



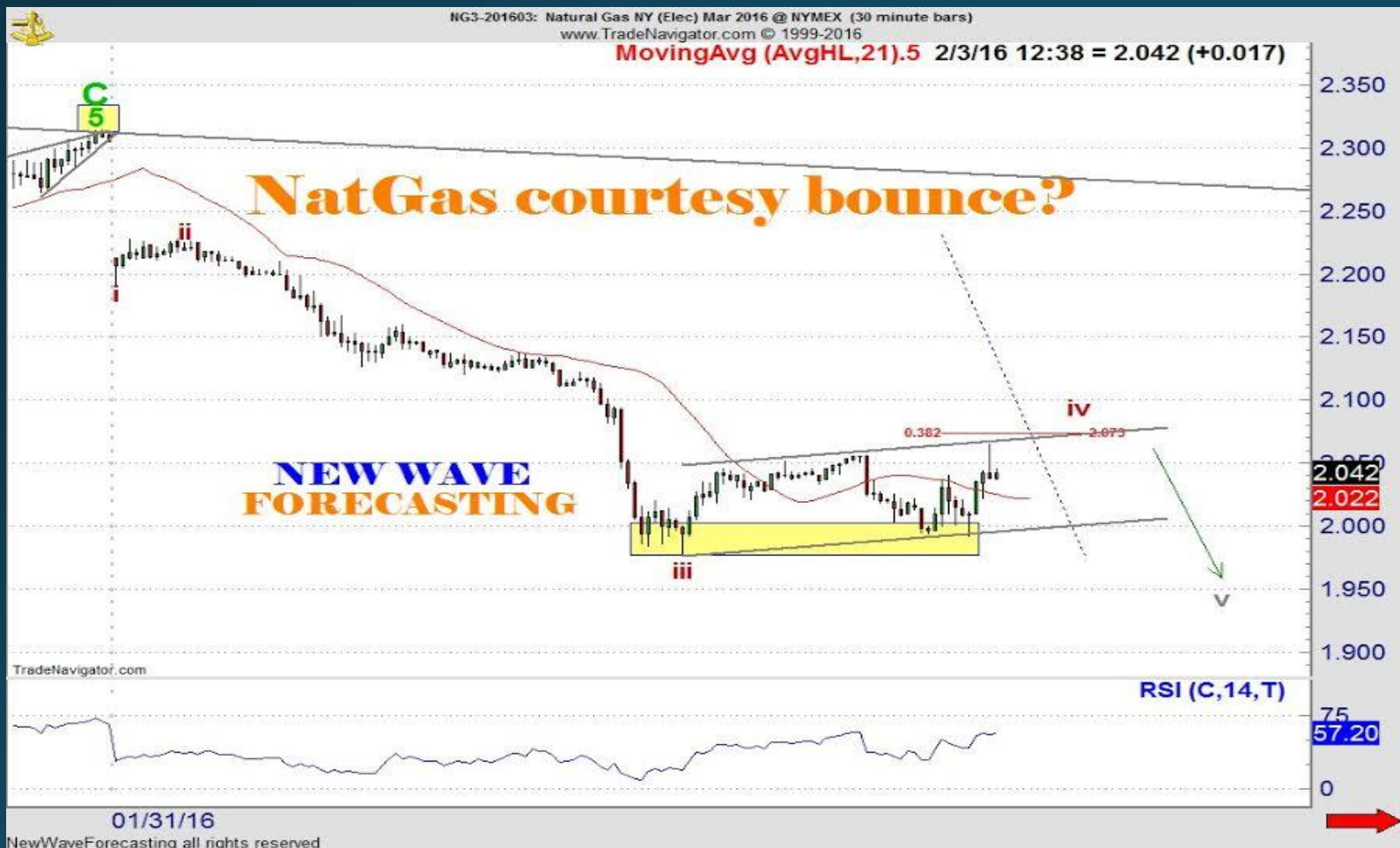
Natural Gas



**NEW WAVE**  
**FORECASTING**

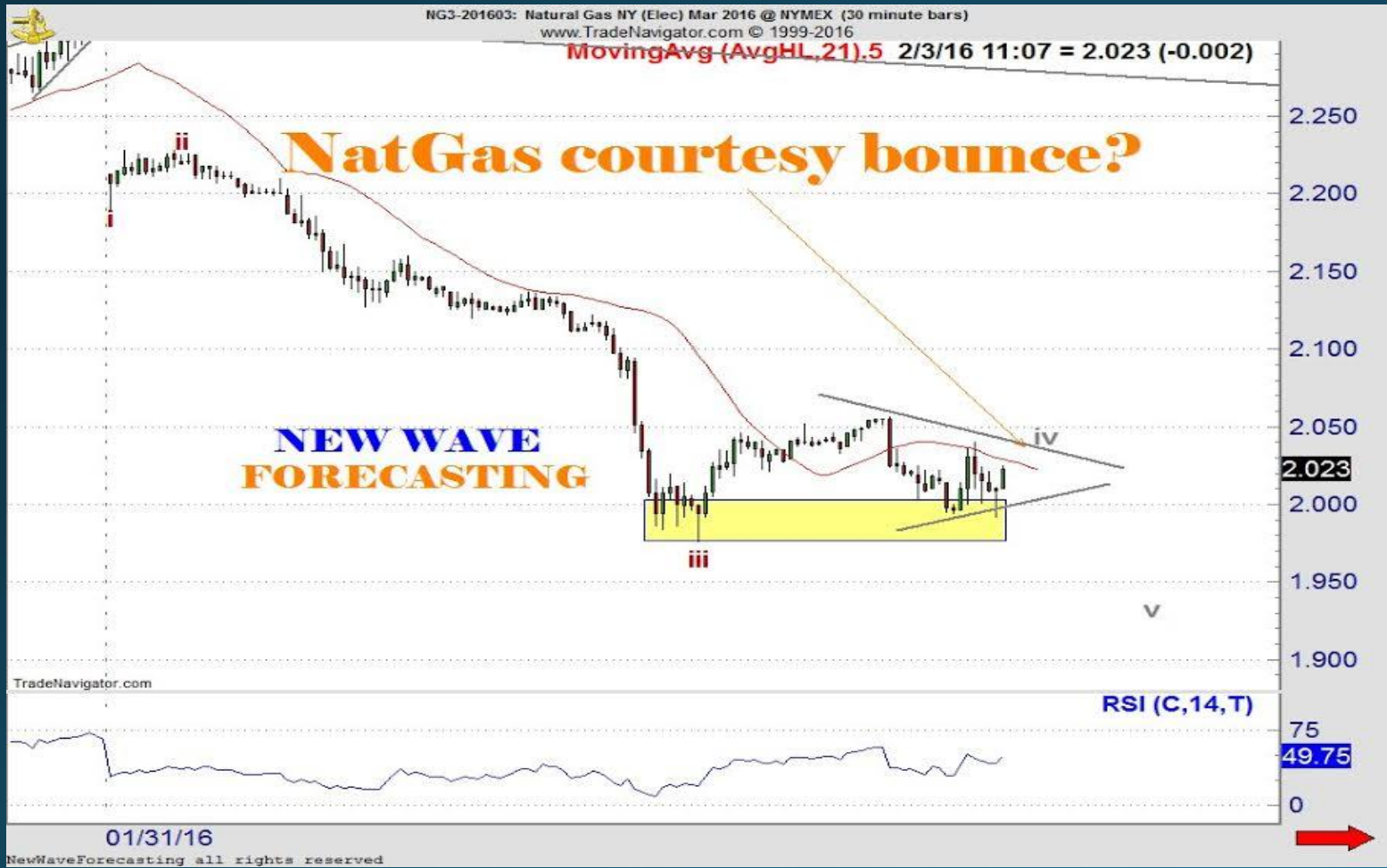
2.2.16

# NatGas 2.042 and yes this is a courtesy bounce...



The 38% retracement is near 2.073 and given how this thing has come up off the low I have to continue with the view that this is a corrective wave. Things got way too far ahead of themselves on the down and now they are back in a more realistic glidepath that we will somehow work into the report. There is no for sure line in the sand on these nebulous fourth wave deals so we need to act accordingly and another test of 2.00 prior to maybe getting to 2.07 would be no biggie.

