



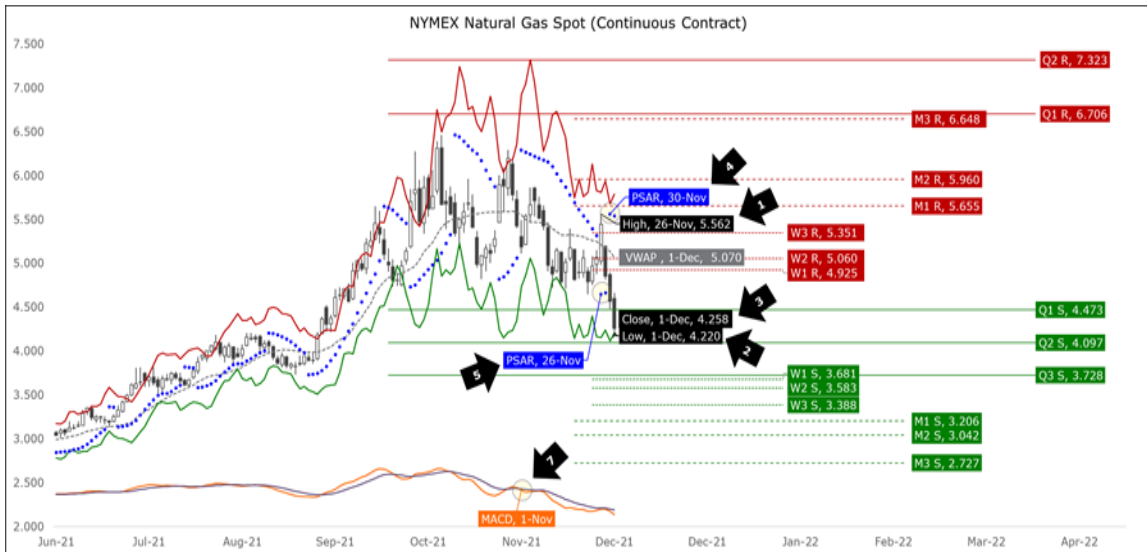
## The Bull's Unraveling

Last Friday, while the oil markets suffered one of the largest selloffs on record, the NYMEX Henry Hub natural gas market rallied. Whereas the NYMEX RBOB gasoline contract suffered the largest loss ever (\$12,193 per contract), the January natty market rallied by \$3,630 per contract. The market volatility was exacerbated by a combination of thin post-Thanksgiving holiday liquidity and end-of-month book squaring.

Since then, NYMEX gas has tanked, falling from last Friday's \$5.562/MMBtu high print (arrow 1) to yesterday's \$4.220/MMBtu low print (arrow 2) and \$4.258/MMBtu settlement (arrow 3). The market is currently trading inside our model's first two support lines for the fourth quarter of \$4.473/MMBtu and \$4.097/MMBtu.

Our two favorite technical indicators are bearish. The parabolic SAR whipsawed from bullish on November 26<sup>th</sup> (arrow 5) to bearish on November 30<sup>th</sup> (arrow 4). The MACD (arrow 7) has been bearish since the start of last month.

Looking ahead to next Wednesday, December 8<sup>th</sup>, per the December 1<sup>st</sup> close \$4.258/MMBtu, our weekly resistance levels are \$4.925/MMBtu, \$5.060/MMBtu, and \$5.351/MMBtu. The weekly support targets are \$3.681/MMBtu, \$3.583/MMBtu, and \$3.388/MMBtu. Our monthly initial resistance/support targets are \$5.655/MMBtu and \$3.206/MMBtu, respectively.



Let's hope Jackson Browne and the rest of his **No Nukes** cohorts are sitting down.

[Yahoo/Reuters](#): "California may reconsider whether to close its last nuclear power plant as public support has grown for the low-carbon energy source, U.S. Energy Secretary Jennifer Granholm told Reuters on Tuesday. She added she was willing to eventually talk with state officials about keeping the Diablo Canyon plant open."