



## NYMEX Gas Ends an Epic Run

On Tuesday of this week, NYMEX natural gas futures for prompt delivery ended a historic bullish run, i.e., a run that has only happened 21 times over the past 8,043 trading days. The market finished by posting five consecutive 14-year highs, breaching the \$8/MMBtu threshold for the first time since 2008.

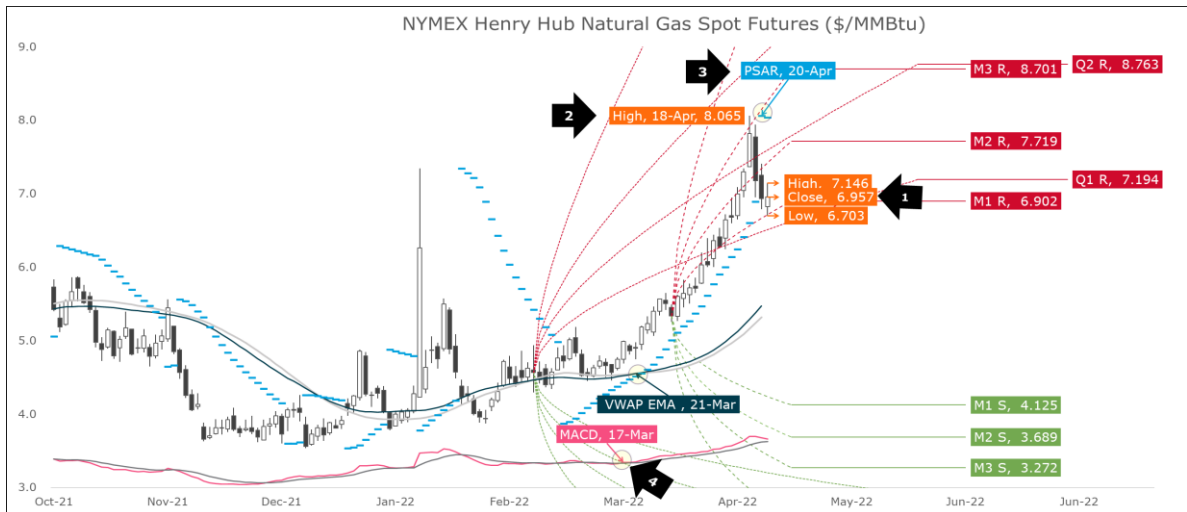
Over the course of 23 trading days—from March 16<sup>th</sup> to April 18<sup>th</sup>—the market settled higher in 3 out of 4 sessions, a winning streak tied for the third longest on record since the NYMEX started trading in 1990, i.e., more than eight thousand trading days ago!

During the bull's winning streak, winners far outpaced losers. For instance, the maximum single-day return over the referenced time period was \$0.365/MMBtu compared to the maximum drawdown of \$0.172/MMBtu, with an average positive return of \$0.140/MMBtu, one of the largest profits since 1990, 99.7<sup>th</sup> percentile.

Our two favorite technical indicators decoupled. Earlier this week, the parabolic SAR (arrow 3) flipped bearish for the first time since March 3<sup>rd</sup>. The MACD has been bullish since March 18<sup>th</sup> (arrow 4). From a technical perspective the market is neutral.

For the 31 days that the PSAR was bullish, gas closed higher in 2 out of 3 sessions for a net gain of 66% (\$0.099/MMBtu per day)!

Today the market closed at \$6.957/MMBtu (arrow 1). As illustrated, momentum stalled inside the upper arcs of our volatility-based cones. We will look for the market to continue correct lower.



## Refills are back on a good track.

One week after reporting a meager 15 Bcf injection, the EIA followed up with a substantial 53 Bcf addition for the report ended April 15<sup>th</sup>. This number was well outside the mean consensus forecasts on Dow Jones and Bloomberg and was also above the seasonally adjusted norm of 37 ±8 Bcf. L48 underground storage of natural gas rose to 1.450 Tcf and the deficit to the seasonally adjusted norm narrowed by 170 basis points from 18.43% (316 Bcf) to 16.73% (291 Bcf). The early consensus for next Thursday's report is on the low end (30 Bcf) of the seasonally adjusted norm.