# HENRY HUB NG FUTURES

THE SCHORK GROUP, INC.

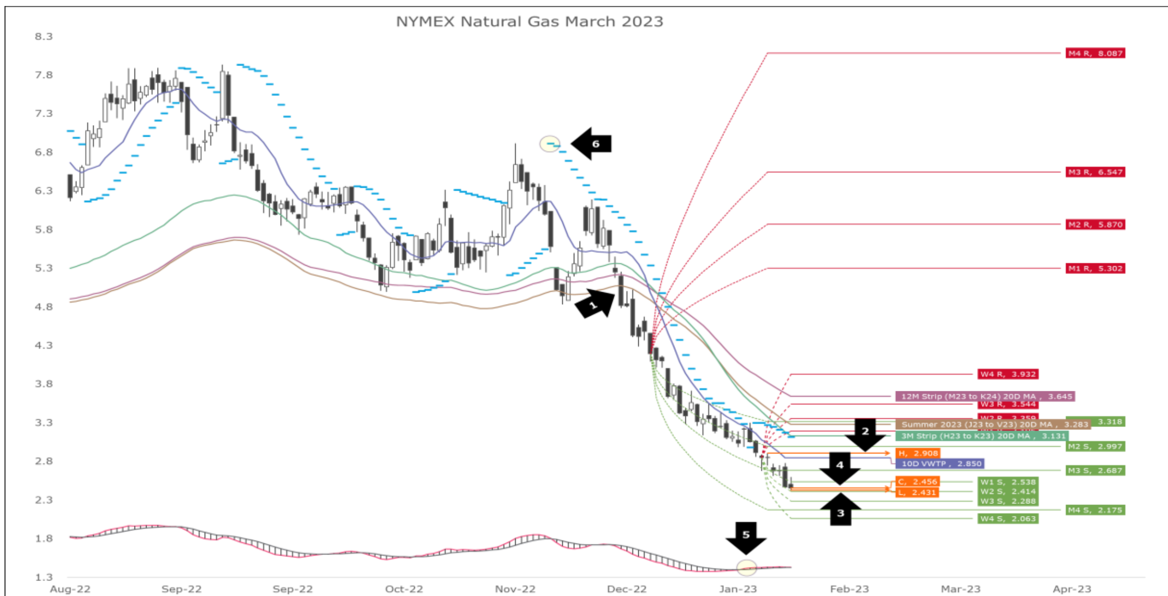
## How the Bulls Have Fallen

Since peaking last spring (early June) at an 11-year high of $8.368, NYMEX natural gas futures for March 2023 delivery settled lower in four out of every seven sessions. Over the past 164 sessions since June, the market fell on average by 0.7% per session to yesterday's life-of-contract low print of $2.431, and a life-of-contract low settlement of $2.456.

The selling kicked into high gear this past December, on December 21st, the first day of winter, when the market crossed below the 20-day moving average in the Summer 2023 (April 2023 through October 2023) volume-weighted strip (arrow 1).

Over the past five days, the contract peaked last Friday at $2.908 (arrow 2) and bottomed today at the life-of-contract lows of $2.431 (arrow 3) and $2.456 (arrow 4), respectively.

Outside of a brief two-day whipsaw from two weeks ago, the parabolic SAR technical indicator (one of our favorites) has been bearish since early December (arrow 6). However, our other favorite indicator, the MACD (arrow 5), flipped bullish at the start of the previous week and has been clinging to that bias since. Given that these two metrics are not in sync, we will hold our neutral bias for a second straight week.




## For the first time, in a long time, a normal delivery!

Today the EIA reported a normal withdrawal of natural gas from L48 underground storage, albeit with a revision. The EIA adjusted the prior week's delivery down from 91 Bcf to 86 Bcf. Therefore, storage as of January 20th was actually 2.734 Tcf, rather than the 2.729 Tcf that was initially reported. Today's report showed a delivery of 151 Bcf, which pulled storage down to 2.583 Tcf. We are nearly three-fifths of the way through the season and the market has delivered 1.061 Tcf, less than half of last summer's 2.262 Tcf injection. Storage is still on pace to end winter above 1.70 Tcf, which is 200 Bcf greater than the EIA's latest forecast of 1.49 Tcf.



Content provided by The Schork Group © 2023 Contact us for more information. Tel: (610) 225-0171

Presented by ABLE POWER MANAGEMENT