

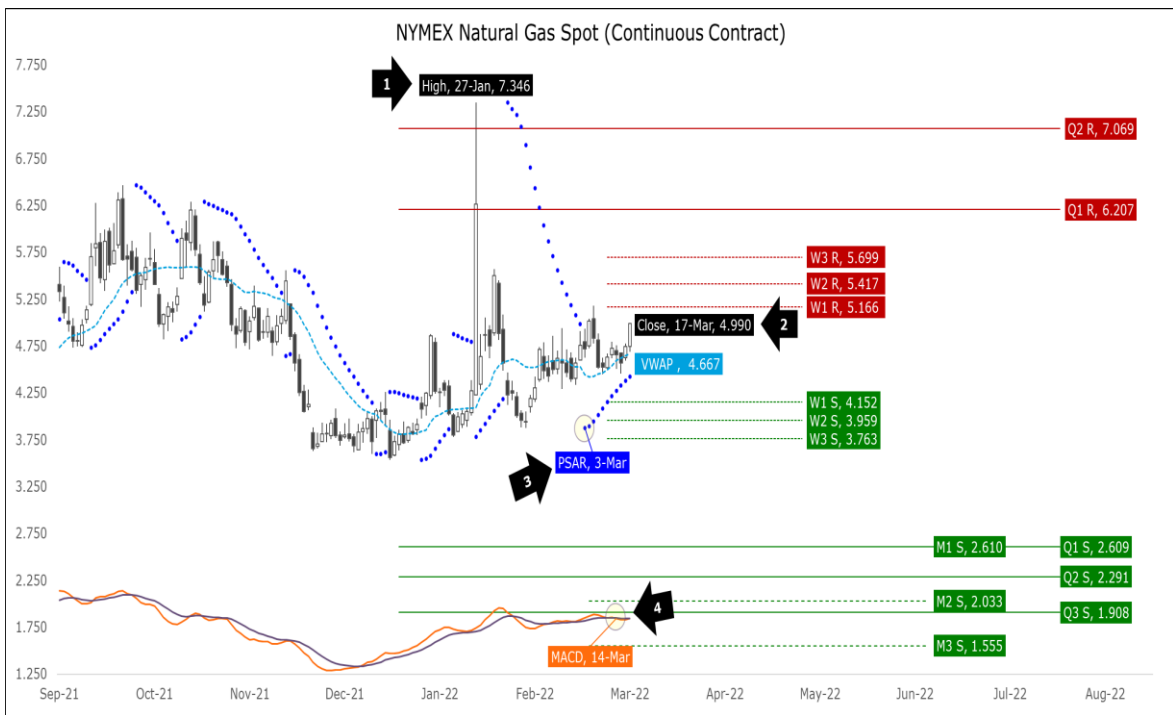


Henry Hub Gas Looks for Direction

Spot natural gas futures on the NYMEX moved steadily higher over the past week. The market rallied through the volatility-weighted average price of \$4.667/MMBtu and culminated with today's surge to a \$4.990/MMBtu settlement, a nine-session high.

The parabolic SAR flipped to bullish on March 3rd (arrow 3), while our other favorite technical indicator, the MACD crossed bearish on March 14th (arrow 4). So, from a technical perspective the market lacks a directional bias.

Looking ahead to next Thursday, March 24th, per yesterday's \$4.990/MMBtu settlement, our weekly resistance levels are \$5.554/MMBtu, \$5.818/MMBtu, and \$6.116/MMBtu. The weekly support targets are \$4.483/MMBtu, \$4.279/MMBtu, and \$4.071/MMBtu. Our monthly resistance targets are \$8.252/MMBtu, \$10.596/MMBtu, and \$13.854/MMBtu. The support targets are \$2.610/MMBtu, \$2.033/MMBtu /MMBtu, and \$1.555/MMBtu.



The end of winter is nigh.

The EIA reported the seventeenth delivery of the winter, 79 Bcf of natural gas was delivered from L48 underground storage. For the week ended March 11th, storage dropped to 1.440 Tcf. The winter heating season is veering onto the off ramp with one, perhaps two, deliveries remaining. The market has delivered 116% of last summer's refill. The early consensus for next week's report is around 45 Bcf.