HENRY HUB NG FUTURES

THE SCHORK GROUP, INC.

Gas Cannot Break Out of the Doldrums

For the past two weeks, the NYMEX Henry Hub futures contract for May 2023 delivery has effectively been trading in a range from about $2.250 down to $2.000. Even though there were a couple of days when intraday lows broke $2.000, the market has failed to settle below this level.

Over the past week, the contract bottomed below $2 at $1.992 (arrow 1), rallied to $0.020 above the 20-day money flow trend at $2.247 (arrow 2) and finished today well below the 5-day money flow trend at $2.007 (arrow 3).

One of our favorite technical indicators (parabolic SAR) has been producing a lot of whipsaws thanks to an uptick in volatility. As of today's settlement, the indicator is bearish (arrow 4). Our other favorite indicator (MACD) has been bullish for the past four sessions. Given that these two metrics are out of sync, we will switch our bias to neutral.

Looking ahead to next Thursday, April 20th, per yesterday's $2.007 settlement, our model's four weekly support levels are $1.796, $1.711, $1.469, and $0.983. Our four weekly upside targets are $2.243, $2.355, $2.742, and $4.098. Our new monthly support levels are $1.751, $1.590, $1.175, and $0.529. The upside levels are $2.725, $2.999, $4.058, and $9.019.

L48 storage injections begin.

Today the EIA reported the first addition of gas of the season to L48 underground storage. A net of 25 Bcf was injected. The seasonally adjusted norm is a 26 ±8 Bcf injection, so today's report was as normal as could be. As of last Friday, April 7th, storage rose to 1.855 Tcf. The surplus in gas to the seasonally adjusted norm (base case) is a healthy 177 Bcf (11%).