



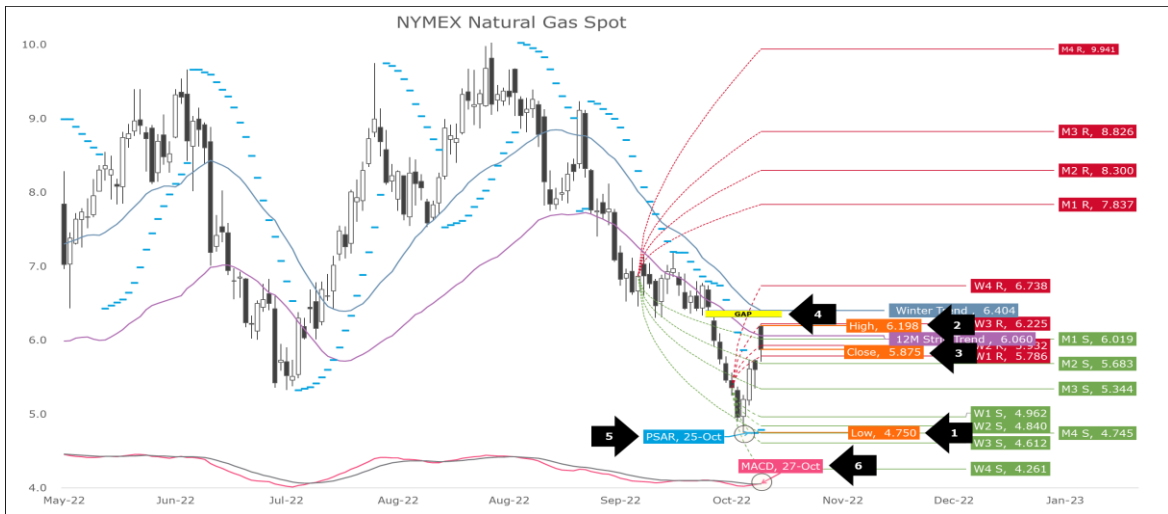
Bulls Scramble to Recover

At the start of last week nat gas gapped below the previous Friday's (October 14th) low print of \$6.409 (arrow 4). With bulls trapped above the gap, a wave of selling came in to force the bulls out of their position (sell their length), thus accelerating the market's downslide. By the time the dust settled at the start of this week, the market bottomed at \$4.750 (arrow 1). Since then, the market has recovered from the bullish squeeze, even making a run today at the gap.

As illustrated, the market (December 2022 delivery) peaked today within 2.7 cents of our model's \$6.225 third resistance for this week (W3 R) at \$6.198 (arrow 2) but plunged from there to settle in between our models \$5.932 second resistance for the week (W2 R) and the \$5.786 initial resistance for this week (W1 R) at \$5.875 (arrow 3).

Our two favorite technical indicators whipsawed. The parabolic SAR and the MACD shifted bearish last week, but each flipped bullish this week; the parabolic SAR turned on Tuesday (arrow 5) and the MACD flipped today (arrow 6). Given that these indicators are in sync, we have switched our one-week-old bearish bias to bullish.

Looking ahead to next Thursday, November 3rd, per yesterday's \$5.875 settlement our model's four weekly support levels are \$5.359, \$5.202, \$4.910, and \$4.467. Our four weekly upside targets are 6.440, \$6.635, \$7.029, and \$7.728. Our updated monthly targets are \$5.152, \$4.867, \$4.578, and \$4.068 for support and \$6.699, \$7.092, \$7.539, and \$8.486 for resistance.



For the first time in two months, EIA disappoints.

This morning the EIA reported its first sub triple-digit injection in six weeks. As of October 21st, L48 underground storage rose by 52 Bcf to 3.394 Tcf. The typical injection into L48 underground storage for last week is 56 ±16 Bcf. From this perspective, yesterday's report is about as normal as can be. However, from the standpoint of market expectations (high 50s, low 60s Bcf), the report was a bummer. Nevertheless, given this week's mild weather throughout key market areas, next week's report will be a monster, perhaps... gulp... another triple-digit.