Technical Signals Whipsaw to Bearish

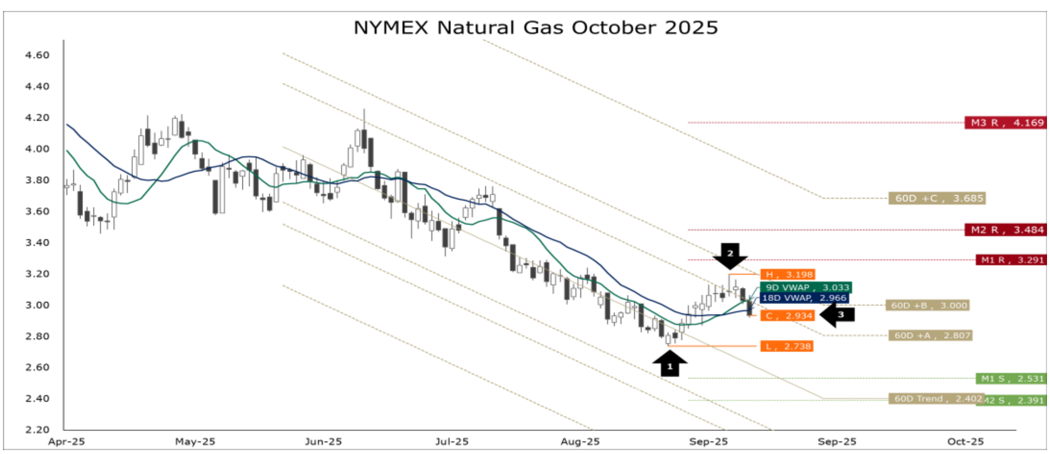
As discussed in today's Market View, spot NYMEX gas is in its typical seasonal technical rally. However, given the pullback we have witnessed over the last two session, bullish momentum has faded fast.

Henry Hub for October 2025 delivery peaked this summer on the solstice (June 20th) at $4.258. Between then, and August 26th, the market settled lower in three out of five sessions, bottoming at $2.738 (arrow 1) for a peak-to-trough plunge of 36% ($15,200 per contract). Prior to the recent two-day selloff, the contract finished higher in eight of nine sessions, peaking at the start of this week at $3.198 (arrow 2) for a trough-to-peak rebound of 17% ($4,600 per contract—less than a third of what was loss prior to the rebound).

Last week we highlighted that the bears' next line of resistance was the middle envelope of the 60-day trend at $3.222. As such, this week's hitherto high of $3.198 stalled $0.024 shy of this mark. On the downside, the bull's first line of support was the lower of 18-day and 9-day volume-weight moving averages (VWAP), $2.937 and $2.925, respectively (as of last Thursday). Yesterday, the market settled at $2.934 (arrow 3), which is below the current 18-day VWAP of $2.966, i.e., advantage bears.

The market's technicals whipsawed this week. Most of our preferred indicators—Parabolic SAR, Stochastic, and CMF—all flipped bearish. The MACD is still hanging onto a bullish bias, but its signal is weak, as is the VWAP (9-day, 18-day) crossover.

For the week ahead, the bears' next line of resistance is the higher of the 18-day and 9-day VWAP crossover, $2.966 and $3.033, respectively (as of today), followed by our model's outer envelope of the 60-day trend at $3.121. The bull's first line of support is our inner envelope of $2.807.



Storage jumps 71 Bcf, EOS pegged at 3.915 Tcf.

Today's EIA update on L48 underground natural gas storage was firm. Last week, a net of 71 Bcf was injected—for the start of September, just after Labor Day, the seasonal norm is a 66 ± 18 Bcf injection. The report came in slightly below market expectations with market surveys clustered in the high-60s. For next Thursday's EIA report, the seasonal norm is an 82 ± 8 Bcf injection. Our preliminary estimate is spot on the norm of 82 Bcf. Refills typically last into early November. After the latest update, our end-of-season projection is slightly lower at 3.915 Tcf. Should heating demand arrive early, our lower-case is 3.848 Tcf, while a late start points to 3.982 Tcf. With the season veering into the right lane, the chance of topping 4.0 Tcf this year is virtually nil.