



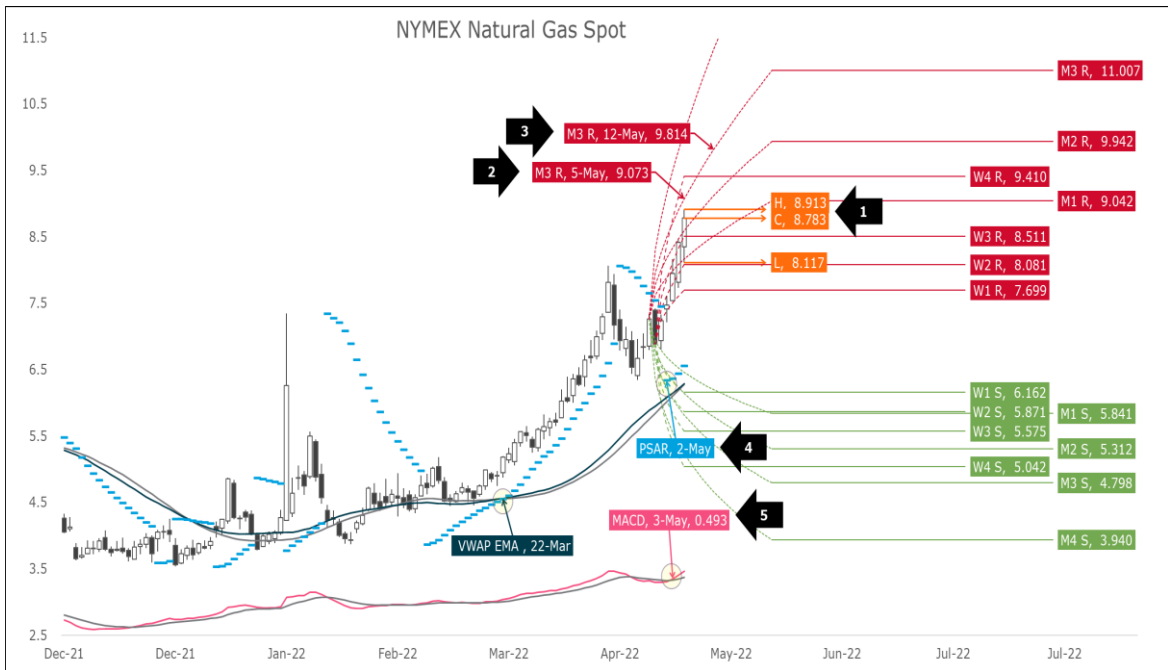
## NYMEX Bulls Are Back in the Saddle

After a brief respite, bulls were back in business on the NYMEX this week. The market has now closed higher for five straight sessions, from a \$6.80/MMBtu low to today's 14-year high of \$8.913/MMBtu, a trough-to-peak gain of \$2.108/MMBtu, one the largest five-day rallies (98<sup>th</sup> percentile) since 1990.

As illustrated, today the market traded to the cusp of \$9/MMBtu with an \$8.913/MMBtu high print (arrow 1). For bears, the market came uncomfortably close to our initial monthly level of resistance (M1, R) of \$9.042/MMBtu and to the curve of our third monthly level of resistance (M3, R) of \$9.073/MMBtu (arrow 2).

For the next five sessions, our immediate upside targets are \$9.042/MMBtu (M1, R) and \$9.410 (W4, R). The next point along the curve for our third level of resistance on the month is \$9.814/MMBtu (arrow 3).

Our two favorite technical indicators have flipped back to bullish this week. The parabolic SAR turned positive on May 2<sup>nd</sup> (arrow 4) and the MACD turned on May 3<sup>rd</sup> (arrow 5).



### Storage refills, steady as she goes.

After a meager start to the season, the EIA has now reported three straight solid refills. As of April 29<sup>th</sup>, a total of 77 Bcf of gas was injected into L48 underground storage. Over the last four weeks, a total of 185 Bcf has been injected, which is 15 Bcf (8.6 Bcf) above the seasonally adjusted trend. The early consensus for next Thursday's report is another solid injection of  $\approx 80 \pm 10$  Bcf.