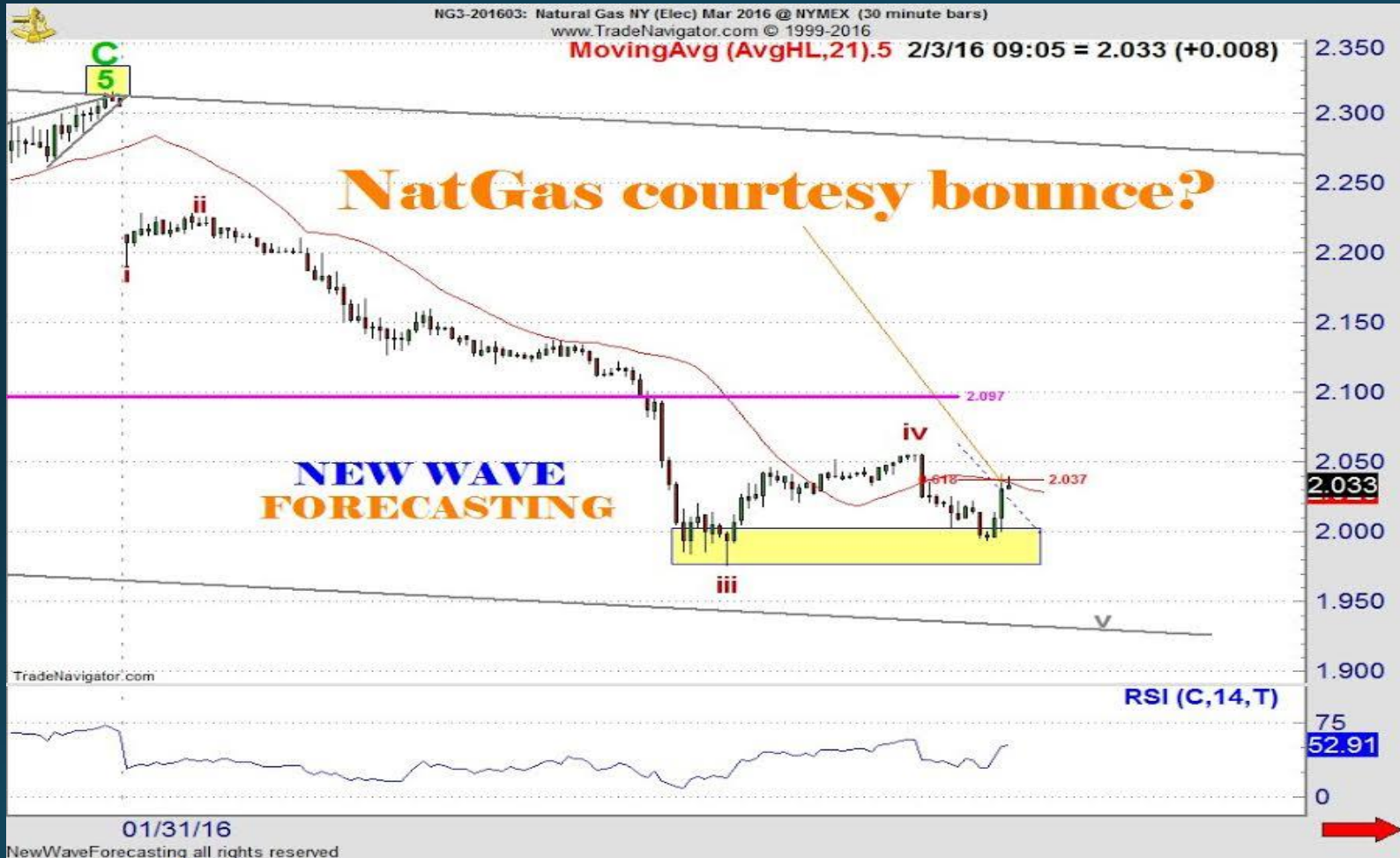
# NatGas 2.20 and stuck going lower



The bounce to the 62% retracement did yield another sub \$2 visit but the passive buyers are undaunted. I think at this point the most realistic way for this to play out would be for this wave iv to triangulate prior to another ten+cent drop to a possible bottom.



# NatGas 2.033 now or never for a new low



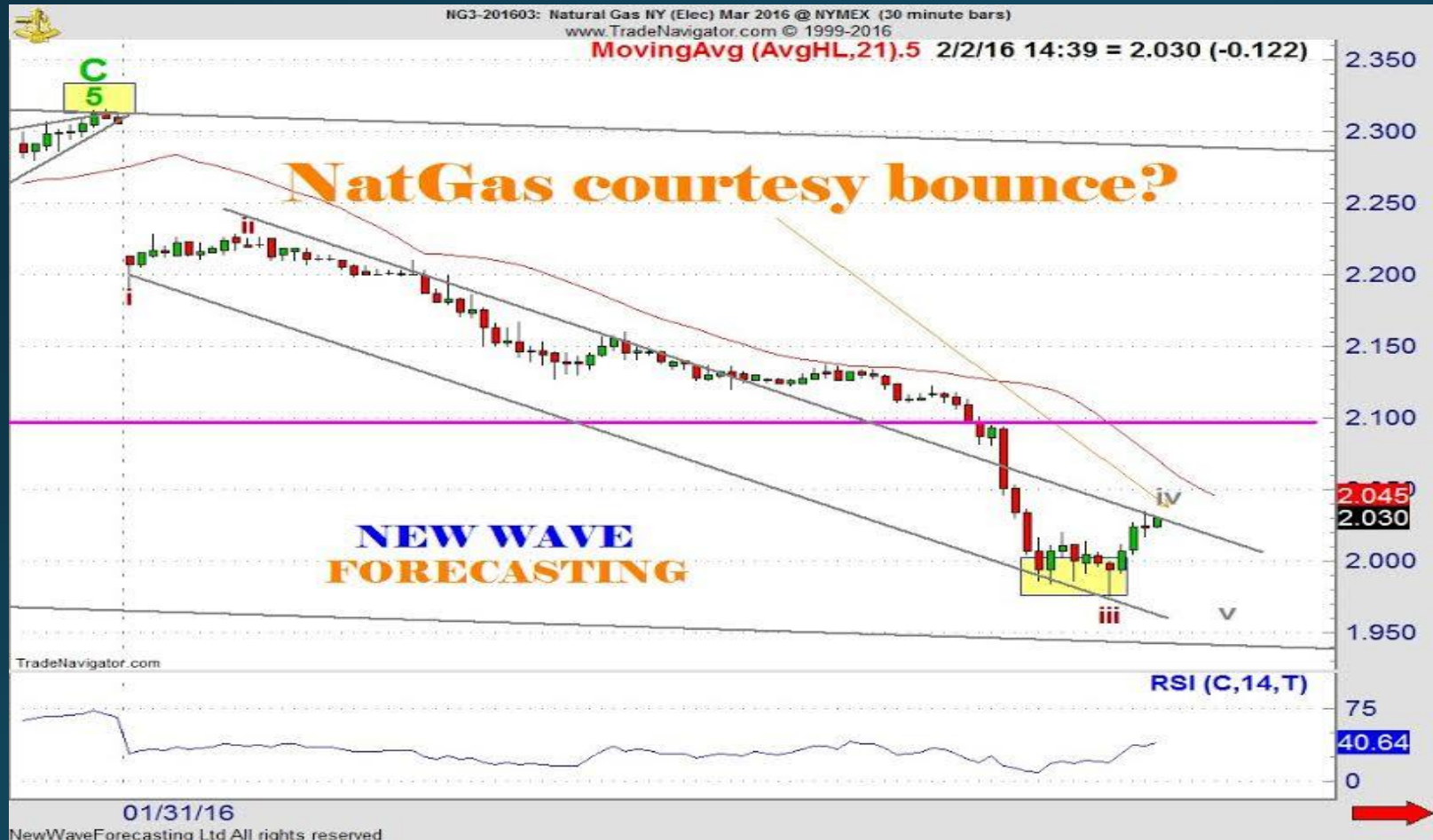
I keep thinking the \$2 buyers are going to be pounded but they clearly have some bullets. For the bearish scenario to play it would be best if this visit to the 62% retracement of 2.037 is a courtesy pop and prices simply sluff off. At this point I don't even want to see a new session high or the proportions for a new low will get messed up.

# NatGas 2.008 Lower



The overnight recovery was undoubtedly most if not all of wave iv. I still think the bottom of the channel is pretty much a minimum kind of target with the midway projection much further lower at least 1.90. I would view a 2.03+ bump from courtesy levels as a courtesy.

