

**Valuation & Research Specialists (VRS)**  
VRS Research Team  
Nicholas Georgiadis, Sotiris Kazambakas  
info@valueinvest.gr

## NATURAL GAS

[Bloomberg Ticker: NG1:COM]

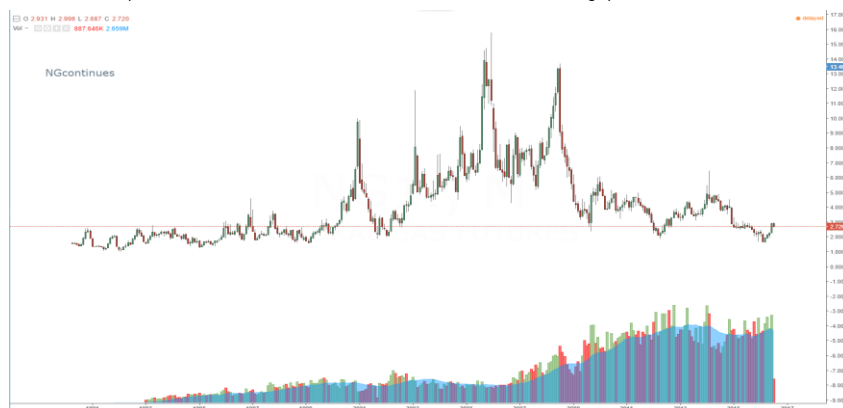
### US Dollars per 1 million British thermal units (MMBTU)

#### Graph Analysis and Fundamental Views

Our comment is based on Natural Gas graph analysis that spans the last 25 years. The scope of the graph analysis is to detect signs of significant long-term movements in the commodity's price that may initiate in the short to medium-term horizon.

During the indicative period 2008 – 2016, the price of natural gas has gradually declined from over USD 11 / MMBTU to the level of USD 2 / MMBTU. Our view is that the commodity approached recently a bottom level at USD 2 / MMBTU that will not be tested again for the next 2-3 years. In this context there is an increasing likelihood of an upward long-term movement for natural gas prices. The following chart presents the Natural Gas prices since the year 1991.

**Natural Gas** (Since Year 1991, Source: New York Mercantile Exchange)



**Natural Gas** (Year-to-date)



Source: New York Mercantile Exchange

Looking at the fundamentals that have so far determined expectations for natural gas, the following points are highlighted:

- Natural gas prices have appreciated over the past months due to forecasts for hot weather conditions in the US. Demand for natural gas by utility companies in order to generate electricity that will be used to power air conditioners is expected strong.
- Data have already showed a rising trend in demand starting from May 2016.
- Should hot weather conditions persist in July and August of this year, demand for natural gas will further increase.
- Higher demand for natural gas should also be the case if the transition from El Nino to La Nina occurs this summer.

In conclusion, we will continue to look at the fundamental aspects surrounding the natural gas market with the objective to examine whether the conditions of a long-term upward movement have been fulfilled.

#### Important Note:

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