



# Natural Gas Daily Update Wednesday 5th April 2023

## Natural Gas Fundamentals:

**Natural gas** prices continue to be extremely volatile and the last 5 trading days have been no exception. After recovering strongly from a fresh 30 month low at 2.074 on Friday, to close at 2.164 (+4.3%), many traders were hoping to see Natural Gas prices push on at the start of this week. **Unfortunately that wasn't the case.** News of rising output and weekend forecasts for milder weather combined with updates showing less heating demand, which will allow utilities to inject more gas flow into stockpiles throughout the week ahead, to negatively impact prices.



**Natural Gas** gap opened the week at 2.066 (-4.5%), below last Friday's lows (2.074), and an illiquid stop loss spike down followed to register a fresh 30 month low at 2.014. **Since then prices have stabilised** above the psychological 2.000 level in the last 36 hours, trading between 2.076-2.158, while traders assess the knock on impacts of OPEC+'s shock production cut of 1 million barrels on inflation and increased chances for a global recession, which could negatively impact industrial gas demand, against potential increases in gas demand as a cheaper alternative to oil. There are two important data releases later today. **US ADP Employment Change (1315 BST) and US ISM Services PMI (1500 BST).**

## Natural Gas Technicals:



**Daily Technicals:**  
 Early March recovery themes were rejected in no uncertain terms, as sellers resumed the long term downtrend to new lows. No evidence is currently in place of a positive sentiment shift, pointing to pressure on 2.014 (Apr 3rd low) with closing breaks maintaining the pattern of lower highs/lower lows. Such moves can even see 1.7940 (Sep 21st extreme) retests, possibly further if this in turn is breached. To the upside, settlements above 2.292 (Bollinger mid-average) are needed for an extended retracement towards 2.421 (38% level).

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