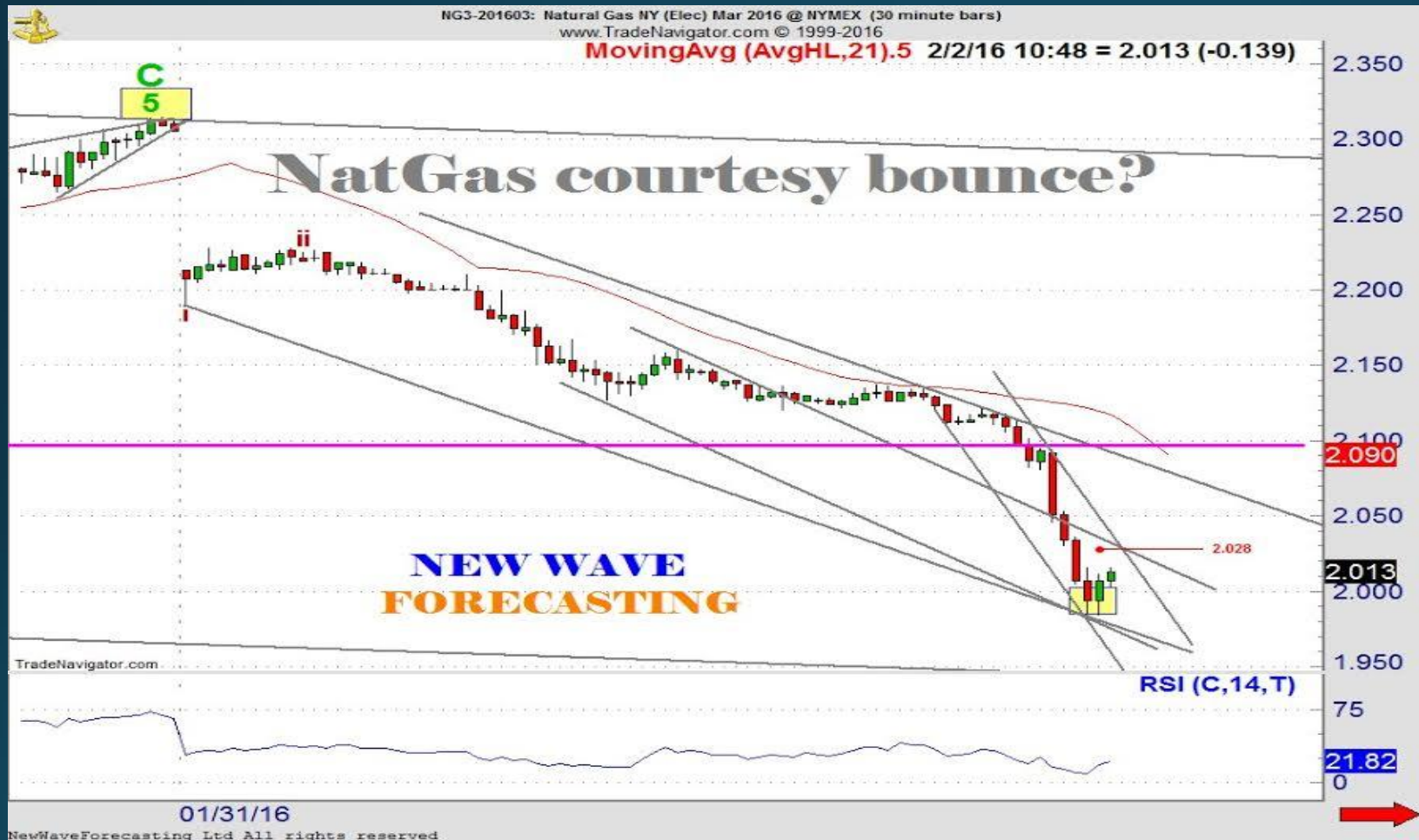
# NatGas 2.03 Courtesy Bounce Scenario



This count is probably right but where the presumed wave iv courtesy bounce might travel is not clear but it should stay below the key moving average currently near 2.075. It may be the sub 2.00 trap needs prices above 2.05 to resolve but I just don't have a feel for it...

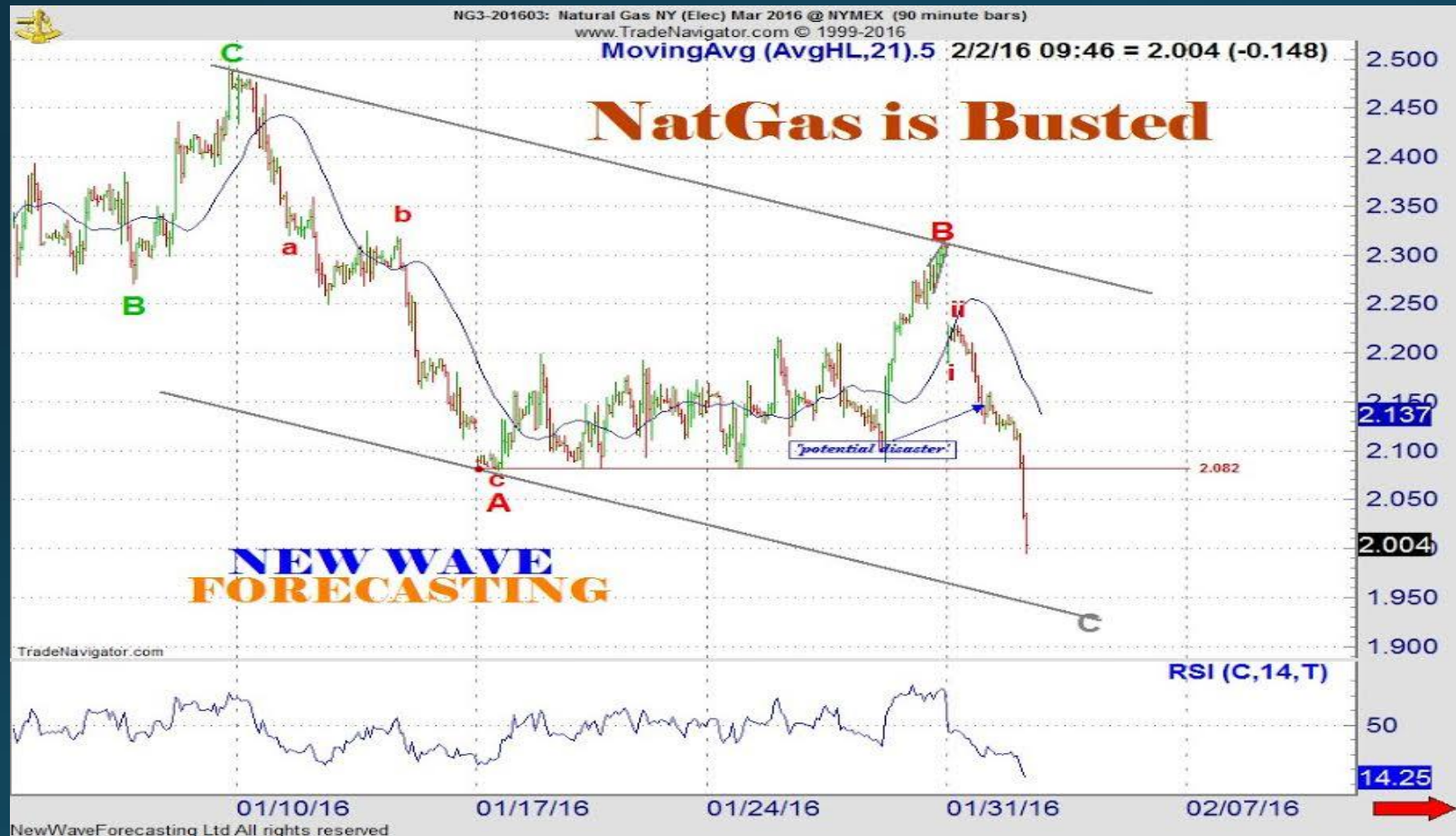


# NatGas 2.011 Courtesy Bounce?



I will stipulate that there could be a bear trap under 2.00 here but things look so bad to me I don't think its going to be the bottom. Eye-balling the chart 2.03+/- might be a spot to look at for a run to at least one more if not many new lows to come.

# NatGas 2.004 NOT looking for a bear trap right now



I was actually going to title the last slide more negative but the message is clear. Whilst I am generally open to looking for traps at key levels this ain't one of them as this looks like a death plunge. The ONLY way to confirm a turn is to push above 2.08 and that don't look likely from here. Hopefully prices will at least stabilize and some kind of count on a short enough time frame will emerge.



# NatGas 2.04 at lower 76 which I think will not hold



The lack of a move off the 2.14 level was the kiss of death and the extra dime has brought prices right to the larger 76 retracement of interest. I don't think this one will hold and a move to the bottom of the channel near 1.95 seems more likely. IF the market is truly croakered I would not expect to see anything more than a 5-6 cent bounce, if that much...

# NatGas 2.14 hanging in there, but forecast likely turning bearish



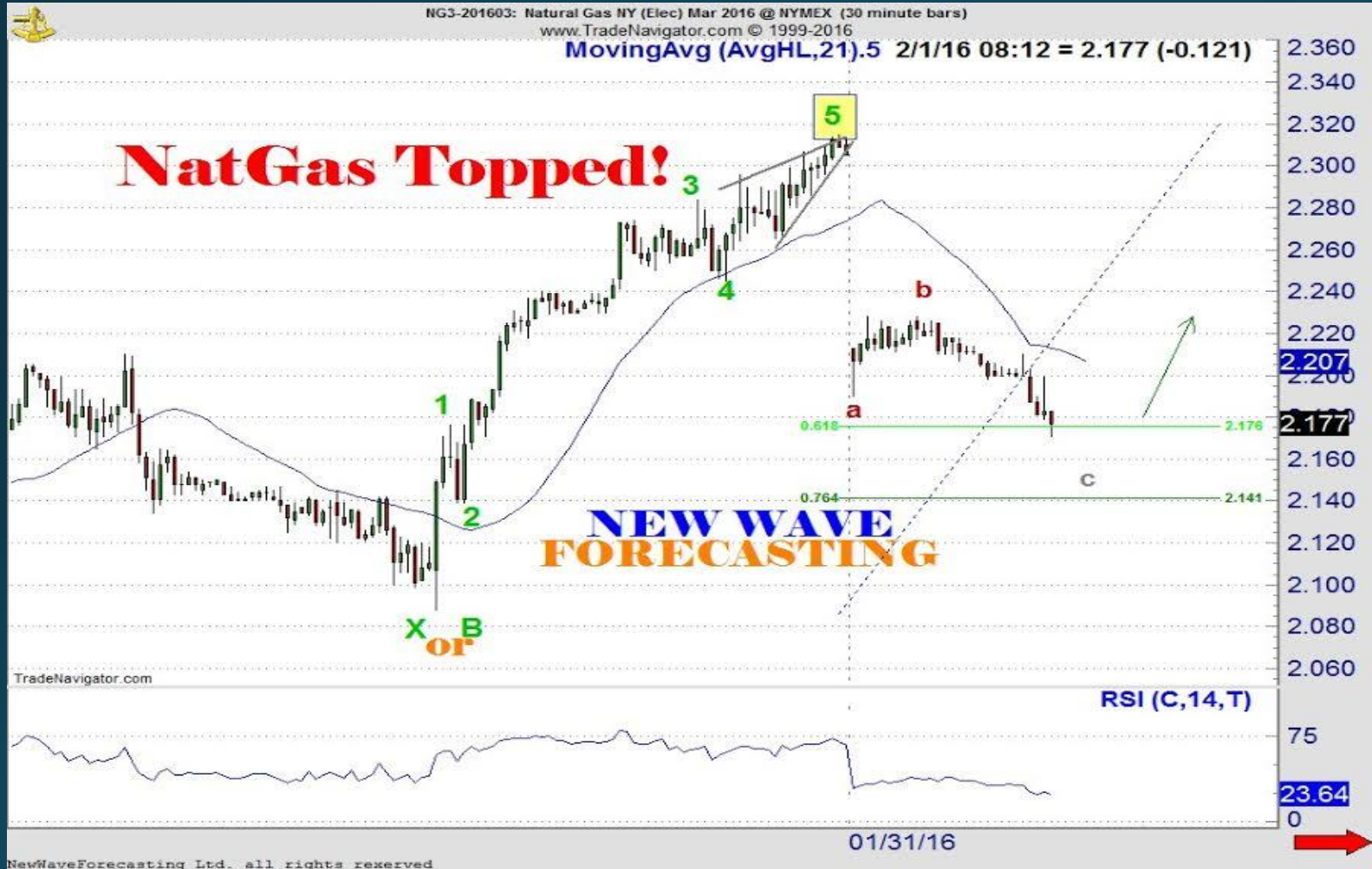
I am just not sure what to make of this situation yet. About all I can confidently say is the longer the market goes without rallying the more likely we have seen the top of the correction near 2.31. A bad close today followed by late session weakness could imply disaster!







