



Same Old, Same Old

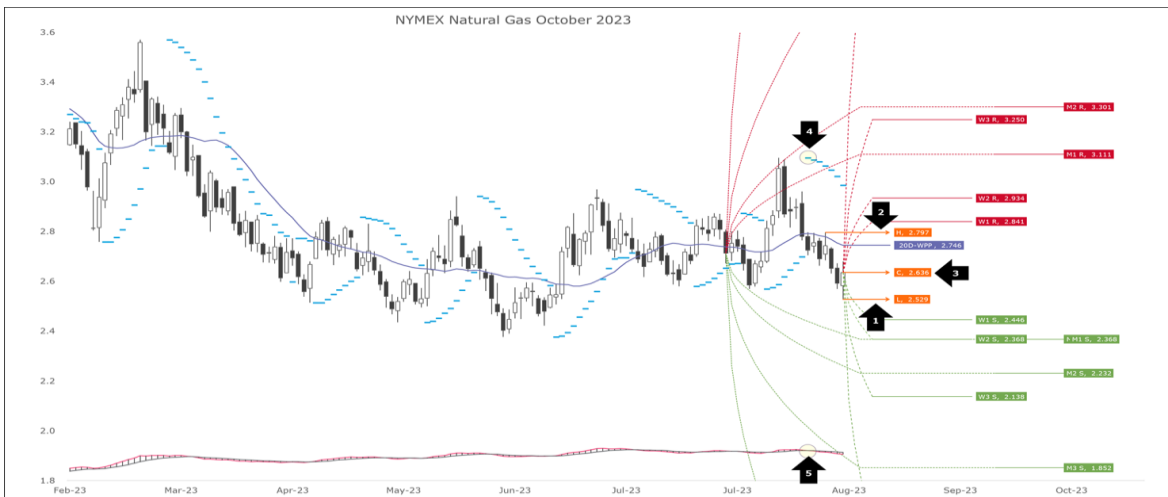
We were out of the office last week but not much changed has changed in the market. Every time a natural gas bull raised its head, a gas bear was there to whack it back down. After rallying two weeks ago to above the \$3 threshold, the NYMEX Henry Hub contract for October 2023 delivery went into a freefall.

The contract peaked to start this week at \$2.797 (arrow 2) and plunged today to a two-month low of \$2.529 (arrow 1). However, after today's EIA update, bulls managed to pull themselves off the mat and settled at \$2.636 (arrow 3).

Before we left on holiday, the Parabolic SAR and MACD switched to bullish. However, because of extreme volatility at the time, we said we were "... loath to switch our bias to bullish..." and held our bias at neutral.

Thank goodness! Over the past week, both the Parabolic SAR (arrow 4) and MACD (arrow 5) flipped bearish. Therefore, we have now changed our two-week-old neutral bias to bearish.

Looking ahead to next Thursday (August 31st) for October futures, based on today's \$2.636 close, our four weekly upside targets are \$2.841, \$2.934, \$3.250, and \$4.257. Our support levels are \$2.446, \$2.368 \$2.138, and \$1.632. The monthly targets on the upside are \$3.111, \$3.301, \$3.978, and \$6.511. On the downside, we are looking at \$2.368, \$2.232, \$1.852, and \$1.131.



L48 storage... injections trickled to a drip last week.

Today the EIA reported the 20th injection of gas into L48 underground storage. A disappointing 18 Bcf was added. The typical injection for this update is 49 ±14 Bcf so last week's addition was well below normal and also well below the consensus which averaged in the low 30s Bcf on the major surveys. As of Friday, August 18th, storage rose to 3.083 Tcf. After yesterday's report, the market is on pace to finish the season at ≈3.93 Tcf. The EIA's latest forecast is 3.848 Tcf.