HENRY HUB NG FUTURES

THE SCHORK GROUP, INC.

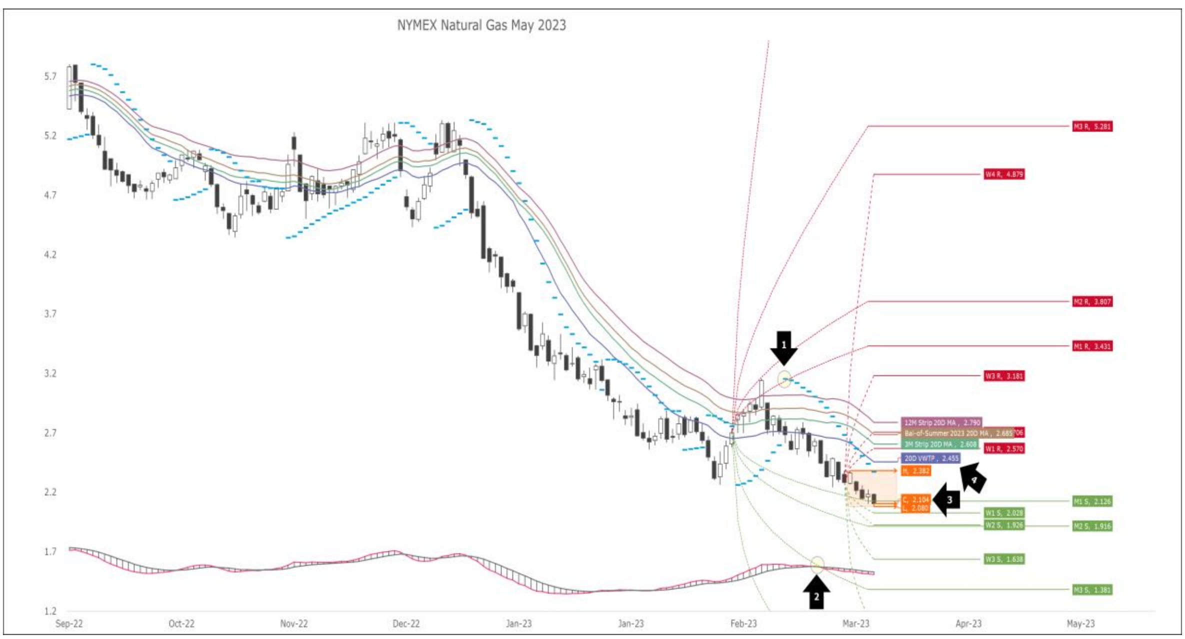
We Have Our Answer

Last week we pondered whether the market could hold $2. Yesterday, the answer was a resounding “no” as the contract for April 2023 delivery expired at $1.991.

Over the past week, NYMEX natural gas futures for May 2023 delivery tanked. The contract peaked at the end of last week well below the 20-day moving average ($2.458) in the volume-weighted true-price at $2.382 (arrow 4). The contract bottomed this morning at $2.080 and finished today $0.022 below our $2.126 initial support target for this month at $2.104 (arrow 3).

One of our favorite technical indicators (parabolic SAR) turned bearish three weeks ago (arrow 1), while our other favorite indicator (MACD) flipped bearish two weeks ago (arrow 2). Given that these two metrics are in sync, we will hold a bearish bias for a second straight week.

Looking ahead to next Thursday, April 6th, per yesterday’s $2.104 settlement, our model’s four weekly support levels are $1.878, $1.788, $1.531, and $1.016. Our four weekly upside targets are $2.357, $2.476, $2.892, and $4.356. Our month support levels are $1.696, $1.545, $1.151, and $0.529. The upside levels are $2.610, $2.865, $3.846, and $8.371.



L48 storage deliveries, sputtering to the end.

Today the EIA reported a lighter than expected 47 Bcf withdrawal of natural gas from L48 underground storage. The report was larger than the typical delivery for this report which is 20 ±6 Bcf. However, the cognoscenti were looking for a delivery in the middle 50s Bcf. As of last Friday, March 24th, storage fell to 1.853 Tcf. The surplus in gas relative to a year ago is a robust 438 Bcf (31%).

 © 2023

Presented by ABLE POWER MANAGEMENT