Bonanza

1ST JULY 2026

COMMODITY OF THE MONTH

Global Perspective | Strategic Outlook

GLOBAL VIEW
Worldwide Trends and Market Drivers

MARKET INSIGHTS
In-depth Analysis and Key Indicators

STRATEGIC OUTLOOK
Opportunities, Risks & Strategies

NATURAL GAS

THE COMMODITY WE COVER IN THIS REPORT

TECHNICAL RECOMMENDATION

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❖ Commodity of the Month – NATURAL GAS

- Supportive global fundamentals, tightening European storage, strong LNG demand pull, and warmer-than-normal US summer weather outlook support a constructive bias for natural gas prices over the next 3 months. US storage is above average but injections have been

- Seasonal/moderate, while production growth is being absorbed by rising exports and domestic power demand. MCX Natural Gas (currently trading near ₹300-310 levels in July contracts) offers attractive risk-reward for longs with the specified levels.

Recommended Strategy: BUY Natural Gas future

- ***BUY Zone: ₹ 300 - 295***
- ***Stop Loss: ₹270***
- ***Target: ₹350***

❖ Weather (Forecasted by EIA) & HDD Outlook

- EIA and aligned forecasts point to a warmer-than-normal summer across much of the U.S., boosting Cooling Degree Days (CDD) and natural gas demand for power generation (air conditioning load). This is a key seasonal driver for storage draws later in the injection season and price support. HDD Outlook: As we transition from summer, early winter Heating Degree Days (HDD) forecasts will gain relevance. Normal-to-colder patterns in key regions would extend demand into late 2026, supporting the 3-month bullish outlook. Monitor NOAA/EIA updates for deviations—milder weather is the primary bearish weather risk.

NATURAL GAS TECHNICALS

❖ Technical Overview

- COMEX Natural Gas continues to display a constructive long-term technical structure across both the weekly and monthly time frames. On the weekly chart, prices are consolidating following a strong recovery, while the formation of higher highs and higher lows indicates that the medium-term uptrend remains firmly intact. Although momentum indicators have moderated from overbought levels, they continue to remain in positive territory, suggesting that the recent pullback represents a healthy consolidation rather than a reversal of the prevailing trend.

- On the monthly chart, price action indicates the potential formation of a major long-term base following an extended corrective phase. Prices continue to sustain above key long-term moving averages and are attempting to establish a fresh upward trend. As long as prices hold above the major support zones, the broader technical bias is expected to remain positive, with any corrective declines likely to attract fresh buying interest. A decisive breakout above the recent resistance levels could pave the way for the next leg of the rally, whereas a sustained break below the key support zone may result in a deeper corrective phase before the broader uptrend resumes.

❖ NATURAL GAS MCX

- Overall, the combined weekly and monthly technical outlook suggests that Natural Gas remains in a recovery phase with a cautiously bullish medium- to long-term bias. From the MCX perspective, Natural Gas prices are currently sustaining above the 100-week and 200-week Simple Moving Averages (SMA) while trading around the 50-week SMA. The MACD has generated a positive crossover, and the RSI is positioned near the 52 level, indicating that the broader trend is likely to remain bullish in the coming weeks. On the price front, immediate support is placed at 275, while key resistance levels are seen in the 330–364 zone.

FUNDAMENTAL OVERVIEW

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❖ Global Fundamentals Overview

- US natural gas markets remain balanced with a slight bullish tilt heading into peak summer demand. EIA data shows working gas storage at 2,835 Bcf as of June 19, 2026 (up 76 Bcf week-over-week, above 5-year average by ~152 Bcf but below year-ago levels). Injections have been near seasonal norms recently (e.g., 73-108 Bcf in prior weeks), reflecting robust production (~111 Bcf/d forecast for 2026) but offset by growing LNG exports (projected ~17 Bcf/d in 2026, up significantly) and rising power-sector demand.

