

---

Due to poor demand and lower exports, gas prices are expected to fall

---

---

## DUE TO POOR DEMAND AND LOWER EXPORTS, GAS PRICES ARE EXPECTED TO FALL

---

- Natural gas prices are trading near 5.546, slightly higher than the previous low of 5.5116 set on November 1st, but still below the recent high of 6.466 set last month. Due to new weather projections for chilly U.S. temperatures, which is likely to increase heating demand in the US, gas prices rose for the first time in four sessions. On Tuesday, the data firm Maxar predicted below-normal temperatures for the Eastern United States from November 2 to 6.
- According to Bloomberg data, US natural gas production on Tuesday was 93.9 billion cubic feet, up +2.9 percent year over year, putting downward pressure on prices.
- According to Bloomberg data, the United States exports. On Tuesday, natural gas flows to US LNG export facilities were 11 billion cubic feet, down 0.1 percent year over year.
- Gas prices are also affected by a decrease in domestic natural gas demand. According to Bloomberg, US consumption on Tuesday was 75.3 billion cubic feet, down -4.5 percent year over year.
- A decline in US electricity output is also expected to keep gas prices under pressure. According to the Edison Electric Institute, total U.S. power output declined -2.5 percent y/y to 68,303 GWh in the week ending October 23. (gigawatt hours).
- In terms of inventory, The weekly EIA data released last Thursday revealed that natural gas stocks in the United States increased by +87 billion cubic feet to 3,548 billion cubic feet in the week ended October 22, exceeding the 5-year average of +62 billion cubic feet. However, supplies are still scarce, with inventories down -10.3 percent year over year and -3.4 percent below their five-year average.
- Baker Hughes announced on Friday that the number of active U.S. natural gas drilling rigs increased by one rig to 100 in the week ending October 29, slightly below the one-and-a-quarter-year high of 104 rigs set on July 23 and considerably above the record low of 68 rigs set in July 2020. The number of drilling rigs in the United States forecasts future production levels and supply conditions.
- The net short of natural gas futures increased by 7 118 contracts to 138 188 contracts during the week, according to the CFTC Commitments of Traders report for the week ended October 26. The number of speculative long positions fell by 8246 contracts, while the number of speculative short positions fell by 7118. The recent reduction in gas prices over the last five sessions is expected to raise the net short position in the next release.

### Outlook

- Natural gas prices are expected to move down as long as they remain below important resistance levels of \$5.797 and \$6.029, with immediate support at \$5.311-\$5.079.

---

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

---

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: [kamlesh.jogi@abans.co.in](mailto: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](mailto:info@abans.co.in) | Website: [www.abans.co.in](http://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](http://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](mailto:compliance@abans.co.in)