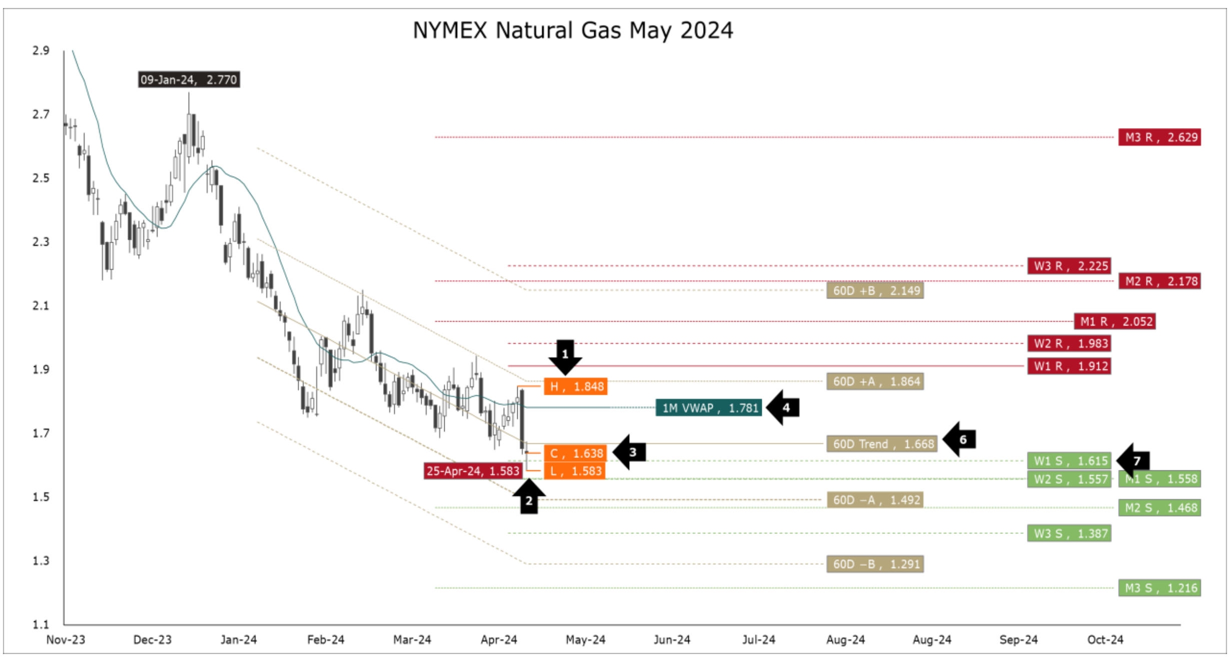
# Now Or Never for $2

Earlier this week, NYMEX gas peaked at $1.848 per MMBtu (arrow 1), but today, punch drunk gas bulls could only stand around and watch the penultimate Henry Hub futures contract bottom at life-of-contract low of $1.583 (arrow 2) and close at $1.638 (arrow 3). As such, spot gas is now closer to the all-time low from January 1995 of $1.323 than it is to $2.000!

Our two favorite technical indicators—Parabolic SAR and MACD—are mixed, the former is bullish and the latter bearish. With both signals out of alignment, we will hold a neutral bias for a third straight week.

After tomorrow's close, the spot market rolls into the June contract. Today, June settled at $1.986. This will be the bulls' best chance this year to launch a rally above the $2 psychological line. For all intents and purposes, it is now of never for bulls.

As far as the next five days go, based on today's $1.986 settlement in **June** gas, the support levels are $1.849, $1.792, $1.625, and $1.255. The resistance levels are $, $2.133, $2.201, $2.427, and $3.143. The initial monthly support and resistance targets are $1.805 and $2.251. The trend in the bearish 60-day channel is $1.957, with lower limits of $1.787, and $1.588, along with upper limits of $2.143 and $2.410.




## Natural Gas Storage.... The surplus grows!

Today, the EIA reported a larger-than-normal addition to L48 underground storage. For the week ending April 19th, 92 Bcf of natural gas was injected. The report came in above the mean consensus which was in the middle 80s Bcf. To date, 166 Bcf has been injected this season which is a strong start. Based on our time series study, the normal trend at this early juncture is 115 Bcf. As of last Friday, storage stood at a comfortable 2.425 Tcf, exceeding last year's level by 416 Bcf and surpassing the mean in our model's time series study by a staggering 599 Bcf!