

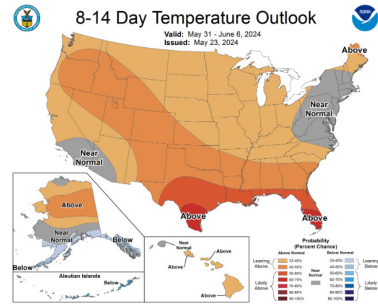


NATURAL GAS MARKET UPDATE

Friday May 24, 2024 07:00 AM

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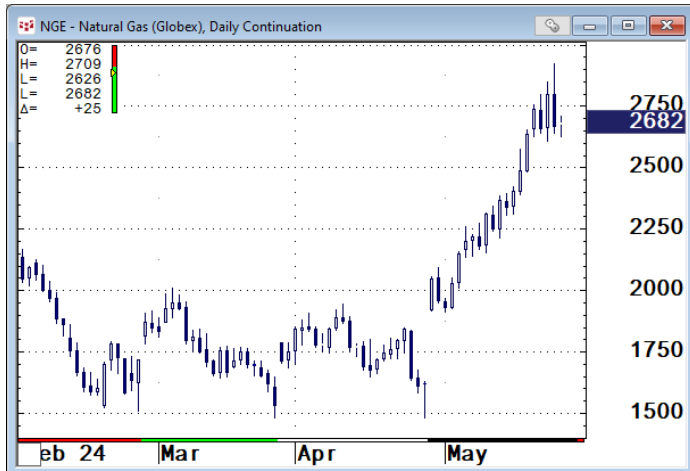
www.snyderbrothersinc.com



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

| 5/23/24 | NYMEX NATURAL GAS - (HENRY HUB) | | | | |
|--|---------------------------------|----------------------|---------|------------|---------|
| Jun24 | \$2.66 | Jun24-Oct24 | \$2.90 | 1-Year | \$3.24 |
| Jul24 | \$2.92 | Nov24-Mar25 | \$3.62 | Cal 25 | \$3.58 |
| Aug24 | \$2.97 | Apr25-Oct25 | \$3.39 | Cal 26 | \$3.94 |
| Sep24 | \$2.93 | Nov25-Mar26 | \$4.15 | Cal 27 | \$4.00 |
| Oct24 | \$2.99 | Apr26-Oct26 | \$3.71 | Cal 28 | \$3.98 |
| Nov24 | \$3.28 | Nov26-Mar27 | \$4.44 | Cal 29 | \$3.98 |
| TTF - HOLLAND | | NBP - UNITED KINGDOM | | JKM - ASIA | |
| Jun-24 | \$11.19 | Jun-24 | \$10.85 | Jun-24 | N/A |
| Jul-24 | \$11.30 | Jul-24 | \$10.84 | Jul-24 | \$12.26 |
| Aug-24 | \$11.44 | Aug-24 | \$11.04 | Aug-24 | \$12.56 |
| Sep-24 | \$11.70 | Sep-24 | \$11.54 | Sep-24 | \$12.69 |
| Oct-24 | \$12.05 | Oct-24 | \$11.86 | Oct-24 | \$12.95 |
| EASTERN GAS SOUTH FIXED-PRICE SETTLES (NYMEX + BASIS): | | | | | |
| Jun-24 | \$1.71 | Jun24-Oct24 | \$1.86 | | |
| Jul-24 | \$2.02 | Nov24-Mar25 | \$2.82 | | |
| Aug-24 | \$1.99 | Apr25-Oct25 | \$2.35 | | |
| Sep-24 | \$1.84 | Nov25-Mar26 | \$3.21 | | |
| Oct-24 | \$1.76 | Apr26-Oct26 | \$2.61 | | |
| Nov-24 | \$2.29 | Nov26-Mar27 | \$3.50 | | |
| Dec-24 | \$2.90 | Jun24-May25 (1-Year) | \$2.34 | | |
| Jan-25 | \$3.10 | Calendar 2025 | \$2.60 | | |
| Feb-25 | \$3.03 | Calendar 2026 | \$2.91 | | |
| Mar-25 | \$2.79 | Calendar 2027 | \$2.97 | | |

