



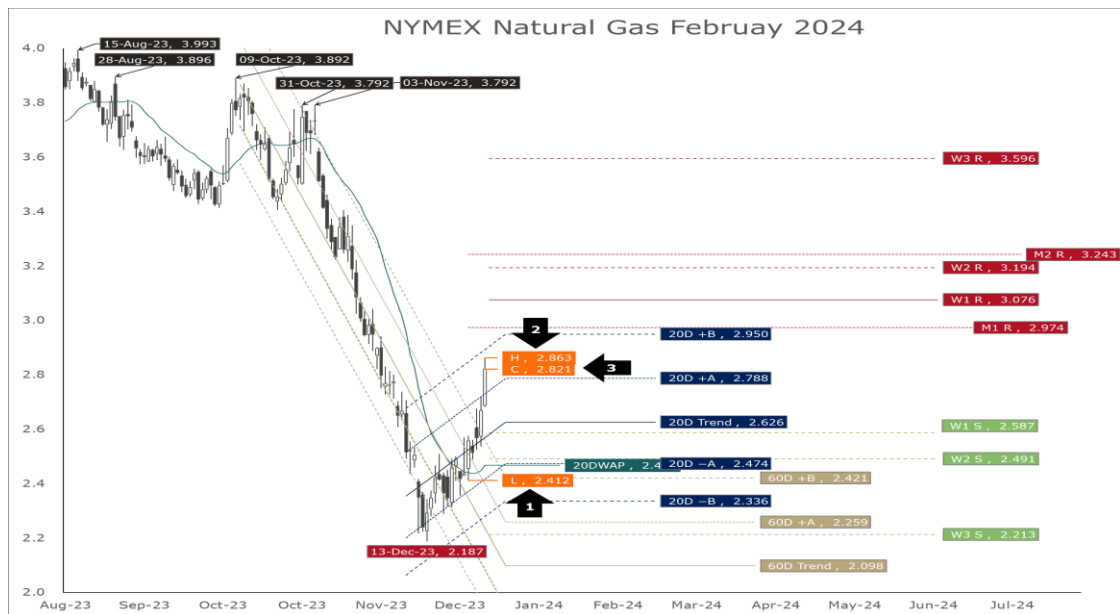
Natty Opens 2024 With a Spark

Before we broke for the Xmas holiday, NYMEX gas was in freefall, with the contract for February 2024 delivery bottoming on December 13th at \$2.187 per MMBtu. Since then, the market has ricocheted higher—an interesting development, considering that gas furnace demand through key markets in the Midwest and Northeast has been nonexistent.

Over the past week, the contract bottomed at \$2.412 (arrow 1), peaked at \$2.863 (arrow 2) and finished today at \$2.821 (arrow 3). In the process, the market surged through the 20-day volume weighted average prices (\$2.467 as of today) and settled in between our inner (\$2.788) and outer (\$2.950) limits in the 20-day bullish channel.

Our two favorite technical indicators—*Parabolic SAR* and *MACD*—flipped bullish prior to Xmas. **Thus, we will open 2024 with bullish directional bias.**

Looking ahead to next Thursday (January 11th), based on today's \$2.821 per MMBtu settlement in the February market, our support targets for the week are \$2.587, \$2.491, \$2.213, and \$1.619. The weekly resistance levels are \$3.076, \$3.194, \$3.596, and \$4.917.



L48 storage... A meager addition for last week.

Today the EIA reported a below-normal withdrawal of natural gas from storage. For the week ended December 29th, L48 underground storage fell by a tiny 14 Bcf to 3.476 Tcf. The delivery came right in well below the mean consensus (≈40 Bcf) of the major surveys. Storage is now on pace to end 2023 at the highest level since 2015. The typical delivery for next week's update (for the week ended January 5th) is 168 ±40 Bcf. The early consensus for this report shows another disappointing delivery ranging around 110 Bcf.