



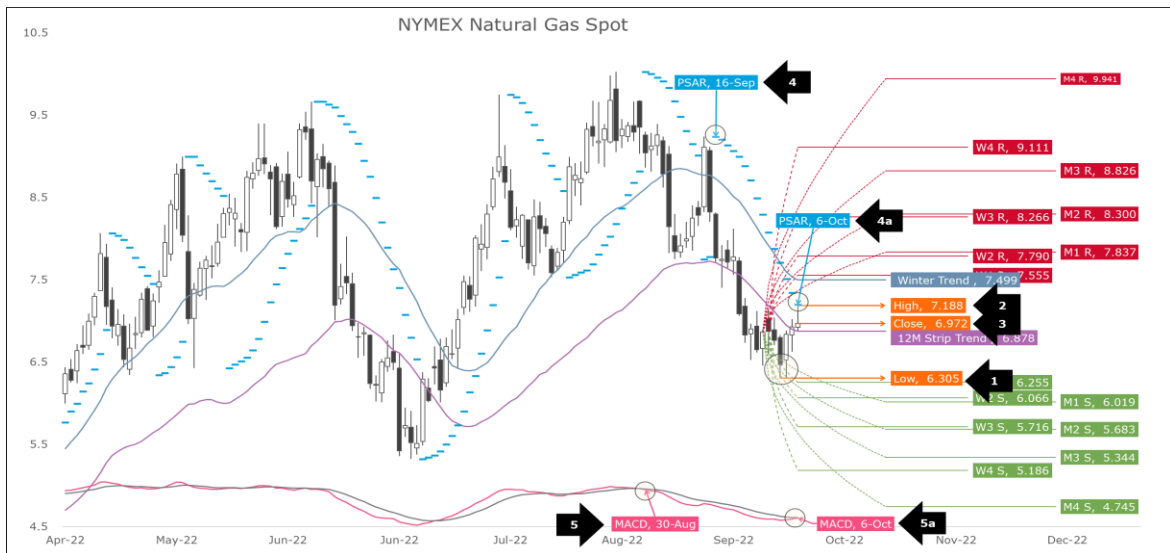
## All Good Things Must Come to an End

At the start of this week, the spot NYMEX Henry Hub natural gas futures market opened the fourth quarter plunging to a three-month low of \$6.305/MMBtu. As illustrated (arrow 1), the market traded into a cluster in our model's weekly and monthly (green) support bands.

As the name of these parabolas suggest, this is a high probability area where we expect to see support. Over the past three days, the market has rallied out of this range. Not even today's EIA report—which is one of the most bearish ever posted in 30 years of NYMEX gas trading—could cool the market's rebound. The contract rallied to a \$7.188 high print (arrow 2) and closed above the \$6.878 trend in the 12-month weighted strip at \$6.972 (arrow 3).

Our two favorite technical indicators are in sync, for now. The MACD (arrow 5) has been bearish since the end of August, while the parabolic SAR (arrow 4) flipped bearish back in the middle of last month. However, notice at today's settle both indicators... the parabolic SAR (arrow 4a) and MACD (arrow 5a)... are on the verge of flipping bullish. In light of this action, we changed our two-week-old bearish bias to neutral.

Looking ahead to next Thursday, October 13<sup>th</sup>, per yesterday's \$6.972 settlement, our model's four weekly support levels are \$6.344, \$6.152, \$5.798, and \$5.260. Our four weekly upside targets are \$7.662, \$7.901, \$8.384, and \$9.241. Our monthly targets are \$6.019, \$5.683, \$5.344, and \$4.745 for support and \$7.837, \$8.300, \$8.826, and \$9.941 for resistance.



## Prospects for L48 underground storage continue to improve.

This morning, the EIA reported a gargantuan injection of 129 Bcf of natural gas into L48 underground storage. This is the third largest injection since weekly data was first published by the AGA in 1994. As of September 30<sup>th</sup>, inventories ballooned to 3.106 Tcf and the shortfall to the seasonally adjusted time series narrowed to a 9-month low of 116 Bcf. The typical injection for next week's report is 67 ±29 Bcf. An early taste of winter this week in the East is offset by a dearth of weather demand in the Central U.S. (which is further compounded by extant outages related to Hurricane Ian). All of this translates to another massive injection in next Thursday's report, similar to what we saw today!