NYMEX Henry Hub Spikes Higher

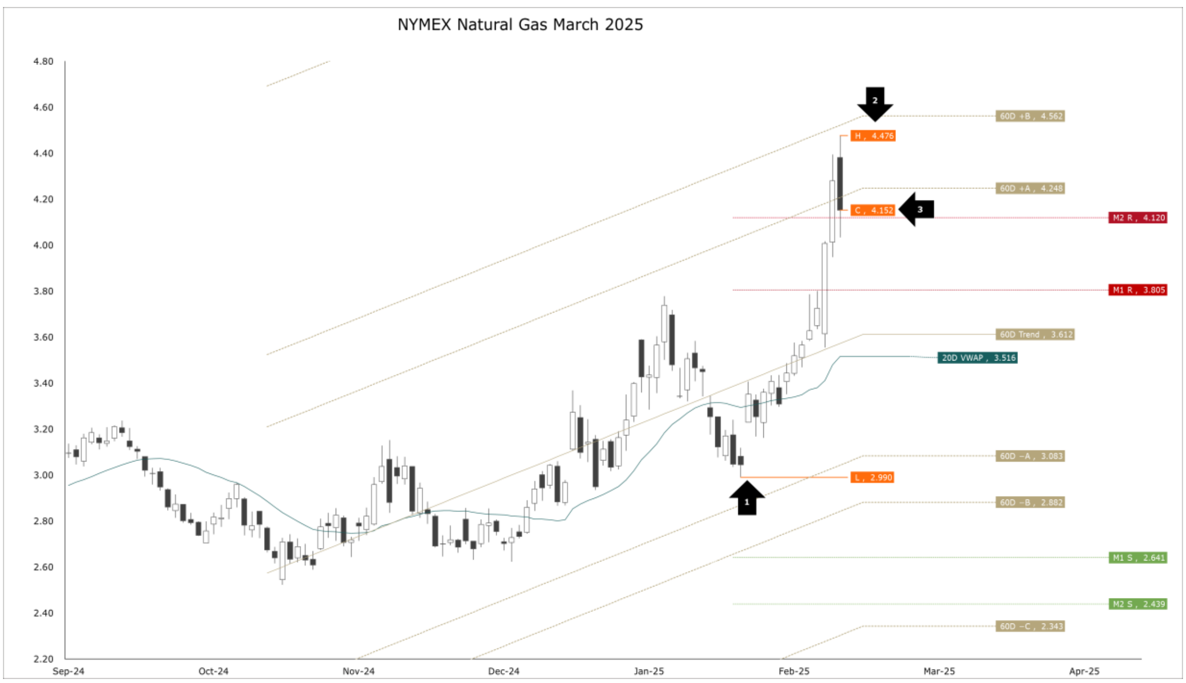
NYMEX Henry Hub March 2025 futures bottomed at the end of last month at $2.990 (arrow 1). Since then, the contract has moved higher in ten out of 13 sessions, rising on average by 2.4% per session. Yesterday, the contract spiked to a two-year high of $4.476/MMBtu (arrow 2) and settled at $4.152/MMBtu (arrow 3).

As illustrated, the market traded yesterday to within $0.086 of our middle envelope of the 60-day trend (60D +B) at $4.562 but pulled back from there to finish the session $0.096 below the inner envelope (60D +A) at $4.258 and $0.032 above our second target for the month (M2, R) of $4.120.

Last week we noted that: “If you are long, hold unless support at the 60-day trend ($3.560 as of next Thursday) fails. Indeed.

March expires next Wednesday. If you are long and you have not taken profit, then what are you waiting for?

For next week, we will roll to the April contract.



EIA inventories headed to a four-year low.

Today, the EIA reported the fourteenth delivery of the season. As of Friday, February 14th, L48 natural gas storage fell by a heavy 196 Bcf to 2.101 Tcf—the normal delivery for the middle of February is 140 ± 52 Bcf. The season-to-date delivery is 1,871 Tcf, which is the fourth largest on record behind a 1.911 Tcf delivery in 2018, a 1.930 delivery in 2011, and a record delivery in 2014 of 2.390 Tcf. Storage is now 368 Bcf below last year’s ending balance of 2.259 Tcf, with approximately six more deliveries remaining. At the current pace, storage is on track to finish this winter at a four-year low of 1.672 Tcf which is quite an accomplishment given that last winter finished at an all-time high of 2.259 Tcf.

