



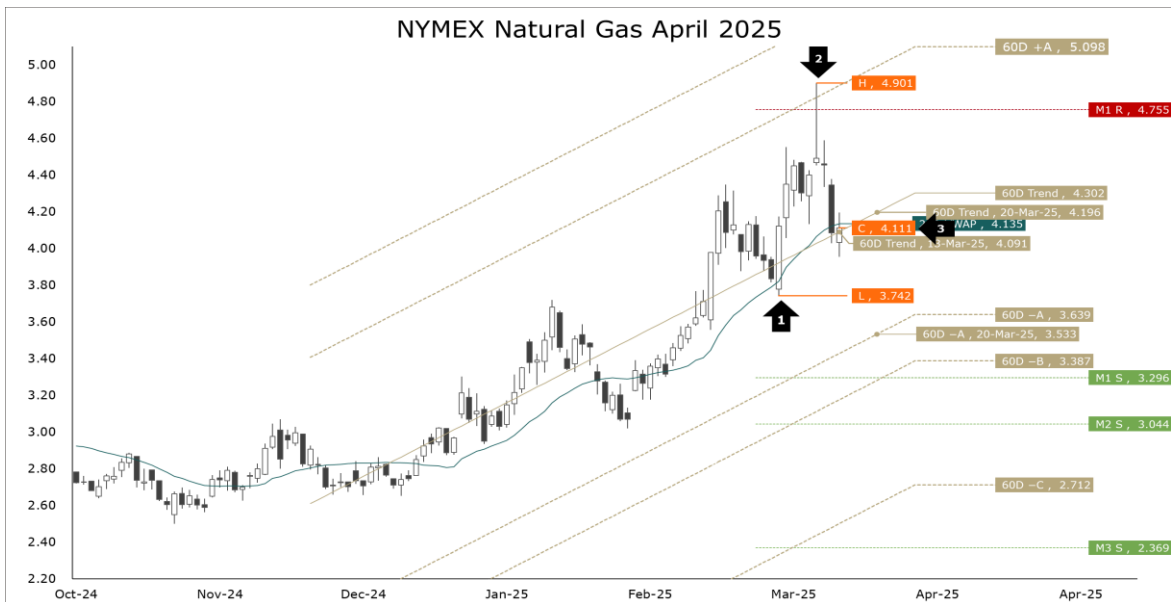
Volatility Is the Name of The Game

Since the start of the year, intraday statistical volatility in April 2025 NYMEX Henry Hub futures has more than doubled from 54.3% to 116.6%. This corresponds to an increase in the approximate one-standard-deviation daily price return from \$0.102/MMBtu to \$0.335/MMBtu, translating into a potential daily price fluctuation rising from ± \$1,016 per contract to ± \$3,349 per contract!

Volatility has been on full display since the April contract rolled into the prompt month. The contract bottomed at \$3.742 (arrow 1) at the start of this month, surged at the start of this week to \$4.901 (arrow 2), and settled today at \$4.111, which is \$0.020 above the 60-Day Trend, and \$0.024 below the 20-Day VWAP (arrow 3).

Our preferred technical indicators are leaning bearish, i.e., the MACD and the Stochastic are bearish. The Parabolic SAR is bullish but appears to be on the cusp of flipping bearish within the next two sessions.

For the week ahead, the market is now below the \$4.135 VWAP. Therefore, maintaining long positions at this point is risky. The next area of support is the Fibonacci 50%/62% retracement range between \$4.033 and \$3.818. If support fails to hold here, all long positions should be abandoned. The first area of support below here is our first lower envelope (\$3.533 as of next Thursday).



EIA reports 17th withdrawal; L48 gas storage on track for 4-year low.

Today, the EIA reported the seventeenth withdrawal of the season. As of Friday, March 7th, L48 natural gas storage fell by a normal 62 Bcf to 1.698 Tcf—the normal delivery for early March is 74 ± 46 Bcf. The season-to-date delivery is 2.274 Tcf, the second largest on record, behind a record delivery in 2014 of 2.832 Tcf. Storage is now 561 Bcf below last year's ending balance of 2.259 Tcf, with approximately three more deliveries remaining. At the current pace, storage is on track to finish this winter below the median since 2011 at a four-year low of 1.590 Tcf—669 Bcf below last year's balance of 2.259 Tcf.