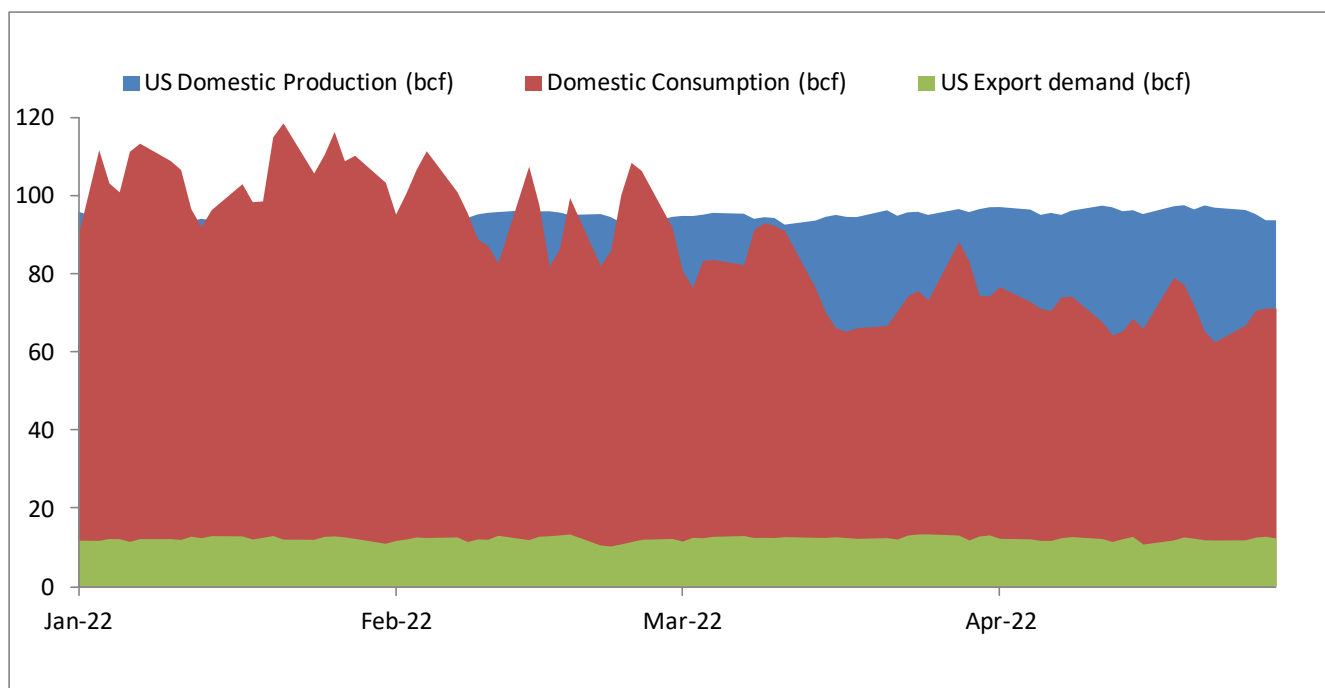

Colder weather in US is likely to keep Gas prices firm

COLDER WEATHER IN US IS LIKELY TO KEEP GAS PRICES FIRM

- Nymex Natural gas prices are now trading at \$7.335 and marginally lower from this week's high of \$7.524 and monthly high of \$8.065. Natural gas prices have doubled this year due to supply threat after Russian invades Ukraine. A colder weather forecast in US along with export demand is also keeping prices firm. Maxar Technologies on said that below-normal temperatures are expected across the northern tier of the U.S. from April 30-May 4 and that below-normal temperatures will persist in the Midwest and East from May 5-9.
- Nat-gas prices have support after Russia recently said that foreign buyers of its gas would need to open special ruble and foreign currency accounts by the end of this month to buy Russian gas. Russian President Putin said that "unfriendly" nations must pay for nat-gas in rubles, which keeps alive the possibility of disruptions to Russian gas supplies to Europe.
- Strong foreign demand for U.S. nat-gas supplies is bullish for natural gas prices. BNEF data showed gas flows to US export terminals Thursday rose by +3.7% w/w to 12.42 bcf.



