

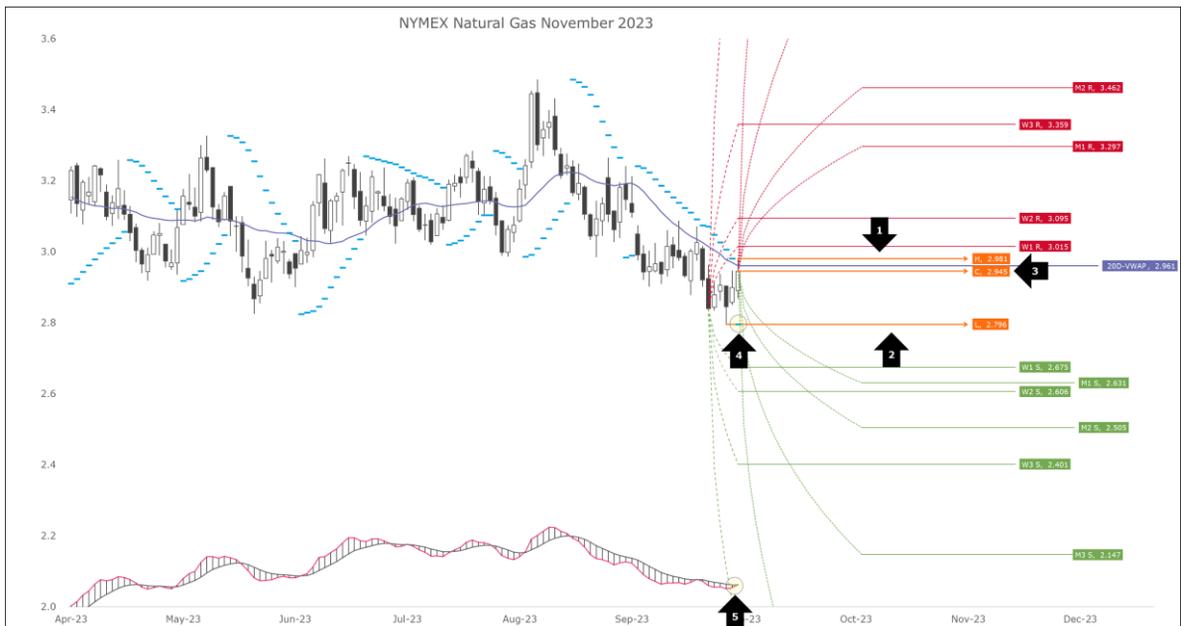


Up One Week, Down the Next

The NYMEX Henry Hub yo-yo continues to gyrate, up one week, down the next, rinse and repeat. Over the past five days, the natural gas contract for November delivery (the first contract of winter), bottomed at \$2.796 per MMBtu (arrow 2), peaked \$0.020 above the 20-day weighted pivot price, \$2.961, at \$2.981 (arrow 1) and finished \$0.016 below the 20-day weighted pivot price at \$2.945 (arrow 3).

For what it is worth, not much in a non-trending market, our two favorite technical indicators, the Parabolic SAR (arrow 4) and the MACD (arrow 5) each turned bullish this week. **Thus, we will switch our three-week-old neutral bias to bullish.**

Looking ahead to next Thursday (September 5th) in the November market, based on today's \$2.945 per MMBtu settle, our four weekly support levels are \$2.787, \$2.721, \$2.524, and \$2.069. Our resistance levels are \$3.113, \$3.187, \$3.436, and \$4.192. The new monthly targets are \$2.631, \$2.505, \$2.147, and \$1.429 for support, and \$3.297, \$3.462, \$4.040, and \$6.071 for resistance.



L48 Storage... back-to-back normal injections.

Today the EIA reported the 25th injection of gas into L48 underground storage. A net of 90 Bcf was added last week. Based on our seasonal models, for this time of the year we would expect an injection of 83 ±24 Bcf. Therefore, today's report is normal. As of Friday, September 22nd, storage rose to 3.359 Tcf. The early projections from Reuters and The Desk for next Thursday's report is around a 90 Bcf injection. The typical injection for this time of the year is 94 ±25 Bcf. Therefore, the market is expecting a fourth straight normal report.