



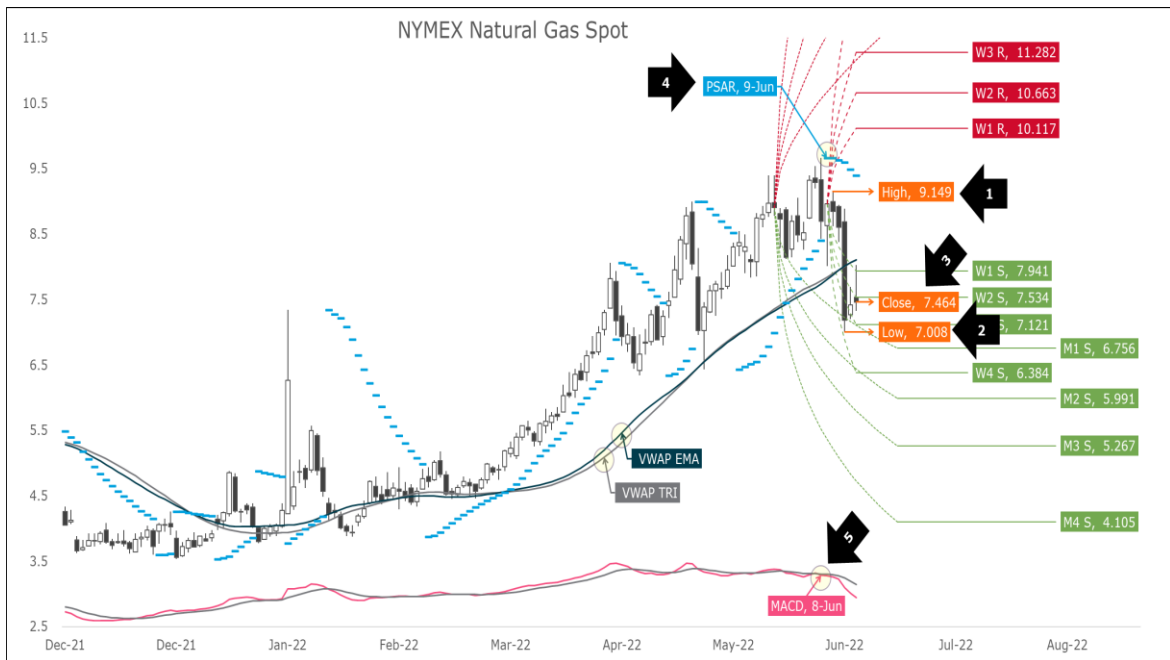
## Freeport Set the Nat Gas Market on Tilt

Mea culpa: Last week's Henry Hub Natural Gas Futures section was titled "Technical Finally Turn Bullish". As the accompanying analysis in the report supported, the headline should have said that the technical turned Bearish. The corrected version is now posted.

As far as the week's report goes, bearish momentum has accelerated. Earlier this week—as noted in today's [Market View](#)—the market went into a freefall following Freeport's update to the expected disruption at their Quintana Island, TX facility.

As illustrated, the market peaked last week at \$9.149 (arrow 1) and crashed this past Tuesday to a \$7.008 low print for a 23.4% peak-to-trough loss. The spot market settled today just below our second support level for the week at \$7.464 (arrow 3).

Our two favorite technical indicators flipped bearish last week. The parabolic SAR turned on June 9<sup>th</sup> (arrow 4) and the MACD turned on June 8<sup>th</sup> (arrow 5).



## Storage refills: still steady as she goes.

This morning the EIA reported a solid injection of 92 Bcf of natural gas into L48 underground storage for the week ended June 10<sup>th</sup>. The report included revisions to reflect resubmissions on data from the previous three weeks. As of last Friday, inventories stood at 2.095 Tcf. Since the start of the season, a total of 713 Bcf has been injected, which is 64 Bcf (10%) above the seasonally adjusted trend but 36 Bcf (5%) below last year's pace. The early consensus for next Thursday's report is in the low end of the seasonally adjusted range from the low 60s Bcf to the mid-70s Bcf.