

Pathfinder

Natural Gas: Unlocking the Next Leg Higher

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- Natural gas prices posted solid gains in May 2026, with bullish momentum carrying into June
- Above-normal temperatures across major U.S. consumption regions are boosting air-conditioning demand and natural gas-fired power generation
- LNG feedgas demand is expected to recover from maintenance-related lows and move back toward 19–20 Bcf/d, tightening the domestic market
- New LNG projects such as Golden Pass and Corpus Christi expansions are adding significant demand for U.S. natural gas
- European and Asian gas prices remain several times higher than Henry Hub, incentivizing maximum U.S. LNG exports
- Europe entered the injection season with inventories well below-normal levels and requires substantial LNG imports to meet winter targets
- Despite improving prices, U.S. gas producers have been cautious in increasing drilling activity, limiting supply growth
- Recent EIA storage reports have generally come in below seasonal averages, contributing to a gradual narrowing of the storage surplus
- EIA forecasts U.S. gas production to reach a record 110.6 Bcf/d in 2026, yet expanding LNG exports are expected to tighten the market balance
- Rising electricity consumption from data centers, AI infrastructure, and industrial demand is creating a long-term demand tailwind
- Ongoing disruptions in global energy trade and uncertainty surrounding Middle East LNG supplies continue to support demand for U.S. exports
- **The combination of stronger summer demand, increasing reliance on US LNG exports, robust global demand and start of the refuelling season creates a constructive backdrop for natural gas prices in the near term.**

MCX Natural Gas Technical Update



- MCX Natural gas on the daily chart has convincingly given a Cup & Handle pattern breakout preceded by a retest of the breakout level thus providing a secondary validation & suggesting a fresh upward move.
- The momentum oscillator RSI is pointing upwards and trading above the mid-point 50 mark suggesting further bullishness.
- Considering these technical factors, buying is advised at ₹320 with a stop-loss below ₹294 on a closing basis and target level around ₹375.

NYMEX Natural Gas Technical Update



- NYMEX Natural gas on the daily chart has successfully given a Cup & Handle pattern breakout preceded by a retest offering a secondary confirmation indicating a fresh higher advance.
- The 14-period RSI is pointing upwards and trading above the mid-point 50 mark suggesting strength in the bullish momentum.
- Considering these technical factors, buying is advised at \$3.35 with a stop-loss below \$3.08 on a closing basis and target level around \$3.93.

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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