FRONT-MONTH NYMEX NG FUTURES CHART:



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DAILY CASH MARKET PRICES (for GD24):

| | |
|---|-------|
| Algonquin city-gates (New England) | 1.875 |
| Columbia Gas Transmission (TCO) | 2.005 |
| Eastern Gas South (formerly Dominion South) | 1.805 |
| Enable Gas, East (Mid-Con) | 1.920 |
| Henry Hub | 2.605 |
| Tetco M3 | 1.825 |
| Transco Zone 5 (del) | 3.790 |
| Waha (Permian Basin) | 0.240 |

WORKING NATURAL GAS IN STORAGE, LOWER 48 STATES:

| As of Week Ending: | 5/17/2024 | Build/(Draw) |
|--------------------|-----------|-------------------|
| Current Storage | 2,711 Bcf | +78 Bcf |
| | | Surplus/(Deficit) |
| Last Year Storage | 2,309 Bcf | 402 Bcf |
| 5-Year Average | 2,105 Bcf | 606 Bcf |

KEY FUNDAMENTAL METRICS:

| Platts data | Past 7 days | Prior 7 days |
|--------------------|--------------|--------------|
| Dry-gas Production | 99.8 Bcf/day | 99.7 Bcf/day |
| Weekly Change | +0.1 Bcf/day | |
| LNG Feedgas Demand | 13.0 Bcf/day | 12.8 Bcf/day |
| Weekly Change | +0.1 Bcf/day | |

Market Commentary: The past two weeks have seen a major resurgence for natural gas markets, though it has been more of a rebound from unsustainably low pricing, back to somewhat more reasonable values for the commodity now responsible for generating over 40% of the electricity in the United States. The very weak market structure witnessed from late February until late April seems to have achieved its desired result, with producers taking the cues the market was telegraphing and cutting production volumes significantly from roughly 105 Bcf/day at the end of 2023. There were some freeze-offs in January that briefly curtailed output, but those recovered quickly, and by early February dry-gas output was back to 105 Bcf/day with weather mild and storage not having been drawn down much this winter as a result, and the market went to work to try to help balance things, with prompt Nymex trading down to the low 1.50's in February for the first time in 4 years. Production did respond with a 3 Bcf/day reduction between mid-February and mid-March down to ~101.5 Bcf/day, and NG prices traded back up to \$2 in early March, but then down to 1.481 at the end of the month with market jittery that if higher prices prevailed, then producers would just bring those cut volumes right back online. In April prompt Nymex was very quiet and failed to trade up to \$2, but also did not retest prior lows until the end of the month, with May Nymex rolling off the board at almost the same price as Mar did, and was up about 4 cents from where Apr24 Nymex landed. The past 3 weeks have been a different story entirely, however, and Jun Nymex has rallied from the low 1.90's on May 2nd to a high of 2.924 yesterday morning ahead of the storage report. Weather has been supportive and continues to offer some above average expectations on the 8 to 14 day outlook from NOAA above, but it is likely more the production decline that has helped propel June futures +50% in just three weeks. The storage picture has not improved markedly, with 2,711 Bcf in the ground we are still 17% above where we were the same time last year and +29% above the 5-year average, but with weekly production averages coming in below 100 Bcf/day for the past 6 weeks in a row per Platts data, there is considerably less concern around storage containment issues this Fall than there had been, and the market also seems to have found a price level that will create the production curtailments it needed to see. Technically, the market tested 1.50 on three successive occasions in 2024, all yielding a bounce on the charts, suggesting strong support in the 1.50's (the low in 2020 was 1.432, which is not a whole lot lower, and the low from 2016 was 1.611, both either side of 1.50). That is not to say the pain is over and it is all rosy going forward, as the storage overhang will likely limit the upside potential for the time being, but the NG market appears to have put in another long-term bottom on the charts, with the help of the production decline.

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