# NatGas 2.18 still looking for 2.14



This is an interesting setup as prices should turn and head higher. 2.14 is the lower 76 but I am starting to wonder if prices will get there...

# NatGas 2.21 - 2.14 next



We had a compelling case for a rising wedgie top right into the target zone on Friday and damn! The market may back and fill a bit on the upside but I do think lower is the direction and 2.14 is the 76. On the upside 2.265-2.285 is probably courtesy rally country.



# NatGas 2.30 yeah yeah keep squeezing



The market is going out bid which immediately makes me wonder about the potential of a gap higher Sunday night. I think we have a pretty compelling case for a top in a rising wedgie pattern but an initial downside setback may be no more than 2.23.



# NatGas 2.29 tired action with nominal new high



Pretty much what I was thinking here with the market staying bid. As far as the balance of the day maybe we get to 2.32 and maybe we don't. The key moving average is around 2.267 and breaching that would suggest wave 5 has been seen.

# NatGas 2.27 topping scenario above 2.30



The count looks pretty clear and the RSI divergence is consistent with a fifth and terminal wave. I don't think we have seen the peak yet with a classic setup for a bull trap above 2.30.

Whether there will be significant selling is unclear as this may simply be a trend day up.



# NatGas 2.26 Bullish, courtesy dip setup>>>2.22?



I think breaking down the time frames gives a pretty textbook five wave sequence which I believe is not complete. I am looking for a 4/5 to finish off near near 2.32 and I view a drop towards 2.22 from near current levels as a courtesy dip. If the market simply charges up the next setup will likely be a riskier sale.



# NatGas 2.25 possible bull trap, but unclear forecast



We noted the change in the personality of the market which I think it fair to say surprised most with the push through 2.22 which may now be support. The problem is that anything/anywhere could be support and a drop could come from anytime/anywhere. I am staying with the long standing view that this will not rally impulsively and if this is a big B wave rally even if we have good upside targets it is not going to be easy.....

# NatGas 2.22 is this a blowout?



Report day's are usually thrill packed and today is no exception. The RSI study did correctly imply higher prices but it has hit resistance. Given the momentum this pop off the channel bottom has maybe it's time for continuation towards 2.32. I can't make a forecast until I can determine whether the day's low was an X or a B as the different implications are anything but subtle.

# NatGas 2.18 hits the 76 and stalls



The market is clearly whippy and I think new highs are coming but this is certainly a level to watch if not an outright safety play. The RSI study looks good but I think upside acceleration is unlikely as there ought to still be passive selling interests above 2.18.



# NatGas 2.17 getting a bit frothy



I don't know if this rally has upper channel potential or not but I am aware of what could happen if the buyers run out of steam. 2.187 is the upper 76 and the RSI study may be what tips us off as to whether 2.22 is coming forthwith

# NatGas 2.13 usual bear trap setup, but range bound



The low looks like a good one to me but I don't have a feel for what upside might be imminent given the stall right at resistance. As long as prices are above 2.12 I think the upside is the right side.

# NatGas 2.10 under pressure on report day



The potential trend day down is not looking good but prices are essentially at the lower channel boundary. Will a bear trap setup below 2.10 or is the market about to croak, OR BOTH?



# NatGas 2.147 Courtesy Dip



If the last bounce had pushed through the 2.17 level I would call this a courtesy dip plain and simple. Here I just don't know...I have revised the trap to below 2.145 and it would be best for my ambitious recovery plan if prices stop going down.

# NatGas 2.16 stuck for now



Prices did make the lower 76 and the question is simply whether a bear trap just set up below 2.15 or if the market is taking a breather before.....

2.17 remains kind of important resistance above and maybe 2.15 is support. The upper 76 is 2.19 and 2.08 is pretty much the only possible line in the sand below.

# NatGas bear trap coming?



I purposely put a "?" on the breakout as I have been following the NatGas market for more than 10 minutes and I know how squirrely it can be. The Elliott counts I present are generally expediated to illustrate the desired outcome but may not agree with others.

So anyway I am still bullish but I think we need to close out the 2.20 bull trap with a new low



# NatGas 2.195 Breakout?



Got to like it when a plan comes together! I believe the head and shoulders pattern is the real deal but this could be a safety play setup hear right at the 76 near 2.196. The possible neckline is just below 2.19 and that should be support.

# NatGas 2.178 Still Bullish



The report was a non-event and I am sticking with my bullish view. A push above 2.19 should kick off a head and shoulders bottom pattern and lead towards 2.21+. Below 2.165 we need to be open to a test of 2.15.

# NatGas 2.18 and probably higher REPORT DAY



The call for the market to chop higher was reasonable. There was an almost identical setup yesterday that snookered me but I have to stay true to what I do and for now I continue to hold a bullish view. The obvious support today is 2.16 with the lower 76 just below 2.14.



# NatGas 2.16 choppy higher



There is enough upside action for me to roll with the idea that today's low was another mysterious X wave and prices should be on their way back up. Tomorrow's report is going to figure into this mess somehow and the upper 76 is near 2.195 so that could be seen under virtually any scenario. 2.15 is obvious but questionable support and the lower 76 is now 2.125.

# NatGas (H) 2.145 scenarios are coming together



Prices blew right though 2.14 suggesting that either the small bear trap below 2.12 was the bottom of an X wave and new highs are coming, or a bearish triangle (note RSI study) wave iv could still be setting up. 2.16+/- is the key to this scenario.

# NatGas (H) 2.12 testing lower 76% setup for a courtesy bounce?



This situation has deteriorated dramatically and it could be that the bear market has resumed. I would view a bounce to 2.14 as a courtesy bounce for a small wave "iv". IF the market is in collapse mode it will not trade above 2.16 in the foreseeable future.

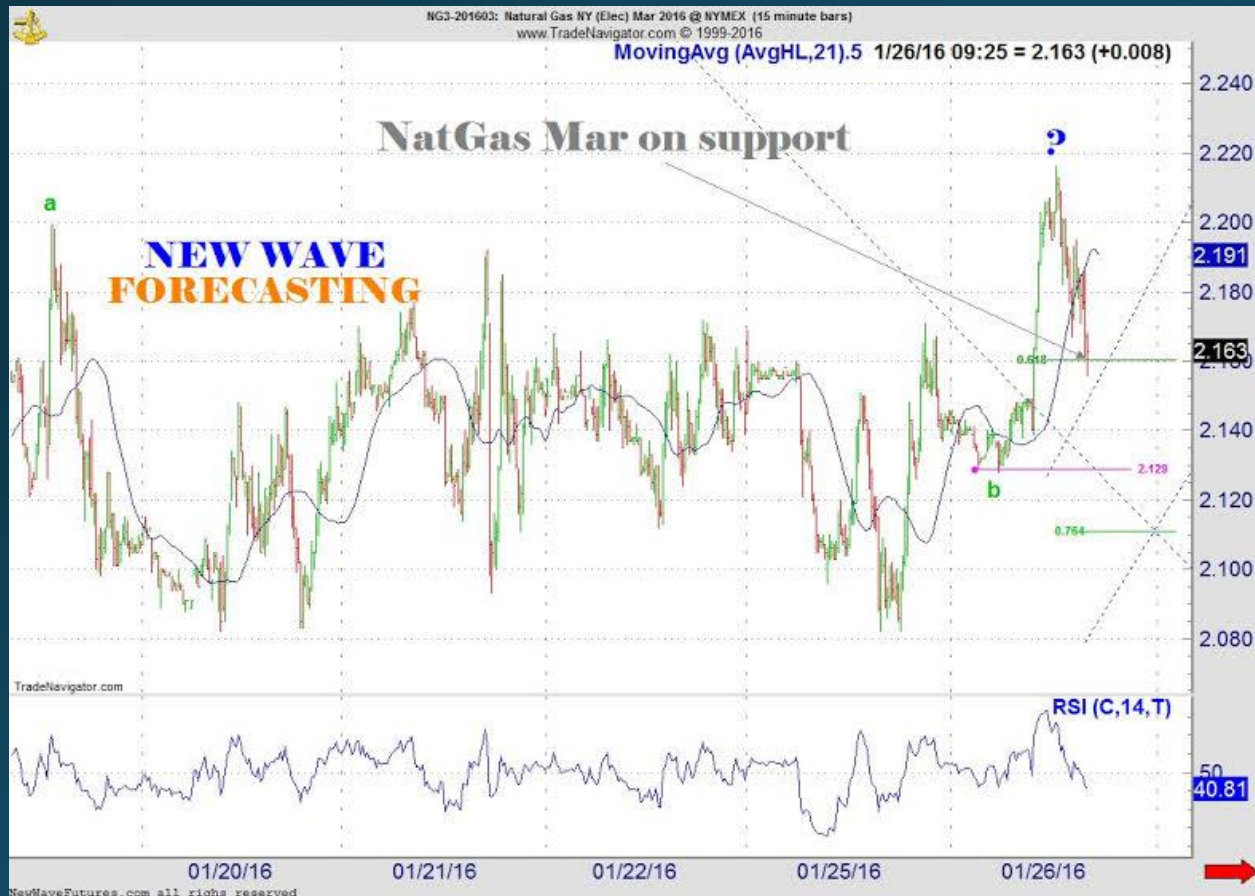


# NatGas (H) 2.17 bouncing off support



Prices did hold support and this rebound could hold all the information we need to put together the next most likely development. 2.195-2.205 may be insurmountable on the upside.

