

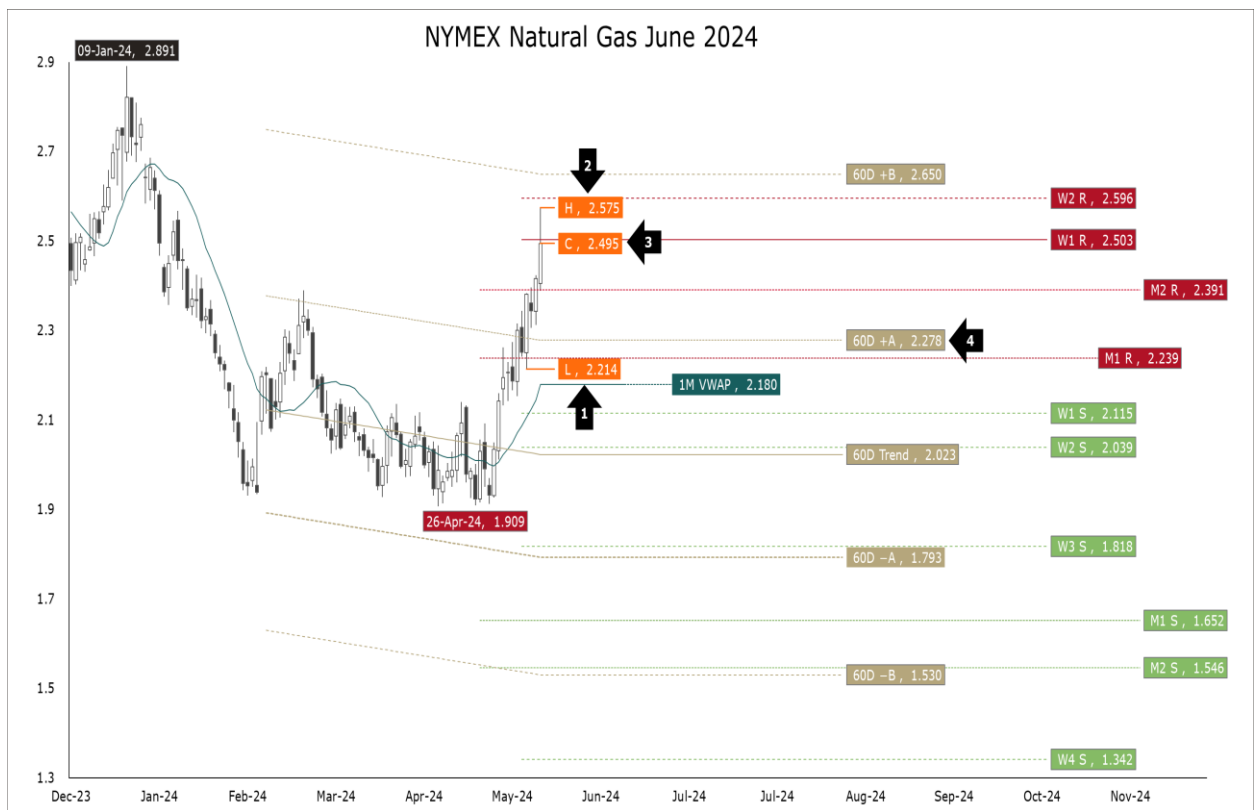


Gas Bulls Have the Bears on the Run!

At the start of this week, NYMEX natural gas futures for spot delivery (June 2024), bottomed at \$2.214 per MMBtu (arrow 1) and then rallied through our \$2.278 first resistance line (arrow 4). Yesterday, the contract peaked at a four-month high of \$2.575 (arrow 2) and finished 8 ticks below our \$2.503 first weekly resistance at \$2.495 (arrow 3).

Our two favorite technical indicators—Parabolic SAR and MACD—are both bullish. Therefore, we will hold our bullish bias for a second week.

As far as the next five days go, based on today's \$2.495 settlement, the support levels are \$2.293, \$2.211, \$1.970, and \$1.452. The resistance levels are \$2.715, \$2.816, \$3.160, and \$4.286. The final two monthly resistance targets are \$2.944 and \$5.096. The trend in the 60-day channel is \$2.105 with an uppermost limit of \$2.788.



Natural gas storage... L48 injection, lower for a third straight week.

For a third straight week, the EIA reported a smaller-than-normal addition to L48 underground storage. For the week ending May 10th, 70 Bcf of natural gas was injected. The report came in on the lower end of the consensus forecast. To date, 374 Bcf has been added, which despite the last three smaller-than-normal injections, is a solid number. At most, we would expect a 396 Bcf injection. As of last Friday, storage stood at a comfortable 2.633 Tcf, exceeding last year's level by 393 Bcf and surpassing the midpoint in our model's time series study by 387 Bcf!