



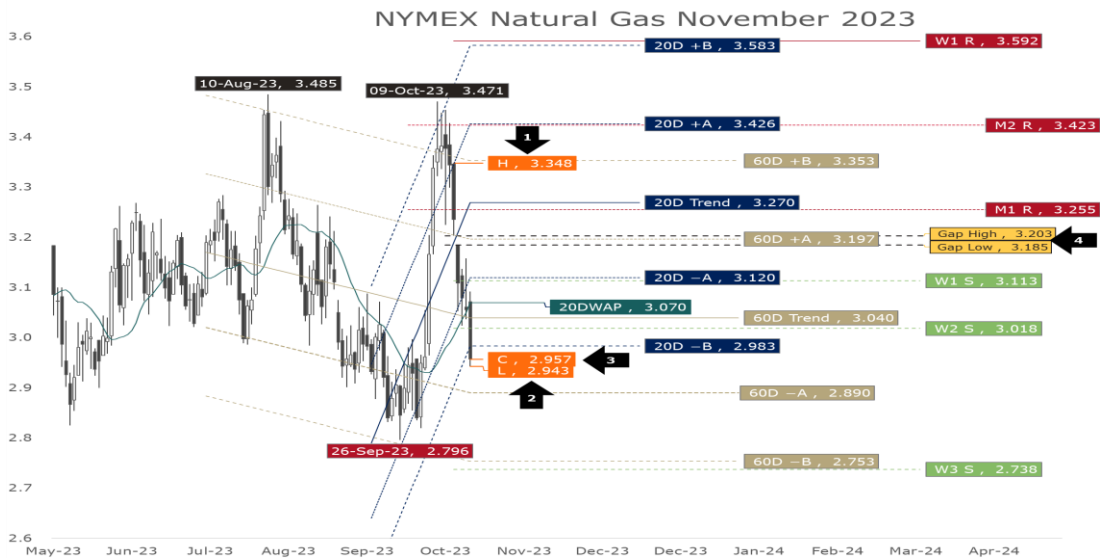
## Bulls Had a Good Run... But All Good Things Must Come to an End

At the start of this week, spot NYMEX Henry Hub natural gas futures for November delivery gapped lower, from last Friday's \$3.203 per MMBtu low print to Monday's \$3.185 per MMBtu high print (arrow 4). The contract cratered today following a bearish weekly storage update from the EIA, plunging to a \$2.943 low print (arrow 2) and finished below our lower outermost limit (\$2.983) of the 20-day bullish channel at \$2.957 (arrow 3).

The Parabolic SAR and the MACD each flipped to bearish this week. **Thus, we will switch our three-week-old bullish bias to bearish.**

Looking ahead to next Thursday (October 26<sup>th</sup>) in the November market, based on today's \$2.957 per MMBtu settlement, our support targets are \$2.738, \$2.648, \$2.383, and \$1.804. Our resistance targets are \$3.194, \$3.303, \$3.670, and \$4.847. Our new monthly targets on the support side are \$2.582, \$2.455, \$2.095, and \$1.378. The resistance limits are \$3.255, \$3.423, \$4.011, and \$6.097.

The 60-day trend in the bear channel is \$3.030 per MMBtu and our lower innermost limit is \$2.887 per MMBtu, followed by our lower outermost limit of \$2.757 per MMBtu.



## L48 Storage... after five straight normal injections, the EIA reports a whopper!

Today the EIA reported the 28<sup>th</sup> injection of natural gas into L48 underground storage. A net of 97 Bcf of gas was added. The report came in well above the mean forecast from the consensus, which was in the low 80s Bcf. The report also came in on the high end of the seasonal adjusted norm of 82 ±23 Bcf. As of October 13<sup>th</sup>, storage was 3.626 Tcf and at the current rate of injections is on pace to finish the season around 3.818 Tcf.