# NatGas MARCH 2.16 on support



I have made the roll into March. Given the depth of the break some kind of top has been seen and the form and depth of this decline should help determine if the trend has turned back down. For now it is simply too soon to say and I am not willing to label this test of support as a courtesy dip but it might just be. IF 2.13 is breached 2.11 is the lower 76.

# NatGas 2.19 Channel Top HIT



It took a while but NatGas finally made my upside target above 2.20. It is not clear that the move is complete and I think there may be another new high prior to a setback. 2.17 is obvious support and if this market is going to continue higher the next level of interest is near 2.28.



# NatGas 2.16 finally on its way to the top of the channel?



There was no courtesy dip on this wave which I make as further indication that the long awaited Z wave move to the top of the channel above 2.20 is underway. If prices back off from near current levels I wouldn't think it to be much.

# NatGas 2.135 Courtesy Dip Setup



The fibo support zone for a second wave courtesy dip is essentially 2.11-2.10. I understand the weather forecasts are for above average temps so maybe a run to 2.20 is needed to prime the downward pump.



# NatGas 2.11 back on track?



Today is by and large kind of an "off" day and I think it is probably weather related. At any rate continuing to sound like a broken record I continue to look for NatGas to work towards the top of the channel...



# NatGas 2.10



Trade is getting stoopid now and perhaps the weather is a factor. Prices may be in a "b of a B" which forecasting-wise is usually about as bad as it gets. As ridiculous as it seems given the selling interests near 2.16 I am sticking with my view that the short term trend remains up.

# NatGas 2.15 still bullish, but stuck in consolidation



I was expecting prices to gap which would have made a triangle breakout easier, but that did not occur. Regardless my forecast for a run towards the top of the channel remains unchanged.



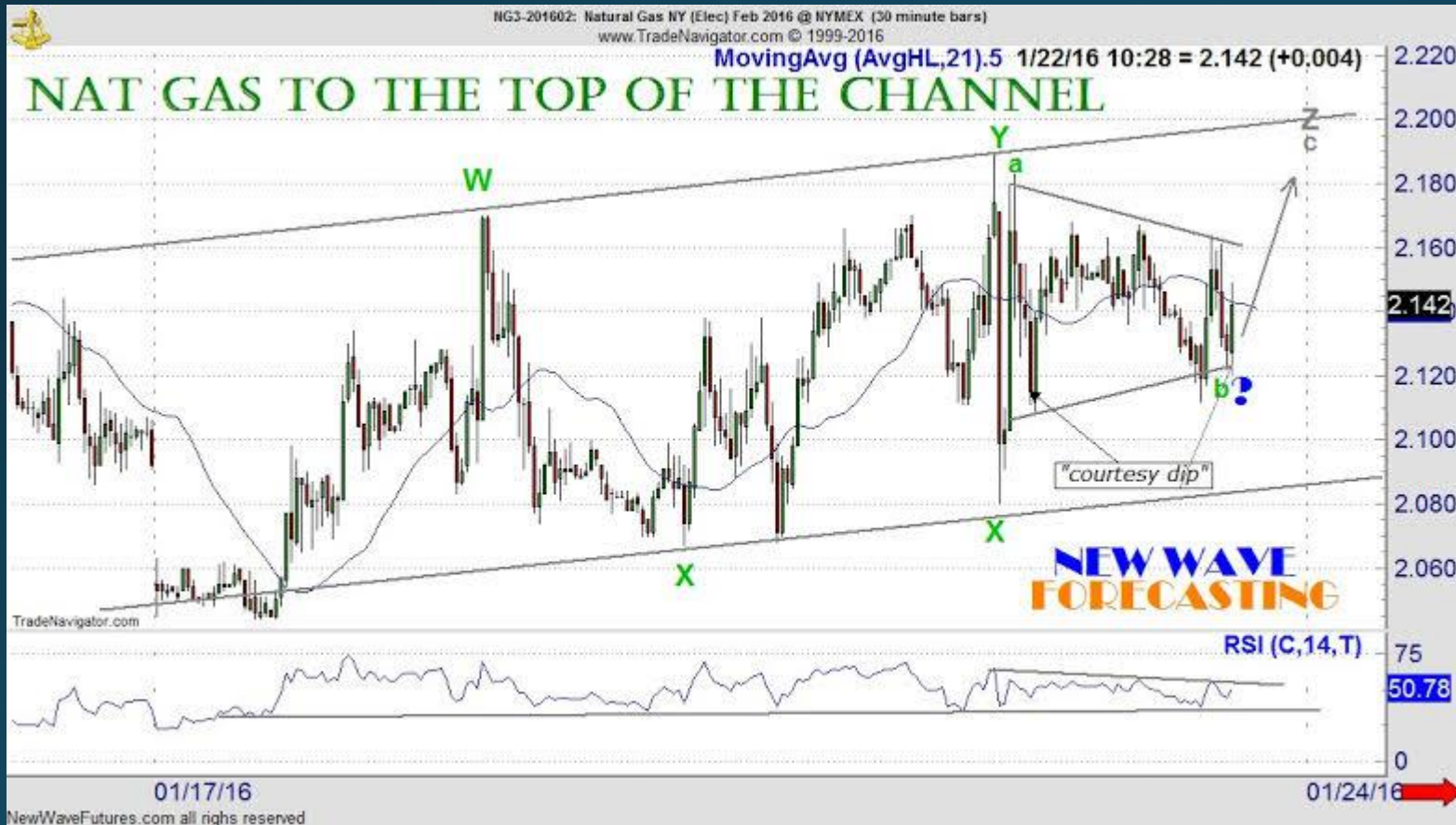
# NatGas 2.15 on the verge of upside breakout



Maybe it won't happen today and we get the typical Sunday night gap. Anyway I see no reason to alter this forecast for a move above 2.20.



# NatGas 2.14 Lock and Load?



That may just have been the termination of the wave b triangle in which case the move towards 2.20 is already underway!

# NatGas 2.125 Final Courtesy Dip in Triangle?



IF the triangle is bullish consistent with the forecast this should be the terminal swing. If 2.11 is violated a drop to the bottom of the channel is possible but that in and of itself would not rule out continuation higher.

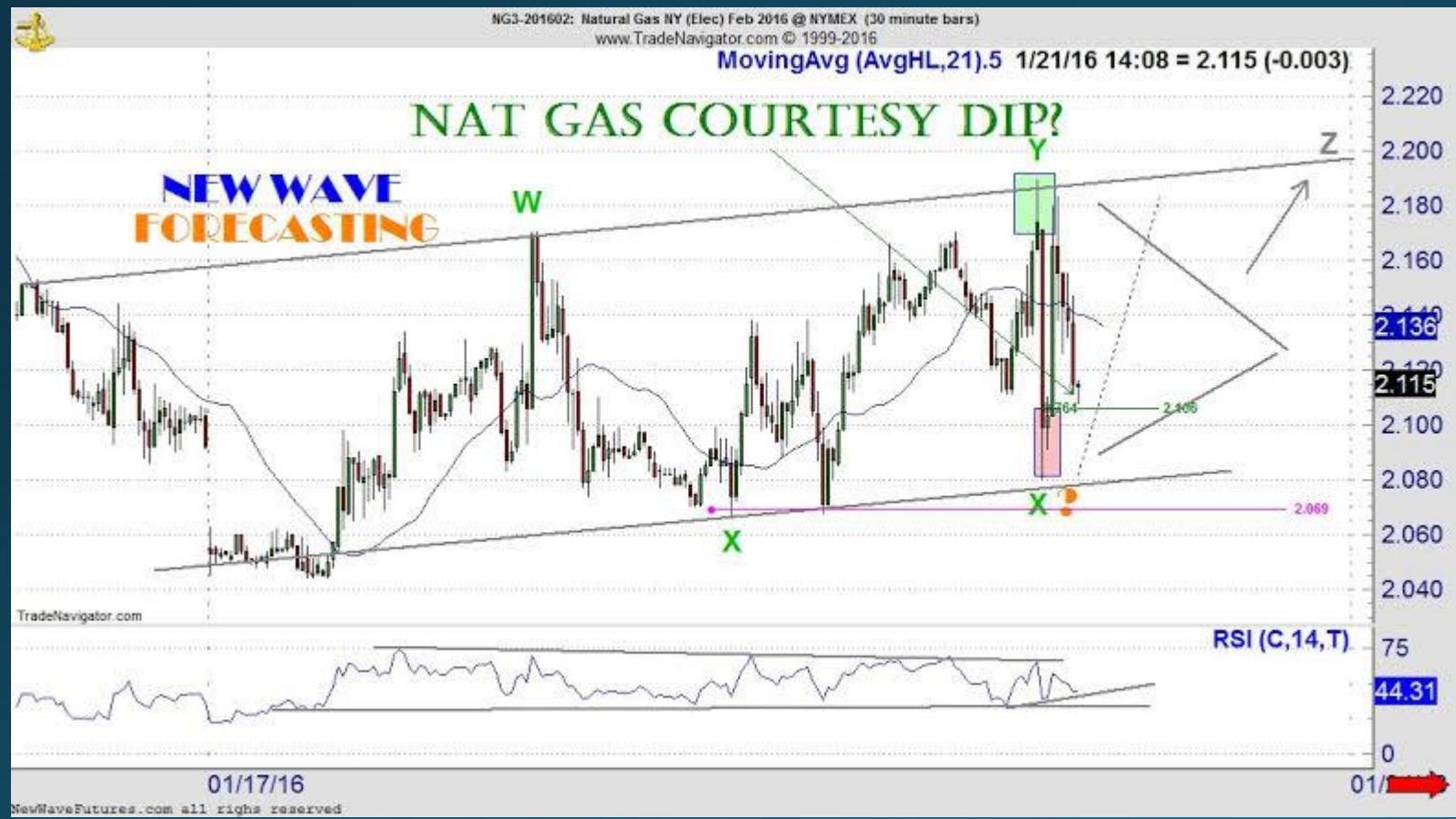
# NatGas 2.145 Triangulating as scheduled



