

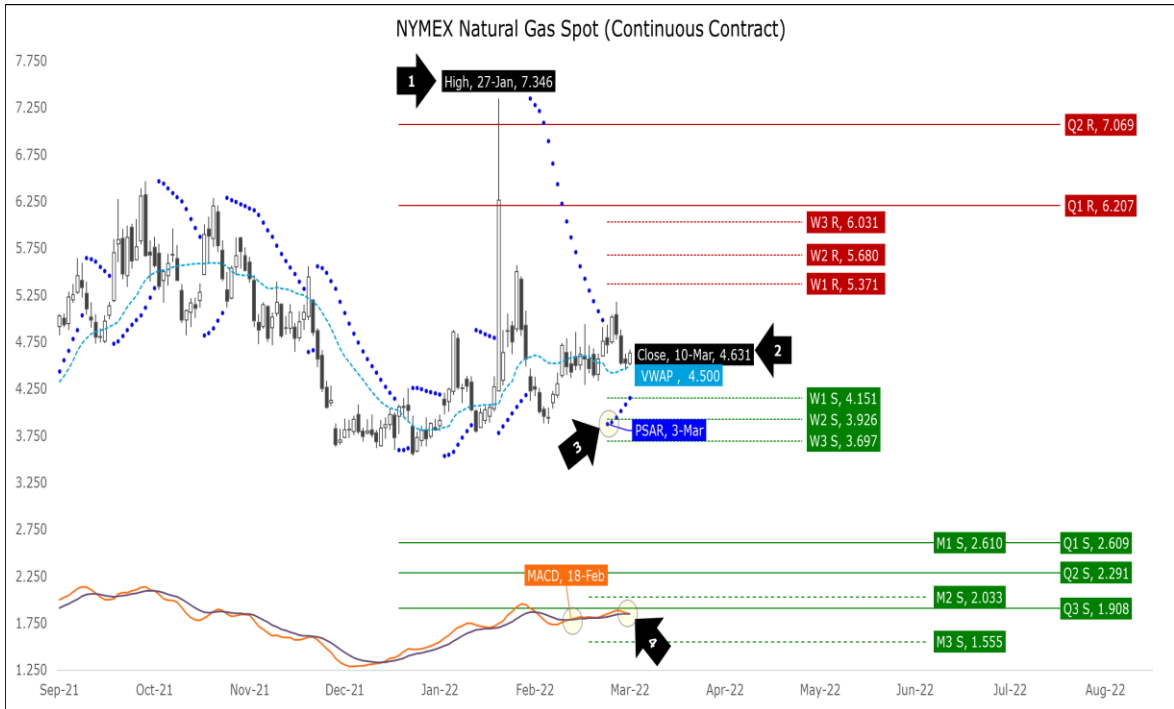


Henry Hub Gas, a Safe Haven?

As volatile as the oil markets and European gas markets have been, spot Henry Hub futures on the NYMEX have been a safe haven. Earlier this week, ICE gasoil peaked at the equivalent of \$210/b crude oil, while the NYMEX European (Dutch TTF) natural gas futures market peaked at the equivalent of \$420/b crude oil!!

Gas on the NYMEX is in a consolidation phase at the moment as the end of the heating season nears. Our two favorite technical indicators are mixed. The parabolic SAR flipped to bullish last Thursday. The MACD has been bullish since February 18th but is on the verge of crossing to bearish (arrow 4).

Looking ahead to next Thursday, March 17th, per yesterday's \$4.631/MMBtu settlement, our weekly resistance levels are \$5.166 /MMBtu, \$5.417 /MMBtu, and \$5.699/MMBtu and weekly support targets are \$4.152/MMBtu, \$3.959/MMBtu, and \$3.763/MMBtu. Our monthly resistance targets are \$8.252/MMBtu, \$10.596/MMBtu, and \$13.854/MMBtu and monthly support targets are \$2.610/MMBtu, \$2.033/MMBtu, and \$1.555/MMBtu.



The end of winter is nigh.

Today the EIA reported the ninth straight triple-digit delivery of the winter, a sizeable 124 Bcf of natural gas was delivered from L48 underground storage. For the week ended March 4th, storage dropped to 1.519 Tcf. The market has delivered 112% of last summer's refill. Given the weather outlook through the end of the month, the storage situation has improved, with the potentiality of finishing above 1.4 Tcf.