

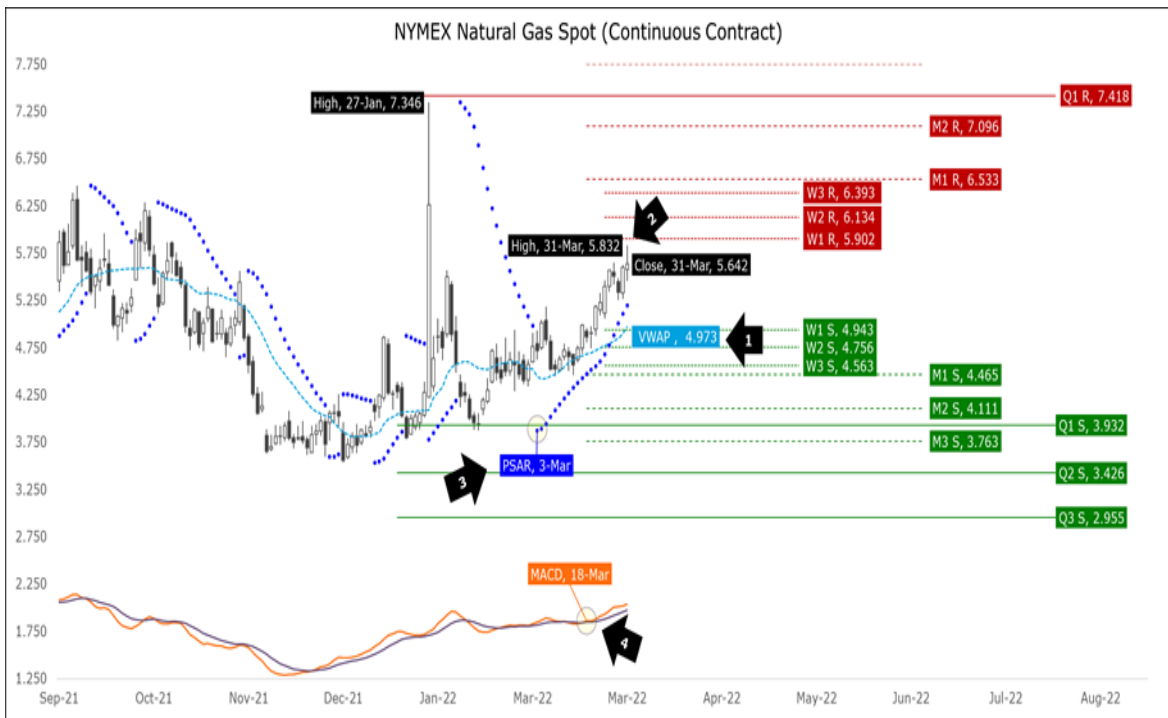


## Bulls Take Command of Henry Hub Gas

For a third straight week, spot natural gas futures on the NYMEX moved steadily higher. The market is now trading well above the volatility-weighted average price (VWAP) of \$4.973/MMBtu (arrow 1). Today the contract peaked and settled at a two-month high \$5.832/MMBtu and \$5.642/MMBtu, respectively.

Our two favorite technical indicators are in agreement. The parabolic SAR flipped to bullish on March 3<sup>rd</sup> (arrow 3), while the MACD crossed bullish on March 18<sup>th</sup> (arrow 4). From a technical perspective the market has regained an upward directional bias.

Looking ahead to next Thursday, April 7<sup>th</sup>, per yesterday's \$5.642/MMBtu settlement, our weekly resistance levels are \$6.145/MMBtu, \$6.377/MMBtu, and \$6.636/MMBtu and the weekly support targets are \$5.180/MMBtu, \$4.992/MMBtu, and \$4.797/MMBtu. Our updated monthly resistance targets are \$6.635/MMBtu, \$7.118/MMBtu, and \$7.676/MMBtu. The monthly support targets are \$4.798/MMBtu, \$4.472/MMBtu/MMBtu, and \$4.147/MMBtu.



### Has the refill season begun?

Today the EIA reported the first build of the season. As of March 25th, 26 Bcf of gas was injected into L48 underground storage. Storage rose to 1.415 Tcf and the deficit to the seasonally adjusted trendline narrowed by 184 basis points to 15.8% (265 Bcf). However, deliveries from storage are not finished. The early consensus for next Thursday's report is coming in at around a 20 Bcf drawdown.