



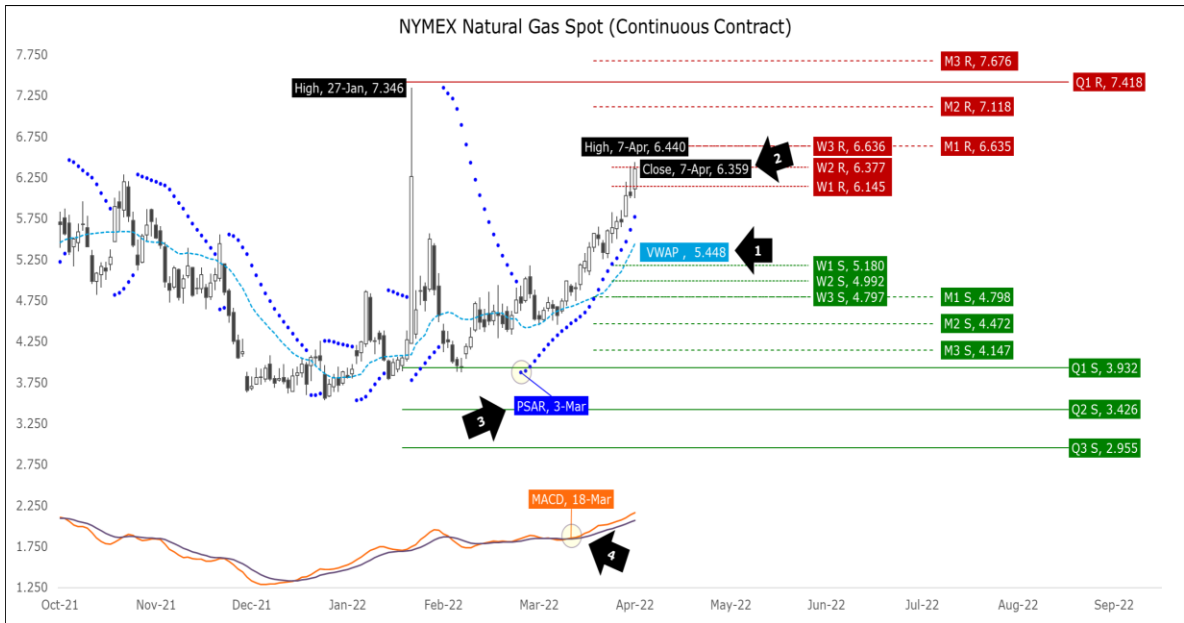
## Henry Hub Gas, Stronger Than Ever

For a fourth straight week, spot natural gas futures on the NYMEX moved steadily higher. Two weeks ago, the market decoupled above the volatility-weighted average price (VWAP). The gap increased over the past week (arrow 1). Today the front-month contract settled at a 14-year high of \$6.359/MMBtu (arrow 2).

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

Why do we like the parabolic SAR (PSAR) and MACD? Since the PSAR flipped bullish, gas has closed higher in 3 out of 5 sessions for a net gain of 35%. Similarly, since the MACD flipped bullish, gas has closed higher in 5 out of 7 sessions for a net gain of 31%.

Looking ahead to next Thursday, April 14<sup>th</sup>, per yesterday's \$6.359/MMBtu settlement, our weekly resistance levels are \$6.886/MMBtu, \$7.128/MMBtu, and \$7.398/MMBtu and the weekly support targets are \$5.872/MMBtu, \$5.673/MMBtu, and \$5.466/MMBtu.



## Winter's last gasp.

Today the EIA reported what will likely be the final delivery of the season. One week after reporting a 26 Bcf injection, today's EIA report showed a 33 Bcf delivery of natural gas from L48 underground storage. As of April 1<sup>st</sup>, storage fell to 1.382 Tcf. The early consensus for next Thursday's report is a normal injection in the high-teens to mid-20s Bcf.