



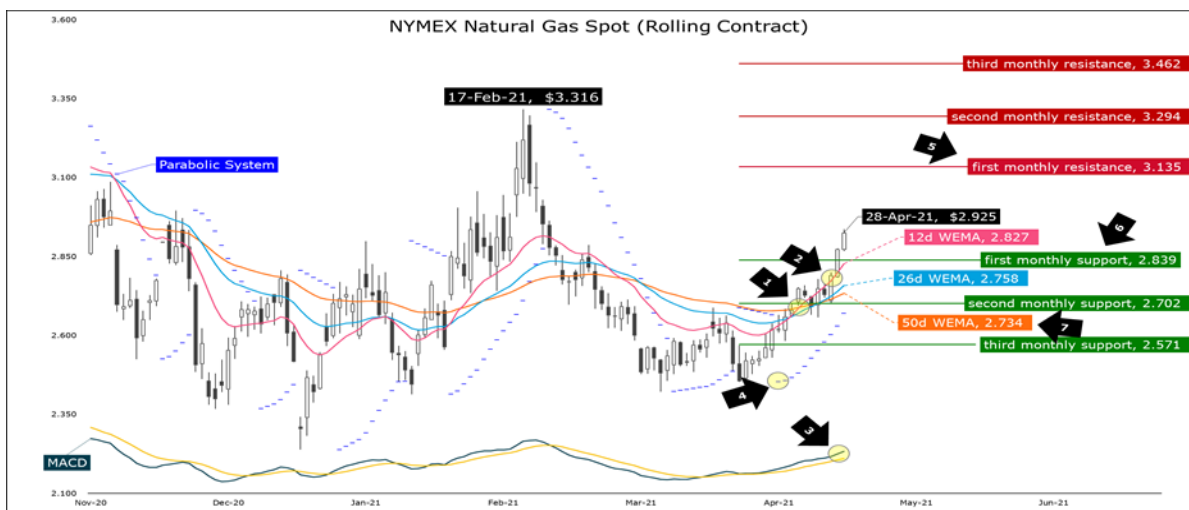
Bulls are on a Roll

Price action for NYMEX Henry Hub spot futures (continuous roll) remains impressive. Last week, the 12-day weighted exponential moving average (WEMA) crossed above the 26-day and 50-day WEMAs (arrow 1). At the start of this week, the market broke through the 12-day WEMA (arrow 2).

Technical momentum indicators remain extraordinarily bullish. The MACD established a bullish trend a few of weeks ago, and momentum is accelerating (arrow 3). The Parabolic SAR flipped bullish two weeks ago (arrow 4). Furthermore, the slope of all three WEMAs, the 50-day, 100-day, and 200-day are all strongly positive and the market is trading above all three.

The Schork Group has revised our monthly targets on this week's roll. On Wednesday, the spot market closed at \$2.925. Knock-on momentum above this level clears a path to the \$3.000 psychological marker, and then towards our model's first monthly resistance band at \$3.135 (arrow 5).

As long as the market holds support at our first target for this month at \$2.839 (arrow 6) and the lowest WEMA (50-day) at \$2.734 (arrow 7), we will maintain our bullish bias.



Despite last week's hiccup, injections are robust.

Per the EIA, L48 natural gas underground storage rose by a de minimis 15 Bcf to 1.898 Tcf for the week ended April 23rd. The deficit to a year ago increased to 312 Bcf, a 111-week high. Last week's small injection aside, we calculate the probability of coming in at/above the EIA's end-of-season forecast of 3.727 Tcf at 62% (odds of 5-8).