

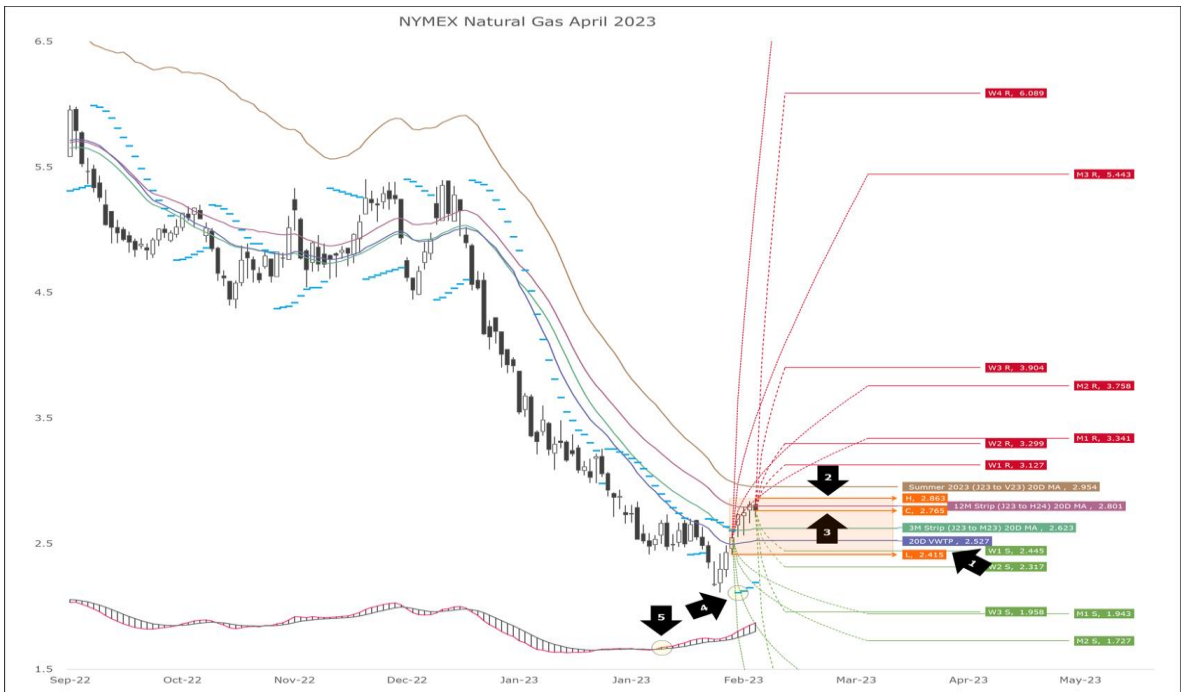


## Is the Worm Turning for Woebegone Bulls?

Over the past week, NYMEX natural gas futures for April 2023 delivery bottomed \$0.112 below the 20-day moving average in the volume-weighted average price at \$2.415 (arrow 1), peaked at \$2.863 (arrow 2), and settled today \$0.036 below the 20-day moving average in the 12-month volume-weighted strip at \$2.765 (arrow 3).

Today's \$2.765 settlement was \$0.046 below Wednesday's settlement. Prior to today, the contract settled higher for six consecutive sessions. This was the longest winning streak since last June when the contract was trading over \$6/MMBtu.

At the start of this week, the parabolic SAR technical indicator (one of our favorites) flipped bullish for the first time since early December (arrow 4) and our other favorite indicator, the MACD (arrow 5), has been bullish since early last month. Given that these two metrics are back in sync, we will switch our five-week long bias neutral bias to bullish.



## L48 storage deliveries limp to the finish line.

Today the EIA reported a minor 81 Bcf delivery of natural gas from L48 underground storage. The typical withdrawal for this report is 111 ±32 Bcf. As of last Friday, February 24<sup>th</sup>, storage inched lower to 2.114 Tcf. Next Thursday's update (for the week ending tomorrow) will likely be stronger as winter finally made an appearance this week in the New York and New England markets. That said, there is better than a 50/50 chance that storage ends winter above the EIA's 1.783 Tcf forecast.