

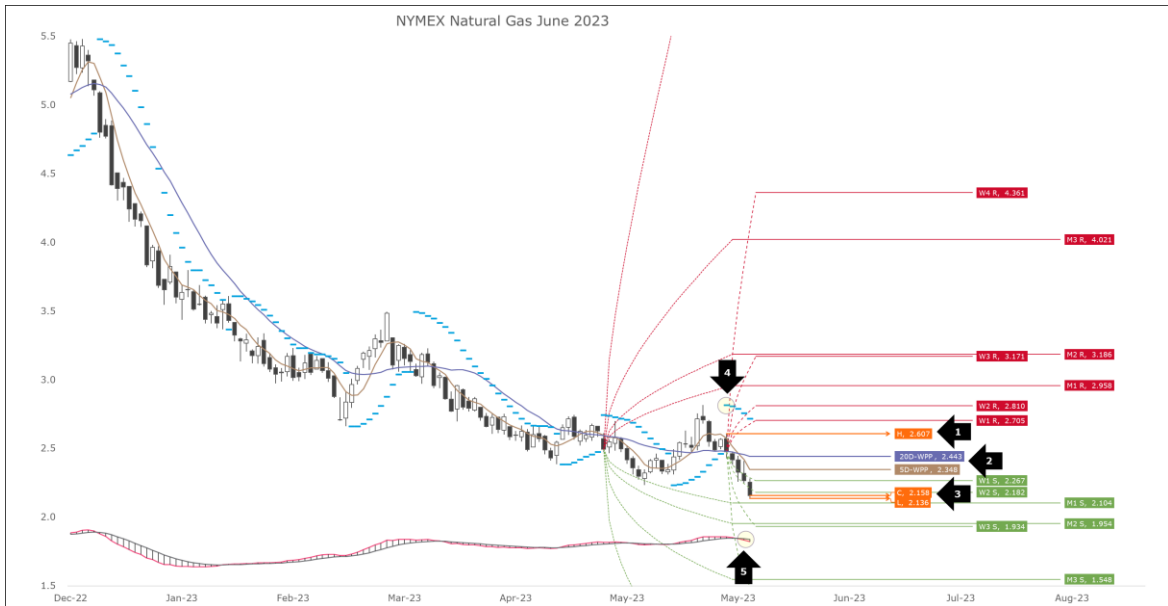


## Gas Bulls or Celtic Fans: Who is More Miserable?

The only people more depressed today than gas bulls are Boston Celtic fans. Over the past week, the bottom fell out from the NYMEX July market. The contract peaked last Friday at \$2.607 (arrow 1) and then crashed the 20-day weighted pivot price (\$2.443) and the five-day weighted pivot price (\$2.348) to kick off this week (arrow 2). The contract finished today with a \$2.136 low print and a \$2.158 settlement (arrow 3).

One of our favorite technical indicators (MACD), turned bearish this week (arrow 5) and our other favorite indicator (Parabolic SAR) turned bearish last week (arrow 4). Given that these two metrics are back in sync, we will switch our bias from neutral to bearish.

Looking ahead to next Thursday, June 8<sup>th</sup>, based on yesterday's \$2.158 settle, our four weekly upside targets are \$2.357, \$2.450, \$2.764, and \$3.802. Our support levels are \$1.976, \$1.901, \$1.685, and \$1.225. The new monthly targets on the upside are \$2.869, \$3.091, \$3.907, and \$7.257. On the downside, we are looking at \$2.036, \$1.890, \$1.495, and \$0.805.



## L48 storage... first triple-digit injection of the season.

Today the EIA reported the eighth addition of gas into L48 underground storage. A net of 110 Bcf was added, the first triple-digit refill of the season. The typical injection for this update is 93 ±27 Bcf, so yesterday's report was strong. This season's hitherto injection is 616 Bcf which is 97 Bcf (19%) greater than a year ago for the same timeframe, 51 Bcf (9%) above the five-year mean (interpolated), and 75 Bcf (14%) above the base case in our seasonal time series analysis. As of last Friday, May 26<sup>th</sup>, storage rose to 2.446 Tcf. We are a quarter of the way through the season and the market has already replaced a third of last winter's delivery.