



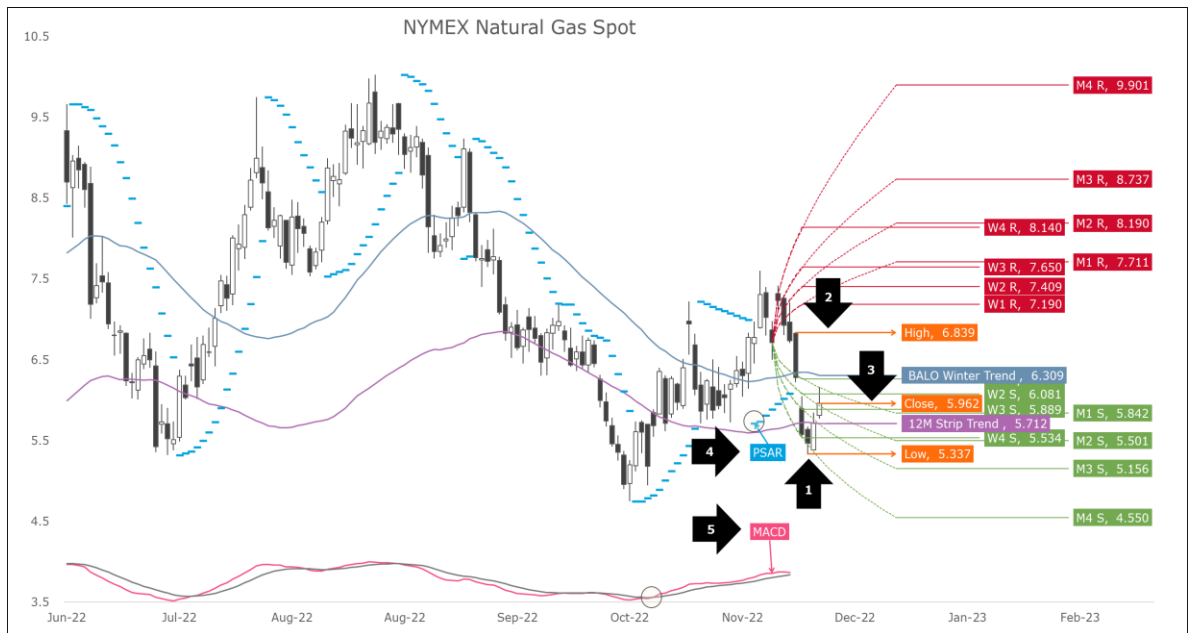
## NYMEX Gas Gaps Lower

The spot NYMEX Henry Hub futures (continuous) contract crashed at the start of this week. The market peaked at the end of last week at \$6.839 (arrow 2) but then gapped lower at the start of this week. On Tuesday, the contract bottomed along our model's fourth support-parabola for the month at \$5.337 (arrow 1).

The market has since recovered and finished today at \$5.962 (arrow 3), in between model's third weekly support (W3 S) of \$5.889 and our second weekly support (W2 S) of \$6.081.

As noted last week, our two favorite technical indicators, the parabolic SAR (arrow 4) and the MACD (arrow 5) turned bullish around the holiday, but our confidence in this bias was low. This week, both indicators flipped. As such, we have moved our one-week hold bullish bias to bearish.

Looking ahead to next Thursday, December 15<sup>th</sup>, per yesterday's \$5.962 settlement, our model's four weekly support levels are \$5.436, \$5.222, \$5.002, and \$4.602. Our weekly upside targets are \$6.539, \$6.807, \$7.106, and \$7.724.



## L48 Deliveries Ease

Today, the EIA reported the third delivery of the season from L48 natural gas underground storage. After back-to-back above normal deliveries totaling 161 Bcf, a mere 21 Bcf was withdrawn last week. As of December 02<sup>nd</sup>, storage was 3.462 Tcf with a 43 Bcf deficit to a year ago. The early consensus for next week's report is a below normal ~50 Bcf delivery. Storage is currently on pace to finish winter around 1.624 Tcf, well above last year's ending balance of 1.389 Tcf.