



EIA Season Comes to an Abrupt End

The earliest start to the refill season—tied with 2012—has taken some wind out of the bulls' sails. Typically, we see a withdrawal of 90 ± 42 Bcf from L48 underground natural gas storage in mid-March. However, the EIA reported a 46 Bcf injection over the past two weeks (March 14th and 21st).

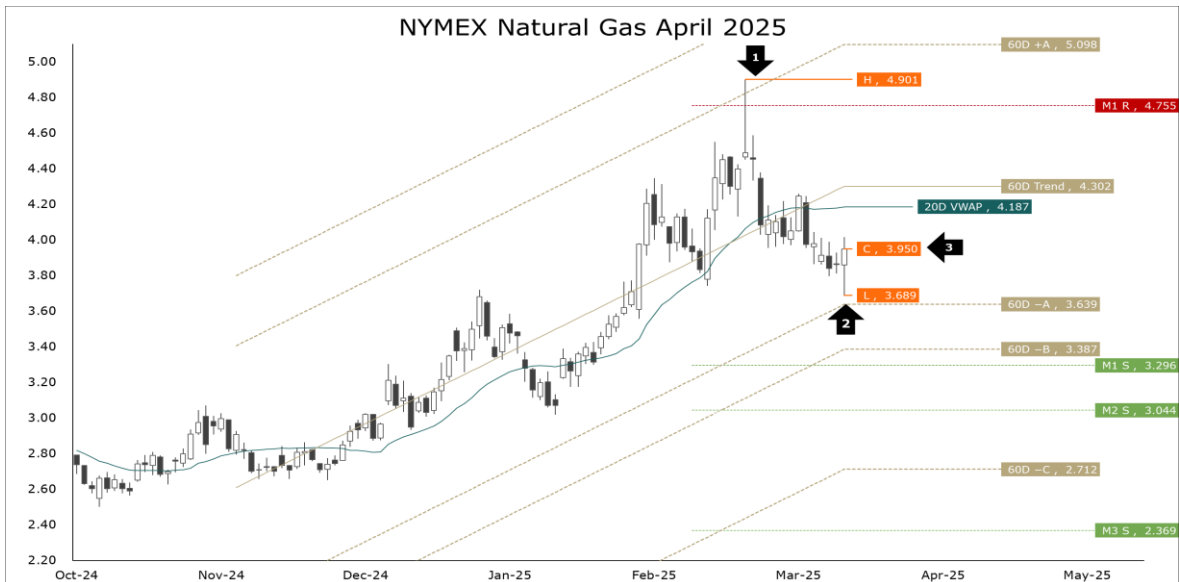
The spot Henry Hub contract on the NYMEX for April delivery responded accordingly. On March 10th, the contract peaked at a season-to-date high of \$4.901 (arrow 1). Yesterday, it bottomed at a five-week low of \$3.689 (arrow 2) before going off the board at \$3.950 (arrow 3).

Looking at the market for May, our preferred technical indicators are leaning bearish. Both the parabolic SAR and the MACD signal downside momentum, while the Slow Stochastic is neutral.

For the week ahead, the market is trading below two key Volume Weighted Average Prices (VWAP) and is hovering inside "The Box" aka the Fibonacci 50%/62% retracement range. If the market fails to hold support at the bottom of this range, bulls must exit their positions.

For consumers looking to hedge into this downdraft, our first recommended entry point lies between the inner and middle lower envelopes on the 60-day trend.

Stay Sharp. Hedge with confidence.



EIA refills tie for the earliest start ever.

Today, the EIA reported the second injection of the season. As of Friday, March 21st, L48 natural gas storage rose contraseasonally by 37 Bcf to 1.744 Tcf. The normal move third week of March is a 33 ± 42 Bcf delivery. The last two injections—beginning on March 14th—tie for the earliest start to refills ever posted by the EIA, matching the start of the 2012 season, which began on March 16th of that year. The weather this week is still unseasonably mild for key heating markets in the northern latitudes. Whereas we typically see a 7 ± 31 Bcf delivery for late March, the early consensus expects a similar injection to last week.