



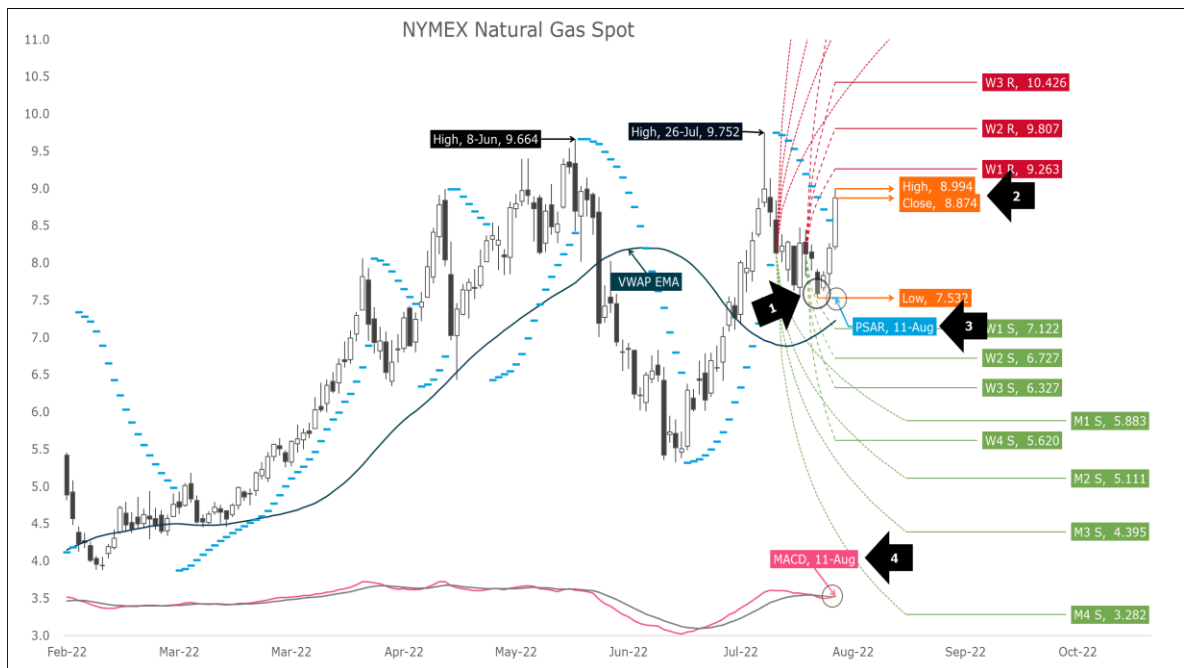
Bulls Wrest Back Control

Bulls trading NYMEX Henry Hub natural gas futures are back in control. Over the last week, the spot market bottomed along the parabola of our initial support at \$7.532/MMBtu (arrow 1). The market moved higher on the three subsequent sessions. Yesterday, the contract spiked to an \$8.994/MMBtu high print and finished at \$8.874/MMBtu (arrow 2) for a week-over-week gain of 9.3%.

Our two favorite technical indicators, the parabolic SAR (arrow 3) and the MACD (arrow 4) each turned bullish today.

Looking ahead to next Thursday, August 18th, per yesterday's \$8.874 settlement, our model's four weekly support levels are \$7.848, \$7.440, \$7.026, and \$6.289. Our four weekly upside targets are \$10.035, \$10.585, \$11.208, and \$12.521.

Our monthly targets are \$5.883, \$5.111, \$4.395, and \$3.282 for support and \$11.246, \$12.945, \$15.054, and \$20.159 for resistance.



EIA Forecasts a Strong End to Refills. What Are the Odds?

Per their latest monthly outlook (STEO), the EIA forecasts end-of-season natural gas L48 underground storage of 3.433 Tcf (6.1% below the 5-year average). As of this morning's weekly update, L48 storage stood at 2.501 Tcf. So, the EIA is forecasting a 932 Bcf injection from now until the end of the season. The average injection from this point on is 776 ±54 Bcf. We have assigned a 15% probability (odds of 11:2) of hitting the EIA's forecast.