HENRY HUB NG FUTURES

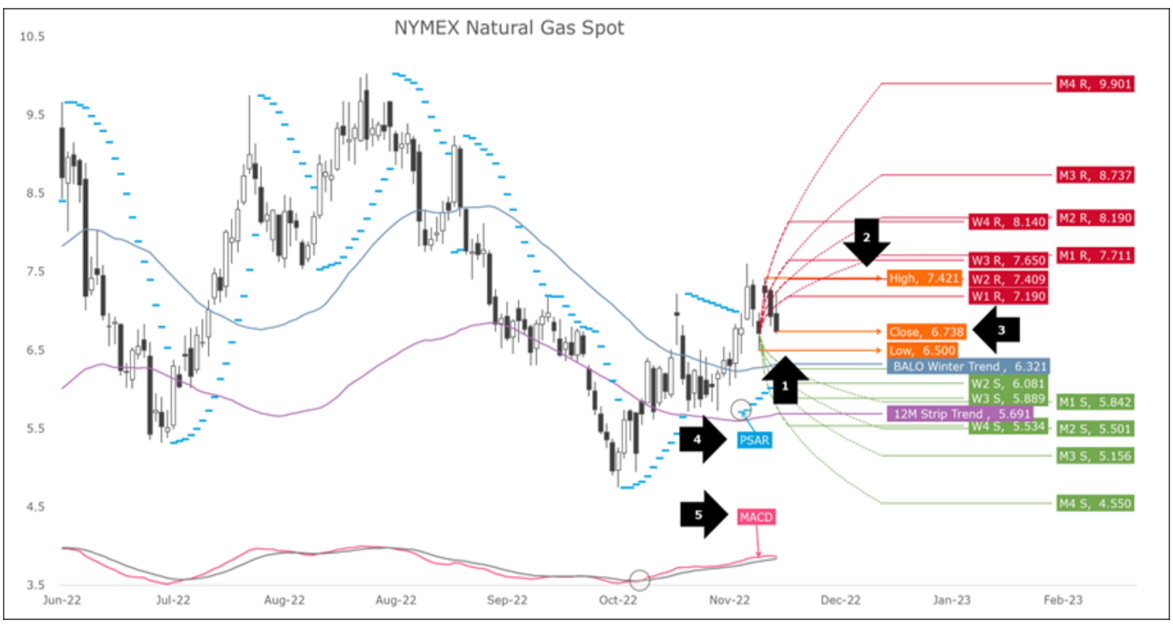
THE SCHORK GROUP, INC.

NYMEX Gas Holds Firm

After a pre-holiday spike to $7.604, the spot NYMEX Henry Hub futures (continuous) contract backed off. At the start of this week, the December 2022 expiry, the market bottomed at $6.500 (arrow 1). The follow day, after the contract roll to January 2023, the market peaked $0.012 above our model's $7.409 second resistance target (W2 R) at $7.421 (arrow 2). The contract finished today at $6.738 (arrow 3).

The market is holding above the $6.321 volume-weighted trend in the balance-of-winter strip and well above the $5.691 volume-weighted trend in the 12-month strip. Our two favorite technical indicators, the parabolic SAR (arrow 4) and the MACD (arrow 5) are bullish. Given that both are in sync, we will switch our bias to bullish with the following stipulation: the MACD appears to be tacking bearish and, accordingly, our confidence in the bullish bias is low.

Looking ahead to next Thursday, December 8th, per yesterday's $6.738 settlement, our model's four weekly support levels are $6.265, $6.081, $5.889, and $5.534. Our weekly upside targets are $7.190, $7.409, $7.640, and $8.140.



The EIA opens strong.

Thank goodness injections ended the refill season in record fashion because the heating season is off to a healthy start. Over the last two EIA reports, a total of 161 Bcf of natural gas has been delivered from L48 natural gas underground storage. The two-week draw is 79 Bcf (96%) above the five-year average for the corresponding weeks and 63 Bcf (64%) above normal. Storage will likely receive a reprieve this week thanks to a moderate weather forecast. The early consensus is a delivery in the teens; the normal delivery is 97 ±27 Bcf.