❖ Numeric Storage Table

Week ending Jun 19	Week ending Jun 12	Week ending Jun 5	Week ending May 29	Week ending May 22
+76 Bcf	+73 Bcf	+108 Bcf	+95 Bcf	+92 Bcf

❖ Broader Context (End-of-Month or Key Points, Approximate):

- Mid-2026 (Jun): ~2,800-2,900 Bcf range (above 5-yr avg).
- Early 2026 (e.g., Jan/Feb withdrawal season): Higher draws, with stocks around 3,000+ Bcf earlier in winter.
- 2025 Peak (e.g., Oct/Nov): Typically 3,800+ Bcf in injection season highs.
- Year-ago comparisons often show 2026 stocks slightly lower or near average in summer, supporting tighter balances

FUNDAMENTAL OVERVIEW

❖ EIA Weekly Storage Analysis

- As of the week ending June 19, 2026, EIA reported a net injection of 76 Bcf into U.S. working gas storage, bringing total Lower 48 stocks to 2,835 Bcf. This was near the 5-year average injection (~75 Bcf) and compared to 96 Bcf last year. Stocks stand 152 Bcf (5.7%) above the 5-year average (2,683 Bcf) but 49 Bcf (1.7%) below year-ago levels.

- Recent weeks showed solid builds (e.g., +73 Bcf, +108 Bcf), concentrated in East/Midwest regions, reflecting seasonal injection patterns amid robust production. Inventories remain within the 5-year historical range and comfortably above minimums, providing a buffer but not an overhang. This moderate surplus supports the bullish case as summer demand (power + exports) is poised to tighten balances. Bearish risk: If injections consistently exceed expectations, the surplus could widen.

❖ EIA Short-Term Energy Outlook (STEO) Forecast

- EIA's latest STEO projects U.S. dry natural gas production averaging 111 Bcf/d in 2026 (up 3.3% y/y), driven by associated gas from oil plays (esp. Permian). Consumption is forecast to rise modestly, with LNG exports at ~17.2 Bcf/d in 2026 (significant growth). Henry Hub spot prices are expected around $3.60/MMBtu average for 2026, with $3.34/MMBtu in 2H26.

- The outlook highlights rising net exports and power demand as key supports, though abundant supply caps extreme upside. This aligns with a constructive 3-month bias for prices, assuming demand materializes.

❖ Natural Gas Production

- U.S. marketed/dry production continues at record levels, with EIA forecasting steady growth into 2026-2027. Associated gas from rising crude oil activity provides a reliable supply tailwind. Production outpacing some demand components keeps the market balanced rather than tight, but export growth absorbs much of the increment. No immediate signs of sharp curtailments.

FUNDAMENTAL OVERVIEW

❖ LNG Export Capacity & Recent LNG Flows

- U.S. LNG export capacity is expanding aggressively. New projects (Corpus Christi Stage 3, Golden Pass, Port Arthur, Rio Grande) are ramping or starting in 2026-2027, pushing nameplate capacity higher. EIA forecasts LNG exports rising to 17+ Bcf/d in 2026. Recent flows remain strong to Europe and Asia, supporting global balances. U.S. cargoes are a key flexible supply source amid European tightness.

❖ European TTF & Storage Dynamics

- TTF prices hover around €42-45/MWh (late June 2026), with storage at ~46% full (50 bcm as of late June) — notably below 5-year averages (~15 bcm deficit) and last year. Injection incentives are limited by market structure, raising risks of entering winter with lower inventories. This dynamic sustains demand for U.S. LNG and provides a floor for global prices. **Bearish risk: Accelerated European refill or mild winter could ease this support.**

