



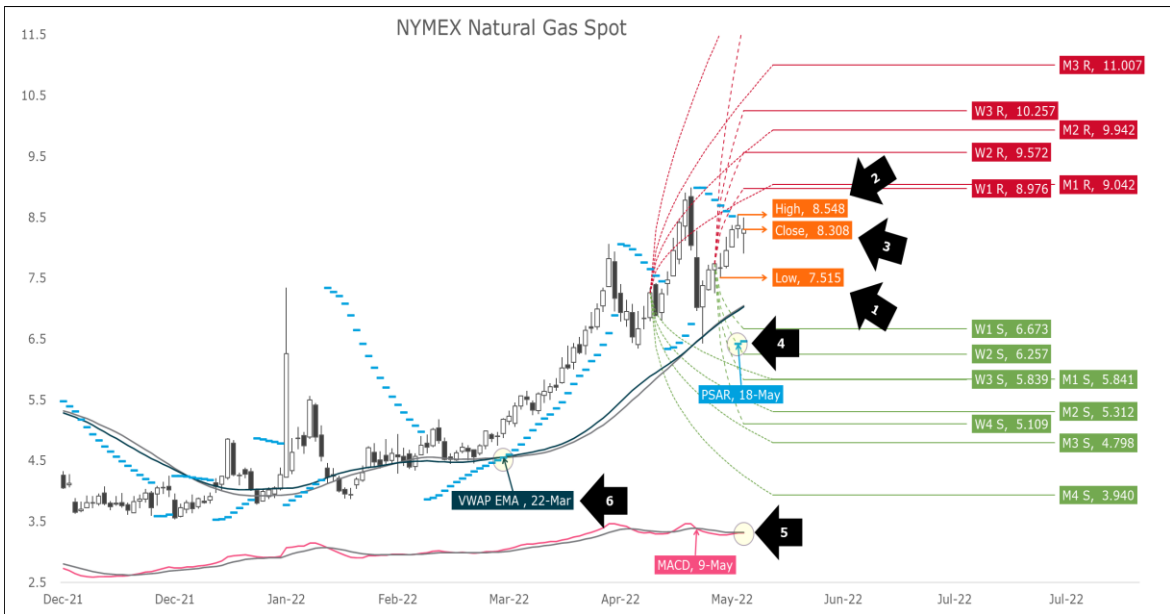
## NYMEX Bulls Never Say Die

Bulls in the NYMEX Henry Hub futures complex reasserted their dominance over the past two weeks. After tanking by \$1.757/MMBtu (\$17,570 per contract) over the course of two sessions (May 6th and May 9th), the market has closed higher in six of the past eight sessions and has recovered 73% of that \$1.757/MMBtu loss.

As illustrated, over the past five days, the market bottomed at \$7.515/MMBtu (arrow 1), peaked yesterday at \$8.548 (arrow 2), and finished at \$8.308/MMBtu (arrow 3).

The 20-day volume-weighted average price (VWAP) has been bullish since the start of spring (arrow 6). One of our favorite technical indicators, the parabolic SAR, turned bullish yesterday (arrow 4) and our other favorite technical, the MACD, is on the cusp of flipping bullish (arrow 5).

For the next five sessions, our immediate upside target is our initial monthly resistance level of \$9.042/MMBtu (M1, R). Our three weekly resistance targets are \$9.538, \$10.127, and \$10.999, inclusive of our second monthly resistance level of \$9.942. Our downside weekly support targets are \$7.237, \$6.816, and \$6.391.



## Storage refills: steady as she goes.

The EIA has now reported five straight solid refills. As of May 13th, a total of 89 Bcf of gas was injected into L48 underground storage. Over the last six weeks, a total of 350 Bcf has been injected, which is 33 Bcf (11%) above the seasonally adjusted trend and spot-on last year's pace. The early consensus for next Thursday's report is a good, not great, injection of  $\approx 80 \pm 5$  Bcf.