- Strong domestic demand is also supporting gas prices. BNEF data shows lower 48-state natural gas demand Wednesday was 71.038 bcf, up 16.9% y/y.
- Increased U.S. gas production is bearish for prices as BNEF data show U.S. lower-48 nat-gas production Wednesday at 93.72152 bcf, up +2.1% y/y.
- An increase in U.S. electricity output is bullish for nat-gas demand from utility providers. The Edison Electric Institute reported that total U.S. electricity output in the week ended April 22 rose +4.80% y/y to 70971 GWh (gigawatt hours).
- Nymex natural gas prices are likely to get fresh direction from weekly inventory data. Market forecast is for an increase of 38bcf against last week of 53bcf increase. Inventories remain tight and are down -23.0% y/y and -16.8% below their 5-year average.

- Baker Hughes reported last Friday that the number of active U.S. nat-gas drilling rigs in the week ended April 22 rose by +1 rig to a 2-1/2 year high of 144 rigs. Active rigs have recovered sharply from the record low of 68 rigs posted in July 2020 (data since 1987).
- According to the CFTC Commitments of Traders report for the week ending 19 April 2022, the net short position in natural gas futures fell by 6605 contracts to 130006. Speculative longs were down by 15455 contracts, while shorts were down by 22060 contracts.

Outlook

- Natural Gas prices are likely to trade firm while above key support level of \$7.10-\$6.64 while immediate resistance level could be seen around \$7.534-\$7.781

DISCLOSURE & DISCLAIMER: ABANS BROKING SERVICES PVT. LTD. (ABSPL)

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: kamlesh.jogi@abans.co.in

Phone: +91 22 68354176 (Direct)

Abans Broking Services (P) Limited

36, 37, 38A, 3rd Floor, 227 Nariman Bhavan, Backbay Reclamation, Nariman Point, Mumbai-400 021

Phone +91 22 61790000 | Fax +91 22 61790000

Email: info@abans.co.in | Website: www.abans.co.in

Membership Details:

MCX Member ID: 40385 / SEBI Reg. No. INZ000032733;

NCDEX: Member ID F00681 / SEBI Reg. No. INZ000032733

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). ABans Broking Services Pvt. Ltd. (ABSPL) is a SEBI Registered Research Analyst having registration no. INH000006369. ABSPL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock Broking services. ABSPL is a subsidiary company of ABans Finance Pvt. Ltd. (AFPL). AFPL is an NBFC, registered with the RBI, in the category of non-acceptance of public deposits.

One of the group companies of ABSPL is ABans Securities Pvt. Ltd. (ASPL) which is a SEBI registered member with NSE, BSE and MSE stock exchanges. ASPL is also a Depository Participant of CDSL. ABans Commodities Pvt. Ltd. (ACIPL) is another group entity which is also a registered member with MCX in the Commodity segment. Further details are available on the group website www.abans.co.in Mandatory Disclosures as per the Regulations:

- Ownership & Material conflicts of interest –
 - Whether the Research Analyst or ABSPL, or his associate or his relative has any financial interest in the subject company and the nature of such financial interest – No
 - Whether the Research Analyst or ABSPL, or its associates or relatives, have actual/beneficial ownership of 1% or more securities of the subject company, at the end of the month immediately preceding the date of publication of this research report or date of the public appearance - No
 - Whether the Research Analyst or ABSPL, or his associate or his relative, has any other material conflict of interest at the time of publication of this research report or at the time of public appearance - No
- Receipt of Compensation –

- Whether ABSPL, or its associates have received any compensation from the subject company in the past twelve months – No
- Whether ABSPL, or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months – No
- Whether ABSPL, or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
- Whether ABSPL, or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
- Whether ABSPL, or its associates have received any compensation or other benefits from the subject company or third party in connection with the research report – No
- Whether the Research Analyst has served as an officer, director or employee of the subject company – No
- Whether the Research Analyst or ABSPL has been engaged in market making activity for the subject company – No
- Other material disclosures, if any

Disclaimer:

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Neither ABans Broking Pvt. Ltd. (ABSPL), nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. The document is not, and should not be construed as an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "ABans Broking Services Private Limited". Your feedback is appreciated on compliance@abans.co.in