I suggested a triangle could develop in the middle of wave Z and so far that looks to be spot on. Prices should not breach the 2.110 low prior to heading towards the top of the channel near 2.20.



# NatGas 2.115 Courtesy dip inside triangle?



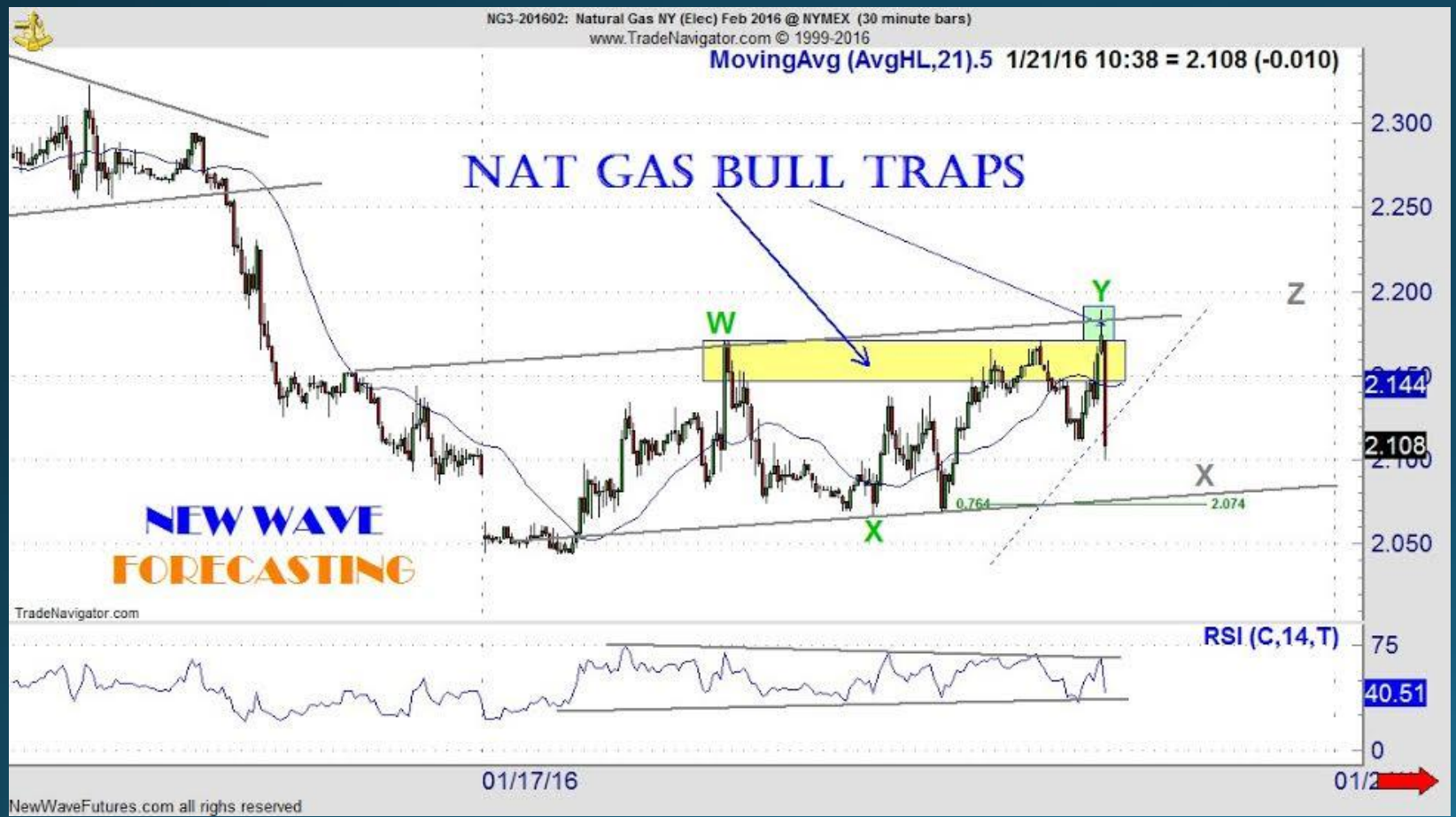
I think I got this one figured now and a triangle in the middle of the forecast Z wave really fits the ticket. With the sub 2.10 bear trap IF I am close this should be the cheapest ticket on a route to higher prices. The forecast though not necessarily the market is a bust below 2.07.

# NatGas 2.165 Yikes



Talk about brutal but not necessarily a surprise. Prices almost made the 76% retracement before bear trapping 2.10. I remain optimistic looking for further upside but not sure how it might lay out.

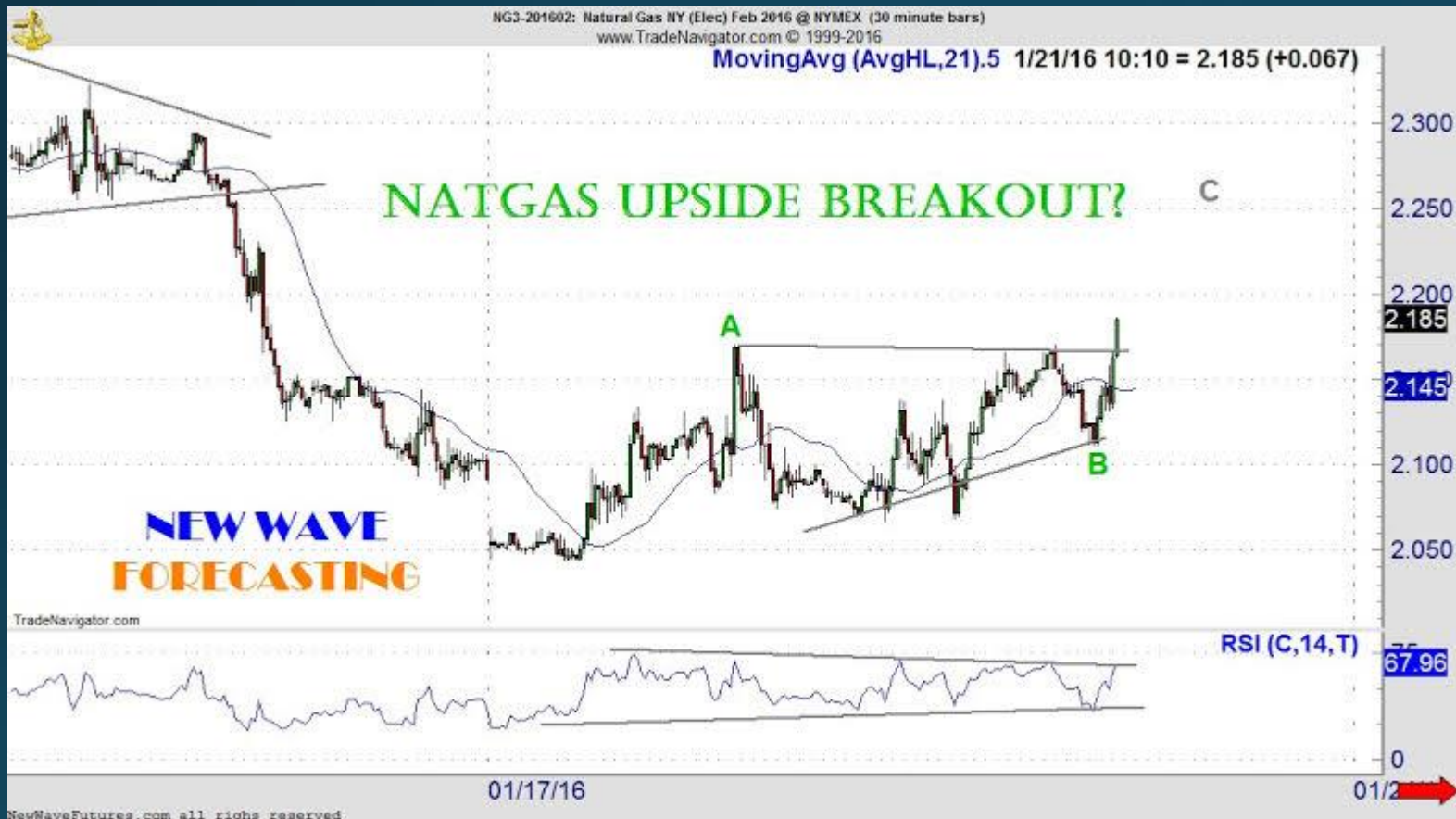
# NatGas 2.11 and lower



The report set up bull traps above 2.17 and 2.15 probably not closed out yet but, a breach of 2.10 ought to do it. The RSI study has been spot on and I am sticking with my view for a continuing sloppy rally but a test of the bottom of the channel and the lower 76 near 2.075 would be ideal. 2.15 is probably now resistance.



