



The Bulls are Back in Town

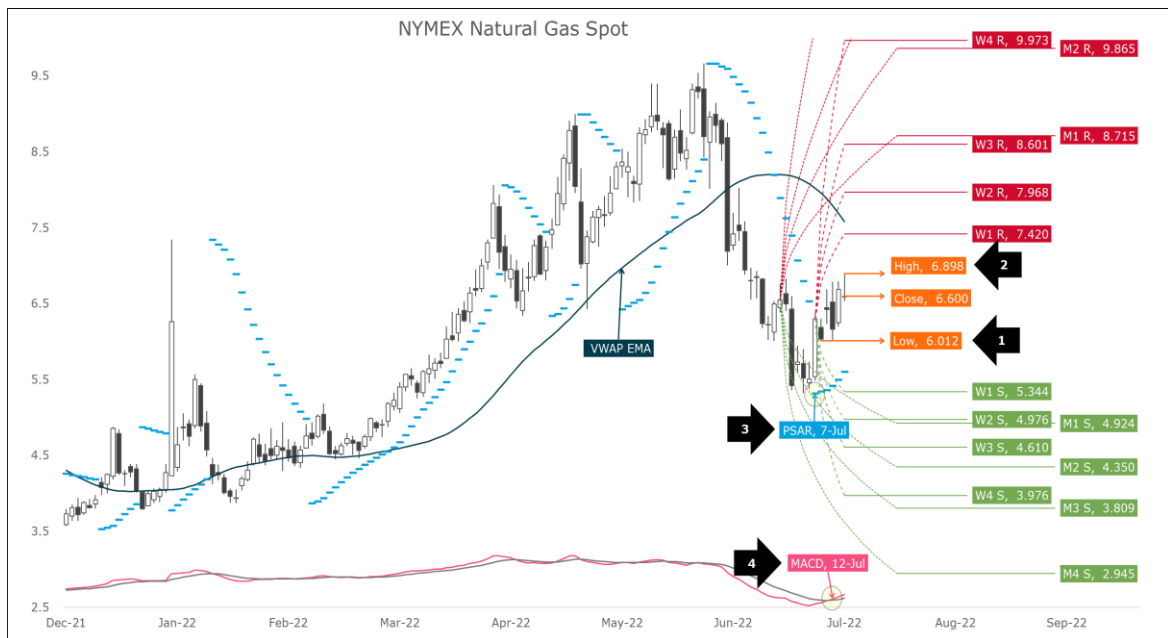
Last Thursday, the bear market that began in the first week of June ran into a brick wall after the EIA reported a much lower than expected (20% below analyst surveys) injection into L48 underground storage for the week ended July 1st.

This week, bulls managed to push the market higher, from last Friday's low print of \$6.012 (arrow 1), to today's \$6.898 high print (arrow 2).

As a result of this strength, our two favorite technical indicators are each bullish. The parabolic SAR flipped bullish last week (arrow 3) and the MACD turned bullish earlier this week (arrow 4).

Looking ahead to next Thursday, July 21st, per yesterday's \$6.600 settlement our model's four weekly support levels are \$5.683, \$5.326, \$4.967, and \$4.341. Our four weekly upside targets are \$7.665, \$8.179, \$8.770, and \$10.035.

Our month targets are \$4.924, \$4.350, \$3.809, and \$2.945 for support and \$8.715, \$9.865, \$11.268, and \$14.5754 for resistance.



Storage refills are as normal as ever.

This morning the EIA reported a normal injection of 58 Bcf of natural gas into L48 underground storage for the week ended July 8th. As of last Friday, inventories stood at 2.369 Tcf. Since the start of the season, a total of 987 Bcf has been injected, which is 94 Bcf (10.5%) above the seasonally adjusted trend and 108 Bcf (12.3%) above last year's pace. The early consensus for next Thursday's report is another normal injection of about 40 Bcf.