

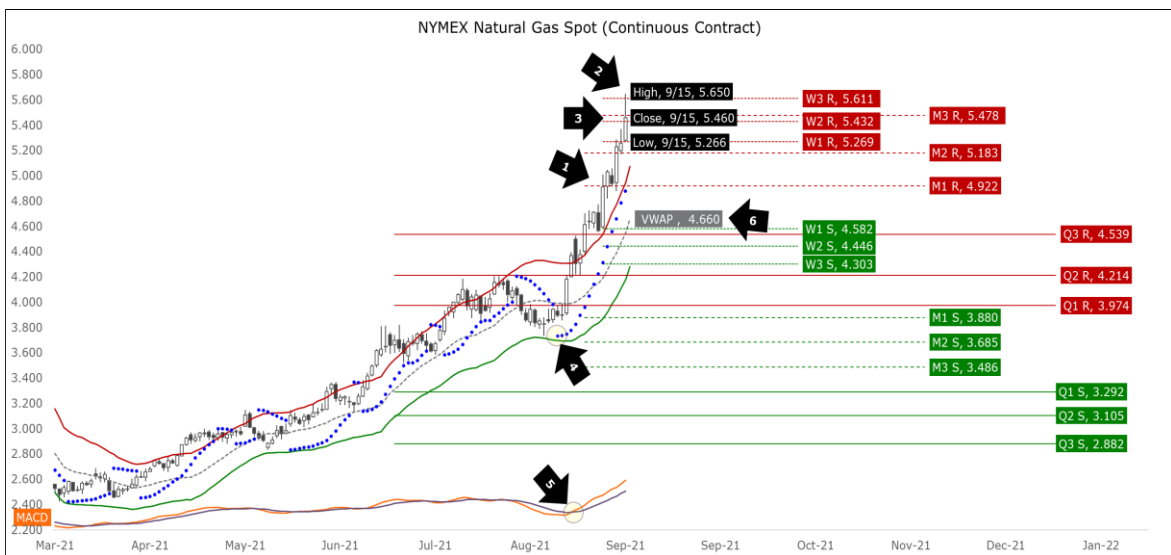


## What's Above the Sky?

Last week we titled this section... *The Sky is the Limit in NYMEX Gas*. As it turns out, **limits can be broken**. Over the course of the last five sessions, NYMEX Henry Hub natural gas futures (continuous roll) broke through our model's initial resistance for the month of \$4.922/MMBtu (arrow 1). The bulls did not look back from there, setting three consecutive high prints, peaking yesterday 3.9 cents above our third (and final) resistance for the week at \$5.650/MMBtu (arrow 2) and closing within 1.8 cents of our third (and final) resistance for the month at \$5.460/MMBtu (arrow 3).

Accordingly, our two favorite technical indicators—the Parabolic SAR (arrow 4) and the MACD (arrow 5) are strongly bullish. Furthermore, yesterday the market peaked 21.2% above the 20-day volume weighted average price or VWAP (arrow 6).

Looking ahead to next Wednesday, September 22<sup>nd</sup>, per yesterday's \$5.460/MMBtu close, our weekly resistance levels are \$5.891/MMBtu, \$6.088/MMBtu, and \$6.307/MMBtu. Given the extant parabolic rise, we added a fourth resistance point this week of \$6.532. The monthly targets, based on the August 27<sup>th</sup> settlement of \$4.370/MMBtu are \$4.922/MMBtu, \$5.183/MMBtu, and \$5.478/MMBtu. The weekly support targets are \$5.061/MMBtu, \$4.897/MMBtu, and \$4.472/MMBtu and the monthly support levels are \$3.880/MMBtu, \$3.686/MMBtu, and \$3.486/MMBtu.



## Gas refills on the rebound.

Today, the EIA reported a solid injection of 83 Bcf of gas into L48 underground storage. Stocks rose to 3.006 Tcf for the week ended September 10<sup>th</sup>. The report came in above the consensus: the Reuters' survey mean was 76 Bcf. Of course, the build was skewed by extant disruptions to Gulf of Mexico gas activities left in Ida's wake. Next Thursday's report will also be impacted by Ida, along with flooding from Nicholas; the early consensus is looking for a solid injection in the low/mid 70s Bcf. The typical injection is 73 ±21 Bcf.