



## The Bulls are Off to the Races

The bear market that began in the first week of June on the news of the fire at Freeport LNG's liquefaction plant, is but a distant memory.

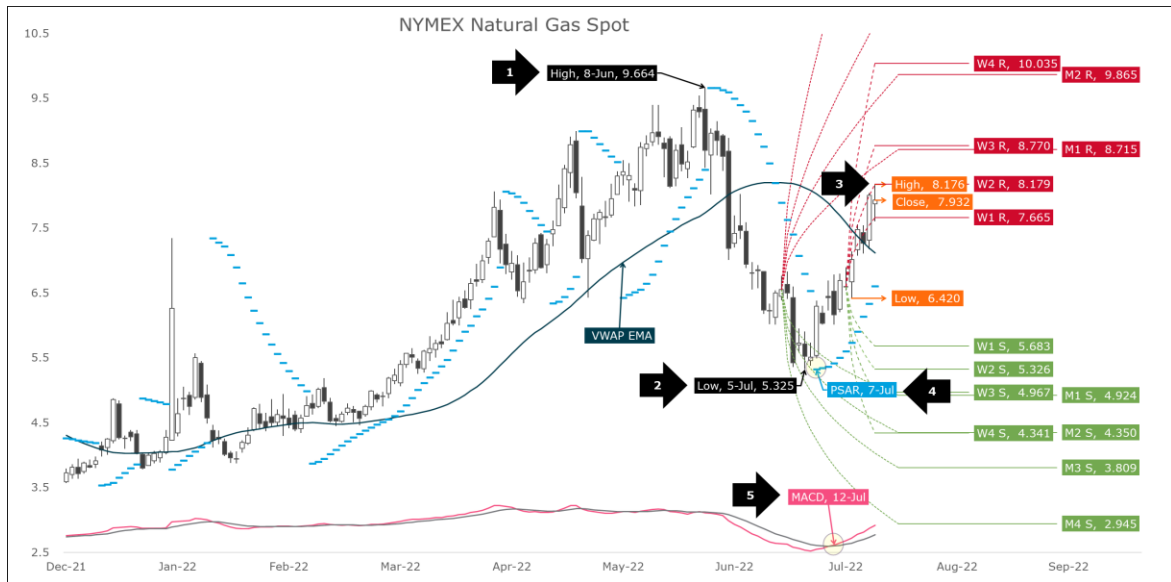
After collapsing from a \$9.664/MMBtu high print on June 08th (arrow 1), to a \$5.325/MMBtu low print on July 05th (arrow 2), spot gas on the NYMEX has been on tear.

One of our favorite technical indicators, the parabolic SAR, has been bullish since July 07th (arrow 4) and our next favorite indicator, the MACD, has been bullish since July 12th (arrow 5).

Yesterday, the market peaked within 3 ticks of our second weekly resistance point (W2 R) of \$8.179 at \$8.176 (arrow 3). The market settled at \$7.932, up 20.2% from the previous Thursday's settlement.

Look ahead to next Thursday, July 28th, per yesterday's \$7.932 settlement, our model's four weekly support levels are \$6.815, \$6.381, \$5.946, and \$5.186. Our four weekly upside targets are \$9.231, \$9.860, \$10.582, and \$12.133.

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 hit a snag.

This morning the EIA reported a much lower than expected 32 Bcf injection of natural gas into L48 underground storage for the week ended July 15<sup>th</sup>. The typical addition for this report is 43 ±12 Bcf, i.e., the report came within the seasonal range. However, this is not the issue. The issue is the mean forecast from the cognoscenti (surveys on Bloomberg, Reuters, Dow Jones, Platts, and The Desk ranged from 42 Bcf to 48 Bcf. As such, the report came in 24% below the market's most conservative forecast. This was a bullish weekly update.