

Pathfinder

Natural gas: Fuelling the rally!!

Fundamental Update: Supply concerns underpin Natural gas

- Natural gas prices, after plunging over 50% from this year's highs on milder weather projections, have recently rebounded more than 10% amid escalating global supply disruption fears, with episodic U.S. cold snaps adding short-term demand support
- Markets shifted into crisis mode after drone strikes forced QatarEnergy to halt LNG production at Ras Laffan and Mesaieed, temporarily sidelining a significant portion of global LNG export capacity in a single geopolitical event
- Qatar exported roughly 80 mt of LNG in 2025 i.e. ~20% of global supply, making it one of the world's top suppliers, with Asia as its primary destination while Europe also relies on Qatari cargoes to balance seasonal demand
- Sharpest reaction was in Europe, where TTF prices surged over 80% in the first week of March, as markets priced in tighter LNG availability, reflecting region's reliance on imported LNG after cutting Russian pipeline dependence and its marginal supply cushion to absorb disruptions
- US's LNG export terminals are running near capacity, limiting the ability of the U.S. to rapidly replace missing Qatari volumes in global markets
- Disruption has coincided with broader instability across the region, including temporary shutdowns at Israel's Leviathan field, operational risks around key Middle Eastern energy infrastructure, and the shipping risks through the Strait of Hormuz reinforcing wider supply fears
- Spot LNG prices have climbed toward the mid-\$20 per MMBtu range, significantly above many long-term contract levels (~\$9-\$13/MMBtu), intensifying competition between Europe and Asia for limited flexible cargoes
- Episodic U.S. cold spells have provided only marginal support, while supply insecurity continues to drive the broader trend. Although weather uncertainty could spark short-term volatility, the geopolitical premium is likely to remain embedded in gas prices unless LNG exports normalize, particularly as the inventory refilling season nears

MCX Natural Gas Technical Update



- MCX Natural gas on the 4-hourly chart has convincingly given a Falling Channel pattern breakout suggesting a fresh upward move.
- The momentum oscillator RSI is pointing upwards indicating additional bullishness.
- Considering these technical factors, buying is advised at ₹282 with a stop-loss below ₹263 on a closing basis and target level around ₹315.

Nymex Natural Gas Technical Update



- NYMEX Natural gas on the 4-hourly chart has successfully given a Bullish Wedge pattern breakout indicating a fresh higher advance.
- The momentum oscillator RSI is heading upwards indicating additional bullishness.
- Considering these technical factors, buying is advised at \$3.045 with a stop-loss below \$3.30 on a closing basis and target level around \$3.60.

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