

Natural Gas Prices Crash On Warm Weather Warnings:

Spot prices for natural gas fell sharply on Friday as forecasts for warm weather spooked traders who were hoping for increased demand heading into what is normally cold season in the United States.

Natural gas prices were trading down 7.52% on Friday afternoon at \$2.313. And the loss wasn't just on Friday. Natural gas prices started out at \$2.738 on Sunday - a loss of 15.5% for the week.

It's typical this time of year for natural gas inventories to start to draw down as cold weather sets in, but the National Weather Service is calling for likely above-average temperatures in most of the country over the next 6-12 days, and traders fear that not enough of a drawdown will be realized, continuing the glut and therefore lower natural gas prices.

As a result of what some see as moderately warmer weather in the short term, US demand is expected to increase only to 104.7 Bcf/d over the same timeframe, compared with US natural gas production that is expected to hover around 92.7 Bcf/d—a 6% increase over year-ago levels, according to S&P Global Platts.

(Source – <https://oilprice.com/>)

14-NATURALGAS.Rolling - 29/11/19



Technical outlook:

Natural gas (Dec) weekly chart has formed an “Ascending broadening wedge” pattern. Last few sessions ended on a negative note inside the channel. The market is expected to turn bullish after taking the support from the trend line. A strong support is seen in the range of 165 – 163. If prices manages to sustain above it then the upside rally can test the levels of 175 – 181. Alternatively, if the prices breaches trend line support then it is expected that the bearish momentum will continue and test the levels of 158 – 152.

@ Futures	Expiry Date	Quotation/ Base Value	Close	WoW % change	52 wk H/L	R2	R1	Pivot	S1	S2	Trend
GOLD	05-Feb-20	10 GM	38004	0.02%	40806/36098	38427	38215	37860	37650	37300	MODERATE
SILVER	05-Mar-20	1 KG	45055	-0.21%	52520/41429	45550	45300	44960	44710	44370	MODERATE
CRUDE OIL	18-Dec-19	Rs/bbl	3980	-4.62%	4222/3696	4363	4277	4130	4043	3895	DOWN
NG	26-Dec-19	Rs/mmBtu	167.2	-14.26%	212/167	205	186	176	156	147	DOWN
COPPER	31-Dec-19	1 KG	432.6	-0.86%	452/432	441.5	439.50	434	430.6	428.5	DOWN
NICKEL	31-Dec-19	1 KG	1006	-6.38%	1246/1001	1105	1055	1030	980	950	DOWN
LEAD	31-Dec-19	1 KG	153.6	-0.32%	160/152	156	154.8	153.6	152.4	151.3	DOWN
ZINC	31-Dec-19	1 KG	185.05	-1.31%	195/184	190.5	187.8	186	183.3	181.5	DOWN
ALUMINIUM	31-Dec-19	1 KG	133.55	1.17%	138/130	136	134.7	132.5	131.3	129.10	MODERATE