	Nov25-Mar26	\$4.19	Cal 28	\$3.85
Jul24	\$2.88	Apr26-Oct26	\$3.63	Cal 29	\$3.80
TTF - HOLLAND		NBP - UNITED KINGDOM		JKM - ASIA	
Feb-24	\$11.14	Feb-24	\$11.10	Feb-24	\$11.57
Mar-24	\$11.15	Mar-24	\$11.02	Mar-24	\$11.68
Apr-24	\$11.07	Apr-24	\$10.93	Apr-24	\$11.57
May-24	\$11.06	May-24	\$10.87	May-24	\$11.61
Jun-24	\$11.09	Jun-24	\$10.80	Jun-24	\$11.74
EASTERN GAS SOUTH FIXED-PRICE SETTLES (NYMEX + BASIS):					
Feb-24	\$2.29	Feb24-Mar24	\$2.17		
Mar-24	\$2.06	Apr24-Oct24	\$1.83		
Apr-24	\$1.96	Nov24-Mar25	\$2.78		
May-24	\$1.91	Apr25-Oct25	\$2.26		
Jun-24	\$1.93	Nov25-Mar26	\$3.29		
Jul-24	\$1.95	Apr26-Oct26	\$2.37		
Aug-24	\$1.91	Feb24-Jan25 (1-Year)	\$2.09		
Sep-24	\$1.58	Calendar 2025	\$2.56		
Oct-24	\$1.54	Calendar 2026	\$2.79		
Nov-24	\$2.07	Calendar 2027	\$2.78		

FRONT-MONTH NYMEX NG FUTURES CHART:



CQG Inc. © 2024 NGE24,300 | 01/05/2024 18:26:48, CQG 24.12.8014 Alpha

DAILY CASH MARKET PRICES (for GD5):

Algonquin city-gates (New England)	5.405
Columbia Gas Transmission (TCO)	2.360
Eastern Gas South (formerly Dominion South)	2.155
Enable Gas, East (Mid-Con)	2.655
Henry Hub	2.845
Tetco M3	3.080
Transco Zone 5 (del)	3.650
Waha (Permian Basin)	2.350

WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

As of Week Ending:	12/29/2023	Build/(Draw)
Current Storage	3,476 Bcf	-14 Bcf
		Surplus/(Deficit)
Last Year Storage	2,923 Bcf	567 Bcf
5-Year Average	3,077 Bcf	413 Bcf

KEY FUNDAMENTAL METRICS:

Platts data	Past 7 days	Prior 7 days
Dry-gas Production	103.3 Bcf/day	104.0 Bcf/day
Weekly Change	-0.72 Bcf/day	
LNG Feedgas Demand	14.72 Bcf/day	14.67 Bcf/day
Weekly Change	+0.04 Bcf/day	

Market Commentary: The new year has brought a slight change in tone, with NG Bears on the defensive after a colder shift in the weather outlook. After rounding out 2023 with a 2.514 settle, Feb24 Nymex gapped up to open 2024 slightly higher at 2.605 on Monday night. By Tuesday afternoon prices had traded back down to 2.524, but that has proved to be our weekly low, with a subsequent move as high as 2.906 touched late this afternoon. Yesterday's storage report showed a very small withdrawal of just -14 Bcf for the week ended 12/29, which includes the Christmas holiday and is notoriously challenging to accurately model. The reported figure was shy of expectations for a draw in the -40 vicinity, but while the knee-jerk reaction was a decline, prices quickly found support in the mid-2.70's, which was down about a dime from the earlier highs, and traded back up to take out those highs within a few hours' time. Things went out yesterday looking as bullish as they had been in months, but sellers managed to knock prices down overnight anyway, and by today's open we had moved as low as 2.681. That was bought into, and by 12:30 we had broken back above 2.85, underscoring a new regime of higher volatility for NG prices. Weather conditions have shifted back colder, fittingly as we moved into January, and that has helped cash prices firm back up, with all \$2-handles in Appalachia for today's delivery, more of the same for the weekend package traded this morning, and futures markets currently reflect the expectation of a continuation of that stronger trend for what remains of January. Production has seen another small decline this week with Platts data reflecting a 7-day average of 103.3 Bcf/day, which is down from 104.6 two weeks ago, but still more than 2 Bcf/day above where we were a year ago. Expectations are for production to pare slightly in the coming months, but with mild conditions having been the theme for all of 2023, there is growing concern around the potential for storage containment issues again this Fall. That was a big concern this past spring as well, that ultimately resolved itself with a roughly 3.8 Tcf finish last Fall as a result of the low price environment that persisted the entire summer and kept demand elevated, which hopefully is not the outcome for the market in 2024 as well. A cold remainder of winter and a hot summer would go a long way toward helping turn things around of course, but the bearish undertones in the market will take more than one cold shot to resolve and shift sentiment into a less dismal outlook, and production data will also be key and continue to be closely monitored.

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