

Natural Gas – Could Be Setting Up for Short-Squeeze:

Natural gas markets finally got a bullish inventory figure during the week, showing signs of life again. After all, there has been an oversupply of natural gas for ages, and with the Americans producing 17% more natural gas during this past year, it makes sense that natural gas has struggled in general.

The main trend is down, but momentum shifted to the upside following Thursday's closing price reversal bottom and Friday's subsequent confirmation of the chart pattern. The main trend will change to up, if prices are able to trade above \$2.36.

On the downside, support is a short-term retracement zone at \$2.230 to \$2.200. If the main trend changes to up then look for the rally to possibly extend into a retracement zone at \$2.428 to \$2.489.

Given the huge net speculator short positioning, the market may be setting up form an impressive short-covering rally or short squeeze. All the market needs is a weather catalyst to ignite the move.

(Source – <https://www.investing.com>)

9-NATURALGAS.Rolling - 20/12/19
SMA(CloseLine:21)



Technical outlook:

MCX NATURALGAS (Dec) technical chart has formed a "Descending Broadening Wedge" pattern on a daily time frame. The last few sessions ended in sideways trend along with correction inside the channel. The market is expected to continue on bullish momentum based on the current price action. Once the prices break and sustain above the major resistance holding at 168 then the upside rally could test 174-180 in the upcoming trading sessions. Alternatively, if the resistance holds strong then the market might turn bearish once again and the downside rally could test 158-151 levels. Key resistance holds at 168.

@ Futures	Expiry Date	Quotation/ Base Value	Close	WoW % change	52 wk H/L	S2	S1	Pivot	R1	R2	Trend
GOLD	05-Feb-20	10 GM	37976	0.47%	40806/36098	37540	37760	37940	38160	38350	UP
SILVER	05-Mar-20	1 KG	44910	1.65%	52520/41429	43720	44310	44700	45300	45700	UP
CRUDE OIL	17-Jan-20	Rs/bbl	4292	1.13%	4372/3825	4154	4223	4298	4397	4442	UP
NG	26-Dec-19	Rs/mmBtu	165.9	2.03%	212/156	155.00	160.40	164.60	170.10	174.40	UP
COPPER	31-Dec-19	1 KG	441.7	0.30%	452/428	431.30	435.90	440.60	445.20	449.90	UP
NICKEL	31-Dec-19	1 KG	1052	1.65%	1246/961	936	986	1011	1060	1085	UP
LEAD	31-Dec-19	1 KG	153.35	0.82%	160/152	150.20	151.20	152.70	153.60	155.10	MODERATE
ZINC	31-Dec-19	1 KG	182.9	0.69%	195/181	179.00	180.30	182.40	183.80	185.90	MODERATE
ALUMINIUM	31-Dec-19	1 KG	134.05	0.79%	138/130	131.00	132.00	133.10	134.10	135.30	MODERATE