

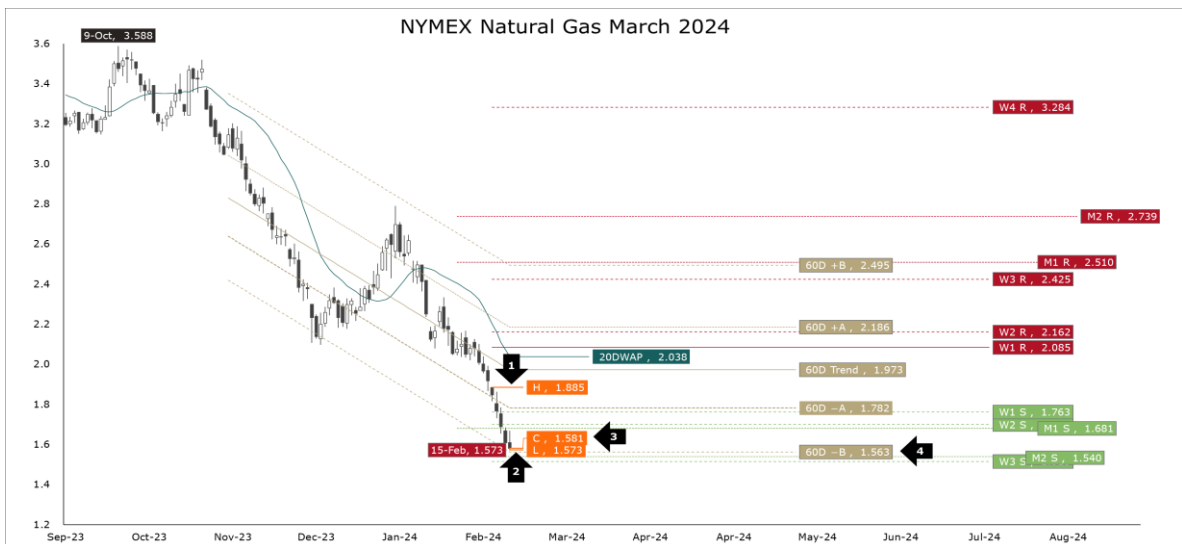


\$1.323 per MMBtu is Now in Play!

At the end of last week, NYMEX March 2024 gas peaked at \$1.885 (arrow 1). Today, the contract bottomed within one cent of our \$1.563 outer limit in the 60-day bearish channel (arrow 4) at an eighth consecutive life-of-contract low of \$1.573 (arrow 2). The contract finished the session at an eighth consecutive life-of-contract settle of \$1.581 (arrow 3).

With seven sessions remaining of the life of the March 2024 futures contract (the final contract of the winter strip) the odds that the contract will expire above \$2.000 per MMBtu are 400:1, which is no better than the odds that the contract will expire below \$1.230 per MMBtu! **There is also a 1.96% probability (odds 50:1) that the contract will expire below the \$1.323 record low from January 13th, 1995!** Lastly, there is now a ≈67% probability the market will finish in between \$1.634 and \$1.518, with the 50/50 line at \$1.576.

As far as the next five days go, based on today's \$1.581 settlement, the support levels are \$1.470, \$1.424, \$1.289, and \$0.991. The resistance levels are \$1.700, \$1.755, \$1.939, and \$2.523. The respective targets for the month are \$1.681, \$1.540, \$1.171, and \$0.567 for support, and \$2.510, \$2.739, \$3.603, and \$7.435 for resistance.



L48 storage... Ugly (for bulls) and getting uglier!

Today, the EIA reported a well below normal delivery out of L48 underground storage. For the week ending February 9th, a net of 49 Bcf of natural gas was withdrawn. The typical delivery for early February is 168 ± 40 Bcf. After improvement through last month's polar vortex, the season-to-date delivery has since fallen from 'respectable' to 'disappointing'. As of last Friday, the season's withdrawal is 1.301 Tcf which is 77 Bcf (5.6%) below last winter's below par delivery and 189 Bcf (12.7%) below the seasonally adjusted norm of 1.490 Tcf. The week's nor'easter along the I95 corridor will not make a significant impact on this week's delivery. The early whisper number is around 80 Bcf (the typical delivery for the middle of February is 170 ± 39 Bcf).