



## Once Again, Gas Bulls are Fighting an Uphill Battle

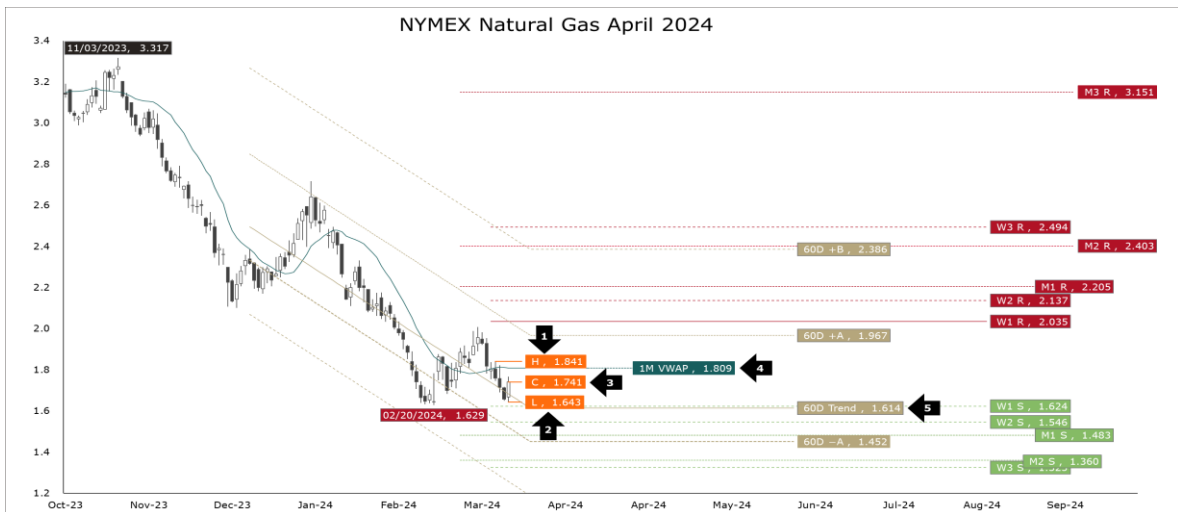
Next Wednesday marks the end of Winter 2023-2024... the winter that never was.

As of last Friday, March 8<sup>th</sup>, L48 underground storage of natural gas is 2.325 Tcf. Given the lack of implied demand in the weather forecast, there is a 50% probability that storage will end this winter with at least 2.223 Tcf in the ground, i.e., virtually spot on the EIA's updated forecast of 2.244 Tcf.

Therefore, storage is on pace to head into the shoulder months with a 393 Bcf (21½%) surplus to a year ago and a surplus of 512 Bcf (30%) to the mean of our model's seasonally adjusted trend. As such, bulls once again find themselves fighting a seemingly insurmountable uphill battle at the start of a season.

Over the past five days, April gas on the NYMEX peaked on Monday at \$1.841 per MMBtu (arrow 1), bottomed today at \$1.643 (arrow 2), and settled at \$1.741 (arrow 3). Our two favorite technical indicators—Parabolic SAR and MACD—are still bullish but the strength in the latter is weak. We will hold our bearish bias for a second straight week, but confidence is low.

As far as the next five days go, based on today's \$1.741 settlement, the support levels are \$1.574, \$1.507, \$1.313, and \$0.913. The resistance levels are \$1.925, \$2.011, \$2.308, and \$3.319. The respective targets for the month are \$1.483, \$1.360, \$1.037, and \$0.507 for support, and \$2.205, \$2.403, \$3.151, and \$6.447 for resistance. The trend in the bearish 60-day channel is \$1.614, with lower limits of \$1.408, and \$1.178, along with upper limits of \$1.848 and \$2.197.



### EIA reports meager natural gas delivery from storage.

Today the EIA reported a delivery from L48 underground storage well below normal for this time of year. For the week ending March 8<sup>th</sup>, a paltry 9 Bcf of natural gas was withdrawn, significantly lower than the typical early March delivery of 78 ± 17 Bcf. As of last Friday, storage stood at a substantial 2.325 Tcf, exceeding last year's level by 353 Bcf and surpassing the mean in our model's time series study by a staggering 535 Bcf! The typical report for next Thursday is a 72 ± 15 Bcf delivery. However, the early consensus ranges from about a 10 Bcf delivery to a 10 Bcf injection (addition).