# NatGas may have broken out



The RSI study makes me wonder as we head into the storage report but if prices can hold above 2.155 I'd say we should be headed north of 2.25. IF things start to fall apart it could still be devastating!

# NatGas 2.13 still stuck in a range



Not much to work with as the probable triangle continues to develop. The RSI study suggests that prices are on a small hinge but we will see what fun and games the storage report brings in a couple of hours.

# NatGas 2.10 stuck in the middle



We can describe this consolidation in any terms we like but it is a triangle pattern. The problem is that it is too soon to say if it will go up and out the top or crash through the bottom. The exhaustion gap and the RSI support line make a fairly compelling case for the upside.



# NatGas 2.08 not good



The rebound failed closer to the 62% than the 76 which could spell big trouble. A small market panic may be coming if prices fall out of the pattern

# NatGas 2.10 possible bottom



The bounce off the low was encouraging but not enough to argue the bottom is in. The lower 76% retracement is near 2.065 and the upside tipping point is probably just above the 2.175 high.

# NatGas 2.10 bottom confirmed



As I said had it been almost any other market I would have been willing to throw in the towel but NatGas is in a trading world of its own that for whatever reasons usually speaks to me. So from here all I can say is that I am short term bullish.



# NatGas 2.085 make/break time



If this was almost any other market I would go ahead and proclaim it a total bust but I am willing to give NatGas another 30 minutes and/or penny or so on the downside before going with the idea of a move to the bottom of the channel. If It does break down it could be a fairly quick 10 cents similar to the last pattern breakdown. A move back above 2.10 would be a final coup de

# NatGas 2.11



2.10 is just about the small 76 and its pretty important that prices hold close as the bottom of the channel is close to 2.02 about now. My big concern here is the possible selling zone of death below 2.10....

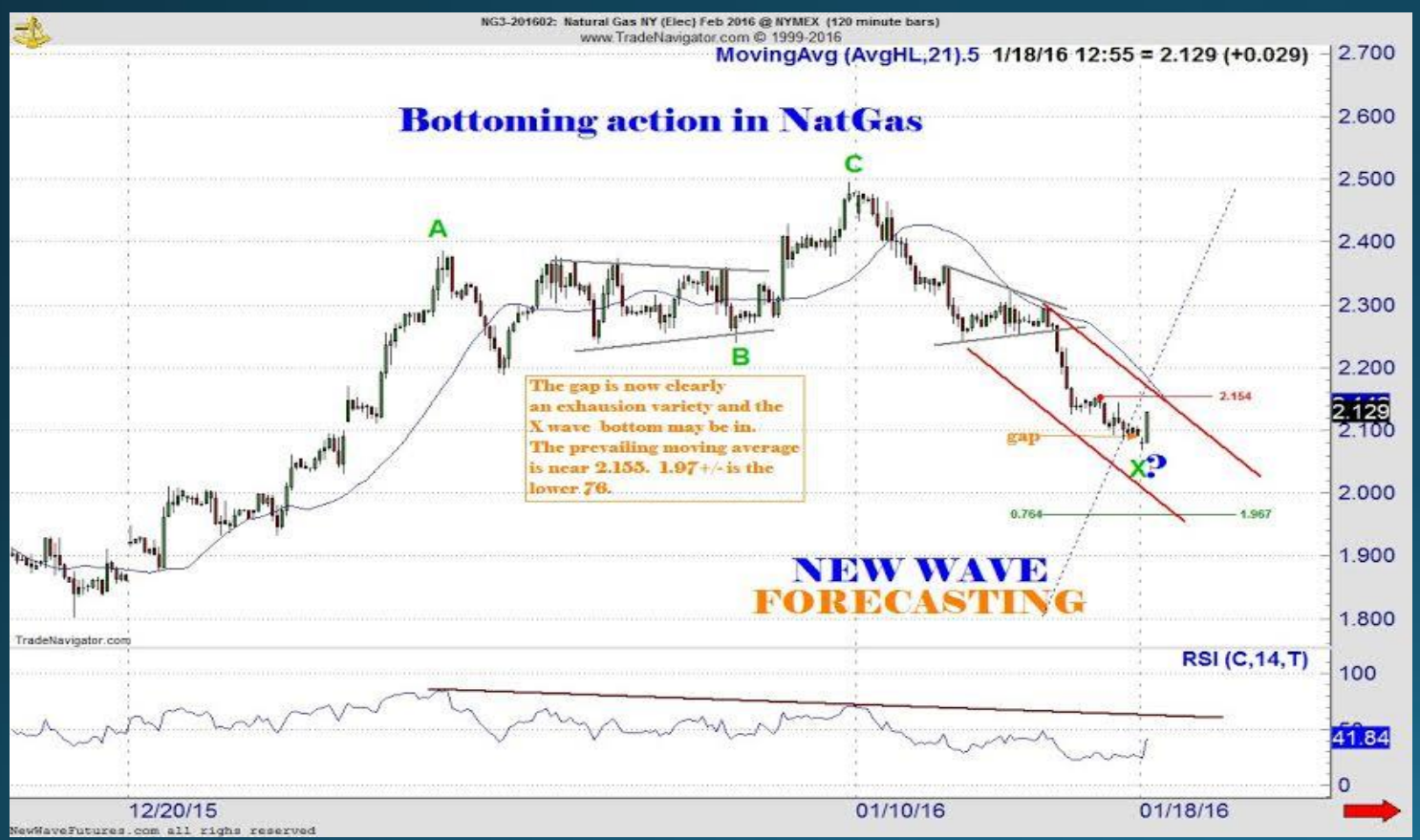
# NatGas 2.14



This is a very tough call as prices remain well contained in a down channel for now. The prevailing moving average has been exceeded but not definitively...



# NatGas 2.125 Probable bottom



The sharp rally into the abbreviated close is a good indication that the X wave bottom may be in. Further gains are required to confirm the suspect low and ordinarily I would look for further weakness but I get the feeling the way this market is whipping around that any surprises from here will be to the upside.

# NatGas 2.08



I have no idea what type of trade might be seen today....

NatGas did not make the 1.97 lower 76% retracement on the Sunday night gap. That might have marked the bottom but it can only be confirmed by price behavior to the upside. I don't know if a test of 2.15 is reasonable but that is the probably the upside tipping point and there are trapped shorts below 2.065.

# NatGas 2.13



There is now a small bear trap sub 2.10. I think the upside tipping point is near 2.16 above which a test of the upper boundary of the down channel is very close to a 38% retracement just above 2.20.



# NatGas 2.155 and looking like a bust



I have seen enough and I am willing to embrace the bearish scenario which is some kind of head and shoulders topping pattern with an upsloping neckline near 2.24. The objective is 2.05+/- and now there is nothing but 2.10+/- in between.

# NatGas 2.22



I am sure there are those out there who see this market about to collapse and it is certainly possible on report day but I suspect 2.18 will hold at least the first time if tested. The upside tipping point in these types of patterns is often the apex of the triangle near 2.26. This contract may not get back above 2.36 pretty much.



# NatGas 2.27 another buy setup



The RSI behavior was really the clue and 2.32 did turn out to be it for the upside. I have revised this forecast a bit as a new expando pattern has emerged and while I remain bullish this is a brutal trade on the long side and 2.25 could get washed out yet again.



# NatGas 2.32 at resistance



Last night I suggested we could have an inside day with a strong close and we will see...I noted the 2.32 level a couple of times and maybe it will keep a lid on the rally. If it does, the way this chart is looking I am thinking tomorrows report REACTION should be up towards 2.36.

Educational note: The failure along the rising resistance line on the RSI study is often an example of bear market

# NatGas 2.29 and heading up



The break came within 2 ticks of the lower 76 and this bear market type rally is underway. It may be more bullish but that will be a function of upside follow through on a push above 2.31



# NatGas 2.28



The recovery behavior in NatGas is corrective in nature which is consistent with my forecast. It is not surprising that a small bull trap set up above 2.30 and now I have to wonder if 2.25 will get another visit as it is very close to the lower 76



# NatGas 2.28



The day session low was at the lower end of the target zone but what could be far more important is the potential for an inside session Wednesday WITH A STRONG CLOSE! This would be consistent with the forecast. As I stated on the last post I was looking for a test of the top of the channel and located near 2.32. It would be most bullish if 2.25 is not even tested.

# NatGas 2.275 day session close near low



Not likely to happen today but the chances of a break of 2.25 are looking stronger. With or without I think prices will at least visit the top of the down channel one more time.

A push above 2.295 would be the first possible indication that a bottom is in and then 2.32 will become the focus.



