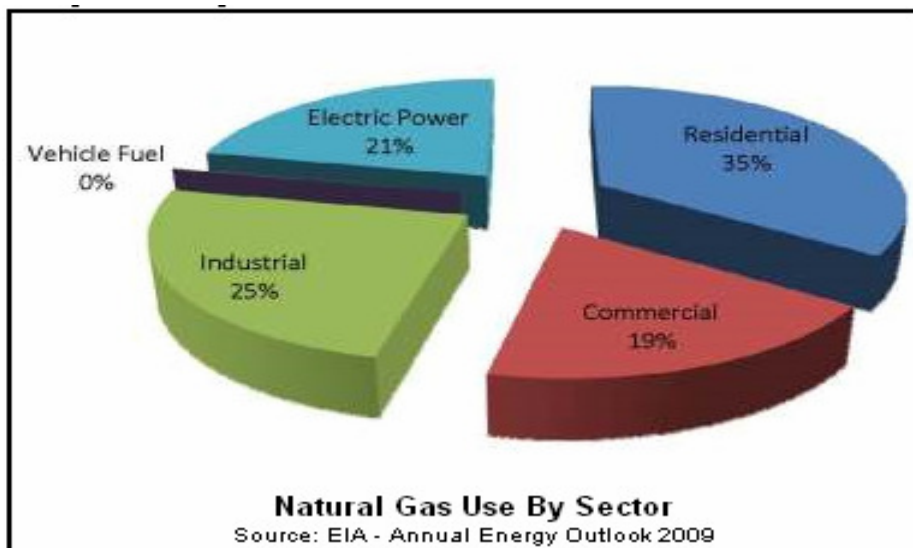




Natural Gas

As a fuel, natural gas is convenient and efficient.

- (1) It is used primarily for heat, in industrial, commercial and residential settings.
- (2) In many homes the house and water are heated by gas, the food is cooked with it and clothes dried.
- (3) Gas is also used to produce electricity, in some cases using gas fired turbines that are similar to jet engines, in others to fire steam boilers. Small gas-fired generators, called micro turbines, have recently been introduced.
- (4) Gas is often used to heat industrial and commercial boilers and pressure vessels.



Why Natural gas is preferable?

Natural gas presents a competitive advantage over other energy sources. It is seen as economically more efficient because only about ten per cent of the natural gas produced is wasted before it gets to final consumption. In addition, technological advances are constantly improving efficiencies in extraction, transportation and storage techniques as well as in equipment that uses natural gas.



Natural gas is considered as an environmentally friendly clean fuel, offering important environmental benefits when compared to other fossil fuels. The superior environmental qualities over coal or oil are that emissions of sulphur dioxide are negligible or that the level of nitrous oxide and carbon dioxide emissions is lower. This helps to reduce problems of acid rain, ozone layer or greenhouse gases.

Fundamental outlook

U.S.A. and European countries are major consumptive countries of natural gas. But they are not major producing country of natural gas. Therefore consumption of natural gas mostly depends on USA and Europe. As the USA and European major countries are still facing slow down and yet economy data are coming both positive and negative. Therefore natural gas fundamental long term perspective depends on recovery of US and European economy.

USA & Europe economy data-

Natural gas is mostly used by house hold in USA. Residential applications are the most commonly known use of natural gas. It can be used for cooking, washing and drying, water warming, heating and air conditioning. Domestic appliances are increasingly improved in order to use natural gas more economically and safely. Operating costs of natural gas equipment are generally lower than those of other energy sources.

Technical outlook

Natural gas is looking ready to bottom out. If we study the daily chart range is a major support level. While we don't generally try to pick bottoms, there are some signature price patterns and volume patterns that have proven to be very profitable for catching sharp bounces.

Chart pattern analysis (weekly chart)- while we study chart pattern then natural gas is making head & shoulder on weekly chart where we can see that 260 is immediate resistance for natural gas if it cross this level then to complete its second should it may move to 285-90 level in coming two to three month .

At lower side 194-190 is very good support for natural gas. If natural gas doesn't hold its



support then it may sleep to 160 and below level therefore it necessary to exit from long position if it break its sleep below its support of 190.

Trend analysis (daily chart)- It is trading below its important moving average of 30 days and 50 days. Therefore immediate trend is looking bearish .RSI & MACD both are looking over sold and giving an indication of trend reversal at these downside levels.. As per chart 240 is looking immediate resistance level for natural gas.

The strategy should be to sell on rise for small gains and then re-enter on declines near support levels to hold for significant gains in the near term.



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