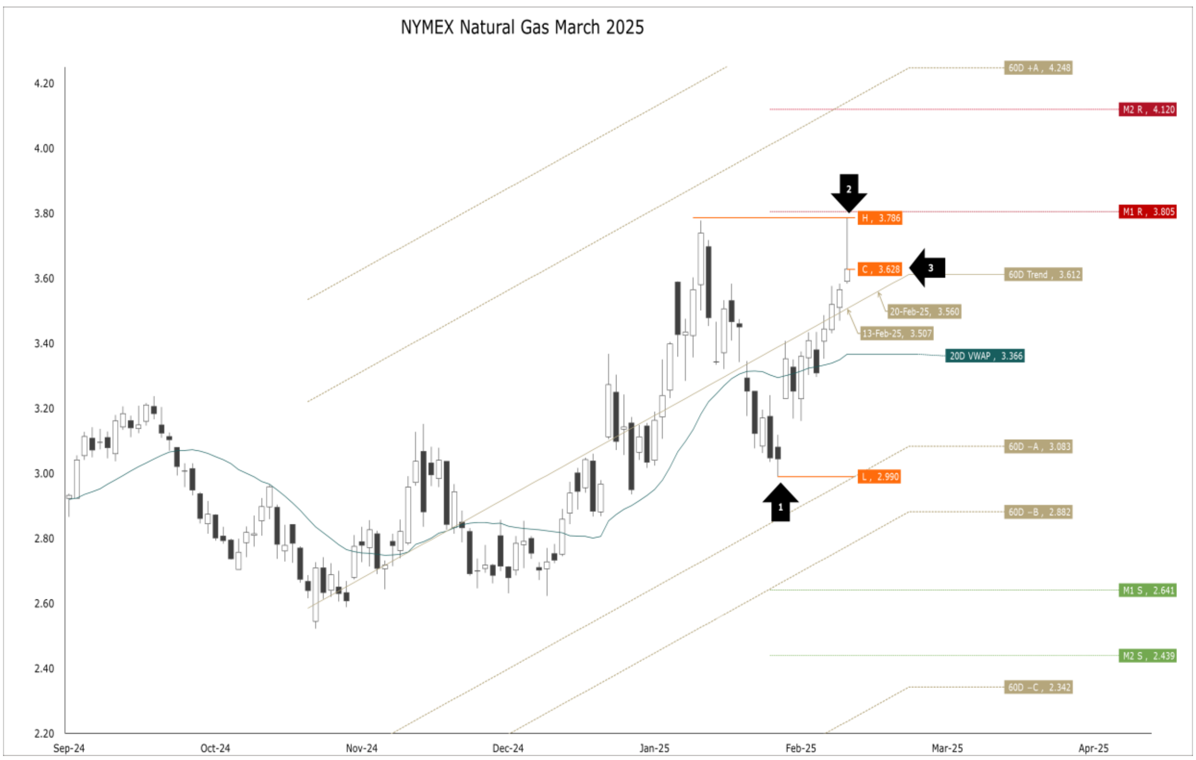
NYMEX Hub Forges Higher

NYMEX Henry Hub March 2025 futures bottomed at the end of last month at $2.990 (arrow 1). Since then, the contract has moved higher in seven out of nine sessions, rising on average by 2.2% per session. Earlier this week the market smashed through the Fibonacci 62% retracement at $3.477. Yesterday, the contract peaked at $3.786 (arrow 2), the highest high since December 2023, and settled at $3.628 (arrow 3).

As illustrated, the market is trading well above the 20-day volume weighted average price (VWAP) of $3.366 and the 60-day trend ($3.507 as of today's close). The next level of resistance is our initial target for the month (M1, R) of $3.805, followed by the psychological $4.000 level, and then our inner envelope of the 60-day trend of $4.248.

If you are long, hold unless support at the 60-day trend ($3.560 as of next Thursday) fails.



EIA inventories are weak and growing weaker.

Today, the EIA reported the thirteenth delivery of the season. As of Friday, February 7th, storage fell by a 100 Bcf to 2.297 Tcf. The report was within the seasonal norm, albeit shaded towards the lower end of the range. The season-to-date delivery is 1.675 Tcf which is 369 Bcf greater than a year ago, 326 Bcf greater than the five-year mean, and 69 Bcf above the seasonal time series study. As a percentage of working capacity, inventories have fallen by 35.39 percentage points (3,539 basis points or bps) since the start of the season, dropping to 48.53%. On this basis, current inventories are 492 bps lower than a year ago when stocks were at 53.46% of capacity, 233 bps below the five-year mean of 50.86%, and 209 bps lower than the seasonal norm of 50.62%. Relative to these benchmarks, current inventories are weak.