



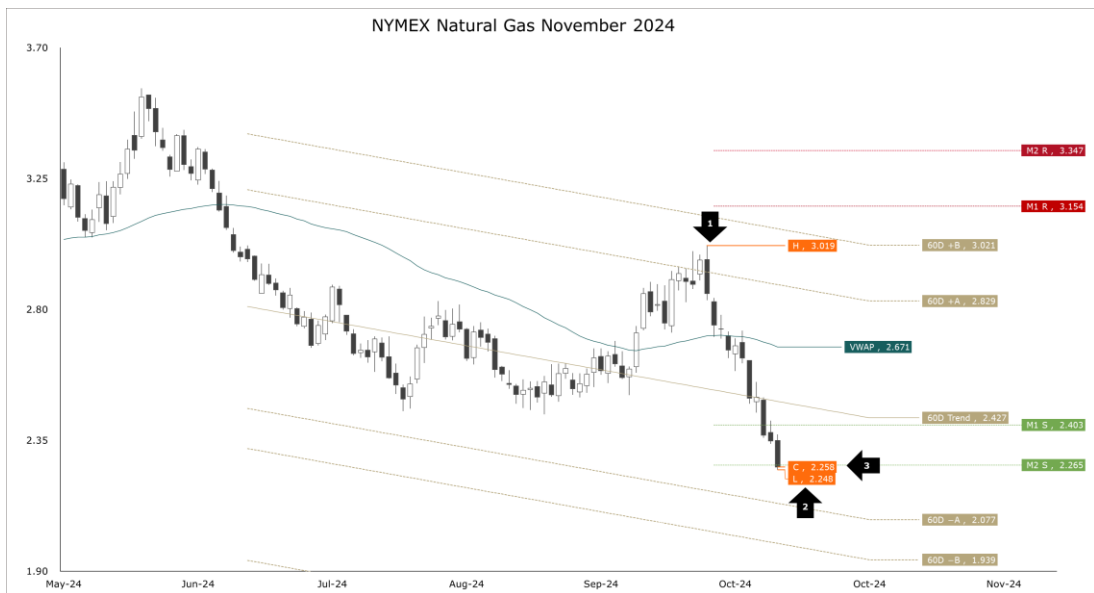
Gas Is Out Of Steam... and Now The Boiler Has Exploded

NYMEX gas for November 2024 delivery has finished lower in 12 out of the first 14 days of October and closed last Friday at a life-of-contract (since 2011) low of \$2.258 per MMBtu!

The backwardation on the end-of-winter NYMEX Mar25/Apr25 spread averaged \$0.122 per MMBtu two weeks ago, less than half where it traded in June. Last week, the backwardation averaged a season-to-date low of \$0.079 per MMBtu. **This is the market's way of telling us that winter is over before it starts.**

Since rolling into the prompt month, November 2024 gas peaked on October 04th at \$3.019 per MMBtu (arrow 1), bottomed last Friday at \$2.248 per MMBtu (arrow 2), and closed at a record low of \$2.258 per MMBtu (arrow 3). The contract is now \$0.413 per MMBtu below its volume-weighted average price (VWAP) of \$2.671 and \$0.007 per MMBtu below our second monthly support target of \$2.265.

Needless to say, our preferred technical indicators—the Parabolic SAR, the MACD, and the Stochastic—are still bearish, therefore we will hold a bearish bias.



L48 storage: In Terms of Capacity Usage, Injections are Firm.

This season's hitherto injection is 1.446 Tcf which is 350 Bcf below a year ago and 372 Bcf below the seasonal norm. However, storage began this refill season at 56% of demonstrated peak working capacity (4.047 Tcf), or 2.259 Tcf. As of October 11th, storage increased to 3.705 Tcf, or 92% of working capacity. A year ago, at this time, storage was at 90% capacity and the seasonal norm is 88% of capacity. Looking ahead to this Thursday's EIA update, for the week ending October 18th, the early guess on the Reuters' survey *only* ranged from the upper 20s Bcf to the low 90s Bcf.