

Natural Gas Report

January 29, 2024



NYMEX Natural gas prices plunged to near 3-1/2 year low

U.S. Henry hub natural gas futures plunged to a three and a half year low putting the prices on a losing trajectory for a third straight month as the peak winter is over and the air-conditioning demand is gradually easing. The spread between NYMEX February and March contracts of Natural gas were widened recently as the market appeared to remain at ample storage conditions towards the end of winter season.

The NYMEX natural gas futures dipped 18.39% month over month to USD 2.139/mmBtu, while MCX most active natural gas futures slipped 24.31% to Rs.179/mmBtu.

U.S. Freeport LNG unit faces month-long outage after winter storm

U.S. liquefied natural gas (LNG) company Freeport LNG said that it expects one of three liquefaction units at its Texas plant will be out of service for about a month after it faced a technical issue during last week's Arctic freeze. This shutdown was the latest in a series of incidents at the plant since it exited an eight-month outage from June 2022 to February 2023 following a fire and explosion. So far in January, each of the three trains at Freeport have either tripped or experienced shutdowns for other reasons at least five times, according to company filings with state regulators. The U.S. became the world's biggest LNG supplier in 2023, ahead of recent leaders Australia and Qatar, as much higher global prices fed demand for more exports due in part to supply disruptions and sanctions linked to Russia's war in Ukraine.

Money managed positions NYMEX Natural Gas F&O

Money managers added their long positions and short positions in henry hub Natural Gas futures and options contracts in NYMEX platform the week ended on January 26, the U.S. Commodity Futures Trading Commission (CFTC) reported. The net long positions remained below zero.

U.S. Natural Gas storage change

The Energy Information Administration reported that the natural gas stored in the underground storage utilities in the U.S. declined by 326 billion cubic feet (bcf) in the week ended January 19. The total working natural gas storage at underground facilities are 2856 billion cubic feet. The storage level is 4.0 percent above the level seen at same period a year ago, and 5.2 percent higher than 5 year average.



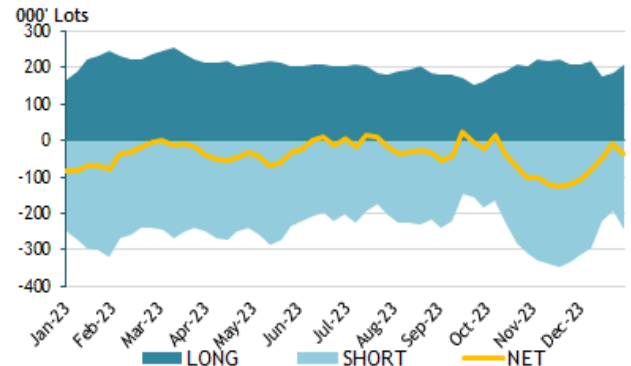
NYMEX Natural Gas: Extended dip below 2.10 region may weaken the prices further. Prices may appear firmer above the resistance of 2.90.

MCX Natural Gas: Range bound trades with mild negative moves expected to witness in the upcoming monthly period. Recovery is possible below 191 region.

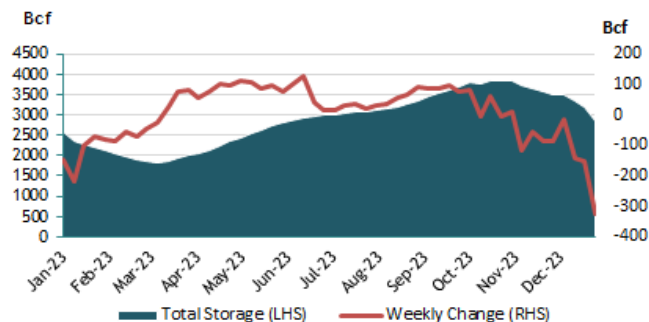
Exchanges	Close Price	MoM % Chg	YoY % Chg
NYMEX	2.139 (\$/mmBtu)	-18.39%	-21.96%
MCX	179 (Rs/mmBtu)	-24.31%	-20.12%

*Near month futures contracts in NYMEX and MCX
*Prices mentioned above are of Friday 6:00pm IST

Money Managed F&O Positions in NYMEX



EIA Natural Gas Storage (Billion Cubic Feet)



Trading Outlook

Periodicity	NYMEX Mar	MCX Feb
Monthly View	MILD NEGATIVE	MILD NEGATIVE
Short Term	RANGE BOUND	RANGE BOUND
Technical Levels		
Trading Range	\$3.80-1.80	Rs.288-162
Resistance 1	3.25	209
Resistance 2	3.80	234
Resistance 3	4.10	252
Pivot	2.90	191
Support 1	2.10	160
Support 2	1.80	146
Support 3	1.50	131

*Short term view: up to three month.

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