



NYMEX Gas Stalls Below VWAP: Bulls Lose Steam at Key Resistance

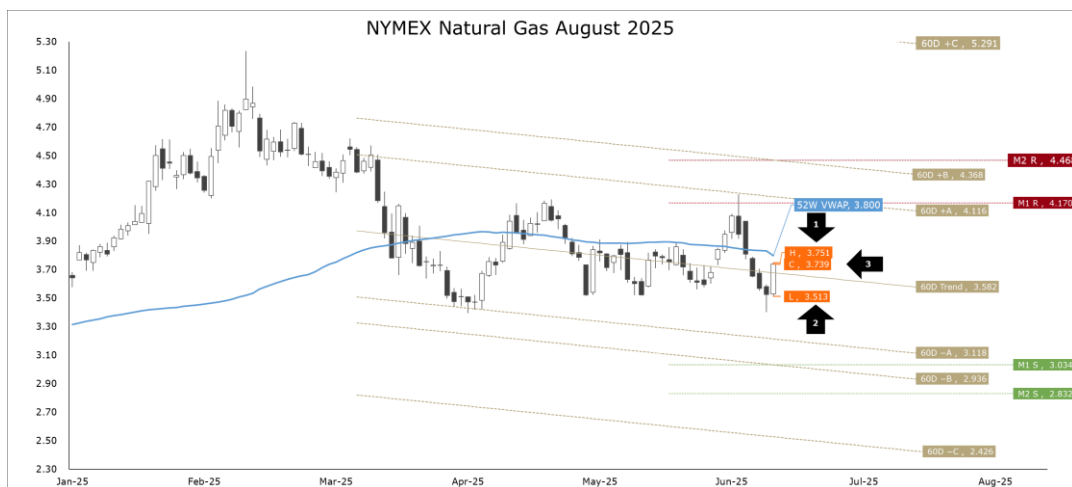
On Thursday, the final contract for July delivery bottomed within \$0.019 of our model's lower 50% envelope of \$3.180 at \$3.199. The contract expired at \$3.261 (arrow 1).

Thanks to Phoenix-esque heat throughout the Northeast, next week's update will mark only the second injection—the first occurring for the week of April 12th—that will fall well below normal.

Despite significant cooling demand, NYMEX natural gas futures for August 2025 delivery sold off sharply through the first four days of last week. On Friday, temperatures dropped: for example, NYC saw back-to-back 102°F days earlier in the week. However, at the end of the week, temps plunged to 72°F!

Despite this respite, futures soared to close out the week on the expectation that the heat would return and stick around. The futures remain bearish, with the market trading below its 52-week volume-weighted average price (VWAP) of \$3.800. Should we see a break above here, the bulls' next objective is to take out the Fibonacci 50%-62% retracement range from \$3.818 to \$3.915.

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Storage Swells: Lower 48 Injections Hit Record Pace, Surplus Reaches 128 Bcf

Yesterday's EIA report showed another heavy injection of natural gas into L48 underground storage. Inventories now sit at 2.898 Tcf. Since the start of refills, storage has flipped from a 213 Bcf deficit to our seasonally adjusted model, to a 128 Bcf surplus. Season-to-date additions have reached a record 1.200 Tcf, which is 233 Bcf above the historical range (95% confidence interval). Refills remain firmly on track to end the season above 3.800 Tcf.