

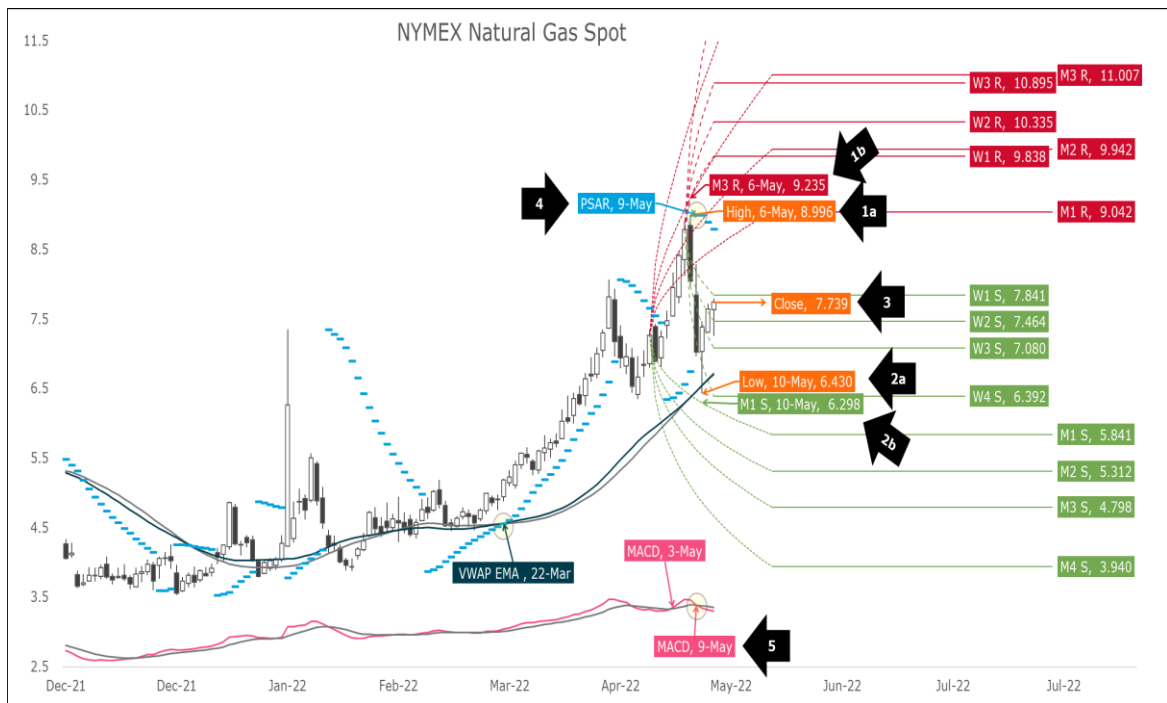


## Try To Detect It, It's Not Too Late... To Whip It Good

With apologies to Devo, NYMEX natty gas has been whipping (whipsawing) it good over the past several weeks. For a third straight week our two favorite technical indicators—the parabolic SAR and the MACD—have seesawed between bearish and bullish. On the most recent turn, both indicators flipped bearish on May 9<sup>th</sup> (arrows 4 and 5).

The spot market peaked at the end of last week at \$8.996/MMBtu (arrow 1a), \$0.239/MMBtu below the \$9.235/MMBtu tangent on our model's third monthly resistance curve (M3 R) for May 06<sup>th</sup> (arrow 1b). The market bottomed earlier this week at \$6.430/MMBtu (arrow 2a), within \$0.132/MMBtu of the tangent of our initial support for the month (M1 S) for May 10<sup>th</sup> at \$6.298/MMBtu (arrow 2b). The market settled today at \$7.739/MMBtu (arrow 3).

Looking ahead to next Thursday, May 19<sup>th</sup>, per yesterday's \$7.739/MMBtu settlement, our weekly resistance levels are \$8.976, \$9.572, and \$10.257. Our support levels are \$6.673, \$6.257, and \$5.839.



## Storage refills maintain a normal rate.

The EIA has now reported four straight solid refills. As of May 26<sup>th</sup>, a total of 76 Bcf of gas was injected into L48 underground storage. Over the last five weeks, a total of 261 Bcf has been injected, which is 8% (20 Bcf) above the seasonally adjusted trend. The early consensus for next Thursday's report is another solid injection of  $\approx 80 \pm 10$  Bcf.