



NYMEX Gas: Mapping the Fibonacci Zones from Life-of-Contract Lows

The Fibonacci sequence holds a central place in technical analysis due to its connection to natural proportions and patterns, which many traders believe are mirrored in financial markets. Derived from the mathematical series where each number is the sum of the two preceding ones, the key Fibonacci ratios — particularly the 50%, and 61.8% — are used to identify potential support and resistance levels during market retracements.

This is an area that we have dubbed: The Fibonacci Zone. The 50% level, though not a true Fibonacci ratio, is rooted in Dow Theory and reflects the common tendency for markets to retrace about half of a previous move before resuming the trend. It suggests a healthy correction in a trending market. The 61.8% retracement, often referred to as the “golden ratio,” is considered a deeper retracement that still preserves the integrity of the original trend. If prices hold inside the Zone, it often signals trend continuation; a break below (above) the Zone may suggest a more significant reversal. Traders use these levels in conjunction with volume, momentum indicators, and price action to validate setups.

As far as NYMEX gas is concerned, at the start of this week September 2025 gas bottomed at \$2.895. This is the lowest print since December 2021, when trading volume in the 2025 contracts was zero. Thus, for all intents and purposes, this week's low print is the life-of-contract low. Therefore, there cannot be a lower Fibonacci zone.

On the upside, the market is in a galaxy far, far away from its overhead Zones. Last month, gas peaked at \$3.654. Using this high, and this week's \$2.895 low, the Zone (arrow 1) is \$3.275 (50% retracement), and \$3.364 (62% retracement). The next Zone (arrow 2) is drawn from the June 20th high of \$4.198 and the July 09th low of \$3.193: \$3.696 to \$3.814. The final Zone (arrow 3) is traced from the March 10th high of \$5.210 to the April 24th low of \$3.379: \$4.295 to \$4.511.

In other words, gas bears have their work cut out for them!

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Storage Swells: EIA Reports Strong Storage Build

As expected—given last week's heat—yesterday's EIA update on Lower 48 underground natural gas storage was tiny. For the week ending August 01st, a net of 7 Bcf was injected, making yesterday's report the weakest update since last August, when the EIA reported a 6 Bcf *delivery* for the week of August 09th. Season-to-date additions are up to 1.432 Tcf, the fourth largest refill on record. Storage now stands at 3.130 Tcf and covers 77% of the end of season record of 4.047 Tcf. The typical injection for next week's report is 37 ± 8 Bcf. Our preliminary guesstimate shades towards the higher end of this range.