❖ Recent LNG Flows & OPEC Commentary

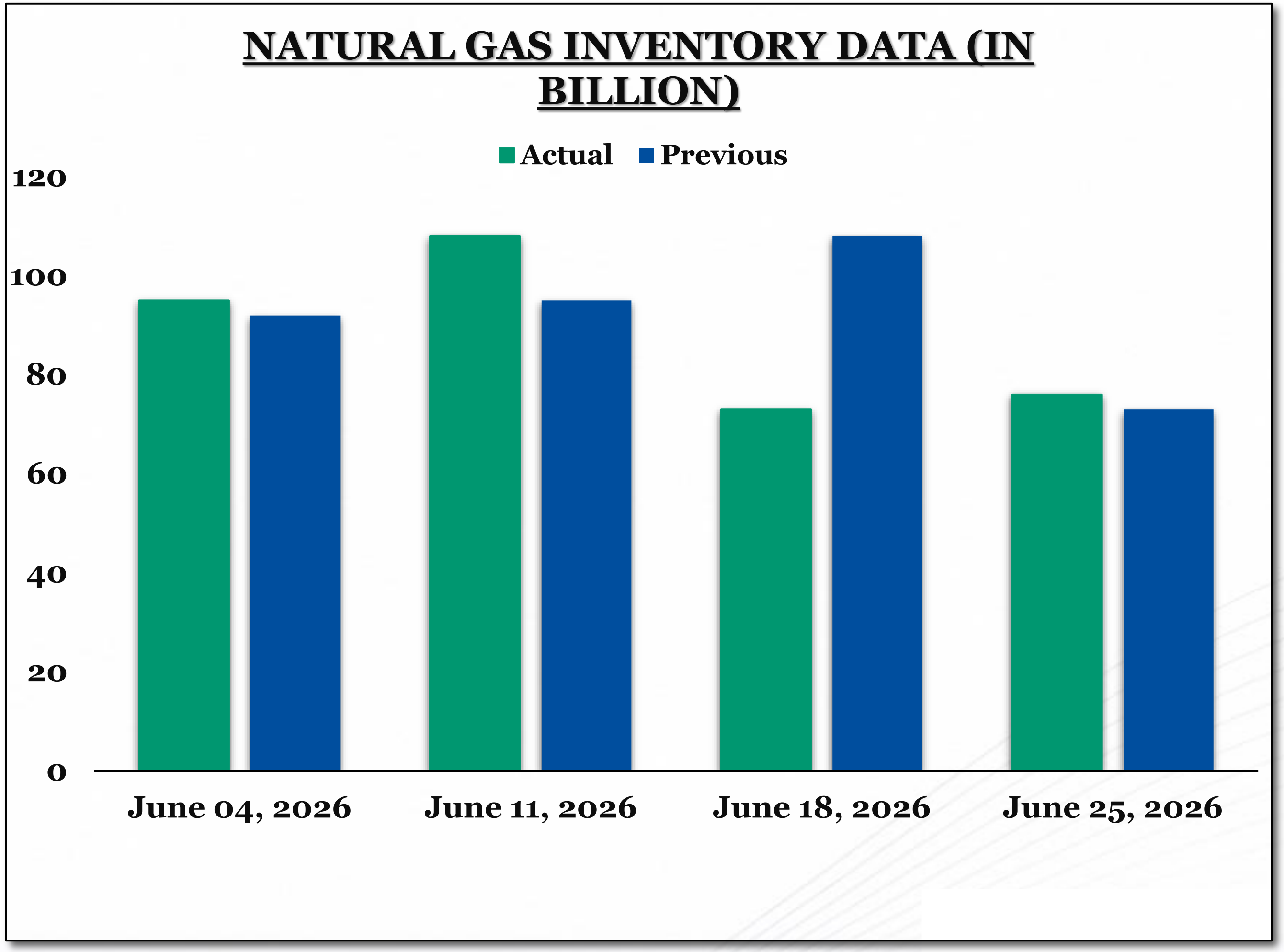
- Global LNG supply is growing (new capacity coming online), but demand from Asia (China, India) and Europe absorbs increments. U.S. remains the marginal supplier. OPEC+ commentary (focused on oil) indirectly supports associated gas output via stable-to-rising oil production, but no direct gas cartel dynamics noted. Overall flows favor continued U.S. export strength without glut conditions.

❖ Clear Bearish Risks (To be monitored closely):

- Faster-than-expected US production ramp (associated gas from oil) and sustained high injection rates could rebuild surpluses.
- Milder-than-forecast summer cooling demand (lower CDD) or rapid European storage refill.
- Geopolitical de-escalation boosting LNG supply (e.g., Middle East flows) or recessionary demand weakness.
- Technical breakdown below ₹275-280 support would invalidate the bullish setup and target lower levels (~₹250).

NATURAL GAS INVENTORY DATA

NATURAL GAS INVENTORY DATA (IN BILLION)		
WEEKS	Actual	Previous
June 04, 2026	95 B	92 B
June 11, 2026	108 B	95 B
June 18, 2026	73 B	108 B
June 25, 2026	76 B	73 B



VOLUME & OPEN INTEREST

MCX NATURAL GAS		
MONTHS	**OPEN INTEREST**	**VOLUME**
MARCH	26.81 k	1.89 m
APRIL	28.89 k	1.51 m
MAY	20.38 k	1.94 m
JUNE	22.83 k	1.98 m

COMEX NATURAL GAS		
MONTHS	**OPEN INTEREST**	**VOLUME**
MARCH	216.32 k	3.36 m
APRIL	230.69 k	2.55 m
MAY	370.78 k	2.67 m
JUNE	219.45 k	3.05 m

DISCLAIMAR

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