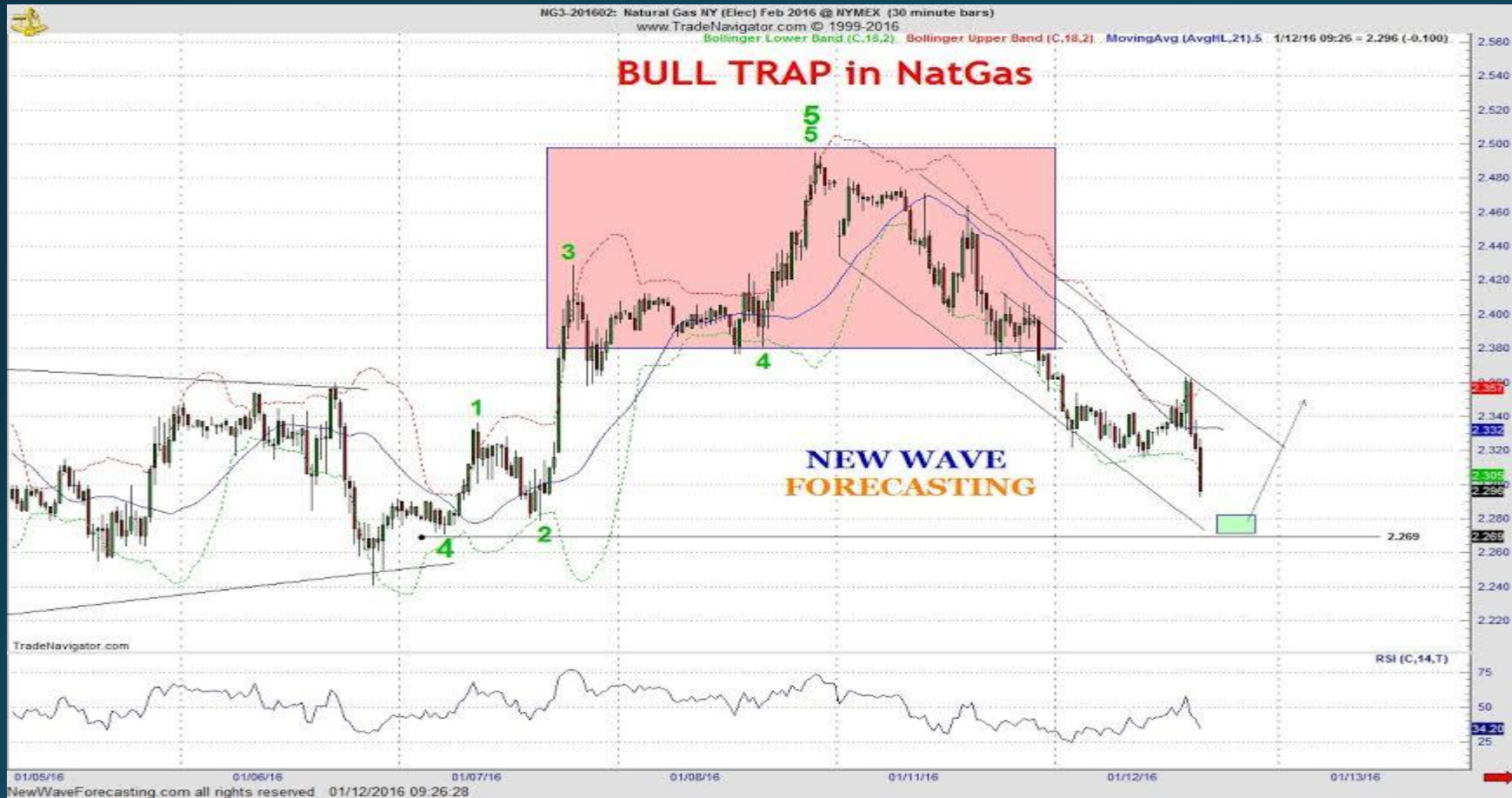
# NatGas 2.28 Target Zone arguably met



As forecasts go I think we can say this one goes in the "good" pile. The most fitting scenario I can think of to close out the Bull Trap would be a bear trap below 2.25! In my view risk management is now paramount given the proximity to support and a push above 2.31 would be a pretty good indication that the worst is over and we will be looking for a courtesy bounce which could be significant



# NatGas 2.30



This bearish forecast for NatGas is working. 2.28-2.27 would be just about ideal but this first test of 2.30 might attract some buying interest. Much above 2.3250 and the bear party might be over for a while

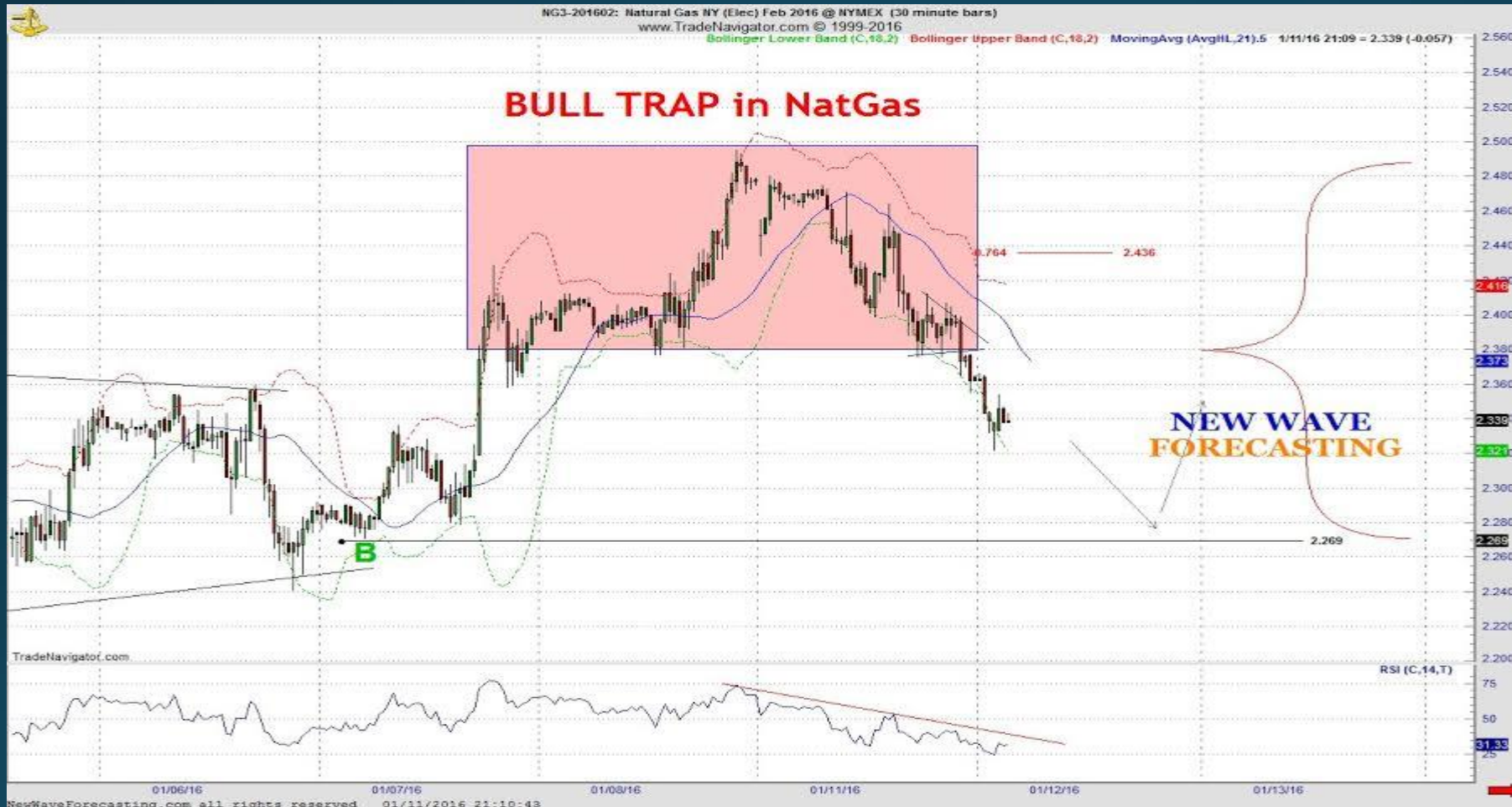
# NatGas 2.335



I think the count for the decline is coming together and I still like the idea of a test of support before a challenge of resistance. The next new low (if it does come) could be a terminal wave and possibly even a setup for a buy...



# NatGas 2.34



The continuing weakness is consistent with the revised scenario for a top in place but I can not attach a high confidence count for the decline. I think there is a strong chance that prices will simply sag right into support which is anywhere from 2.27-2.24. If this is the nasty bull trap I have pictured 2.38+/- really should be the max upside. Above there we have the





# NatGas 2.40 probable bottom



Given prices held pretty much where they had to I am fairly confident that the low will at least survive the balance of the day. 2.4450+/- is the new upper 76% and a reasonable destination even if prices are headed lower still.



# NatGas 2.38 on support



Note how the 76% retracements kept the pressure on which usually means a trend change of larger degree has not been seen.. IF my bullish forecast is going to play it would be best if a low is close. Pushing back above 2.4050 would be the first possible indication of a bottom. IF 2.3450 is breached we have a whole new game....



# NatGas 2.435 (Feb)



Sunday nights gap was quickly filled and the market has subsequently chopped its way lower but not below the previous wave peak near 2.37. The decline appears corrective and found support right on the RSI trendline which suggests this is the best fit time frame for now. Sellers are comfortable above 2.47 but I remain bullish and we will see if the day's low is in

# NatGas (2.45)



Prices gapped lower Sunday but I think it is more likely part of a shakeout rather than an indication of a serious top. Key moving average support comes in near 2.41 and a test of 2.63+/- is my current forecast. 2.375+/- looks to be the bullish line in the sand for this move to be essentially imminently ongoing...