



## NYMEX Gas: Bulls Stall on Mixed Technical Signals

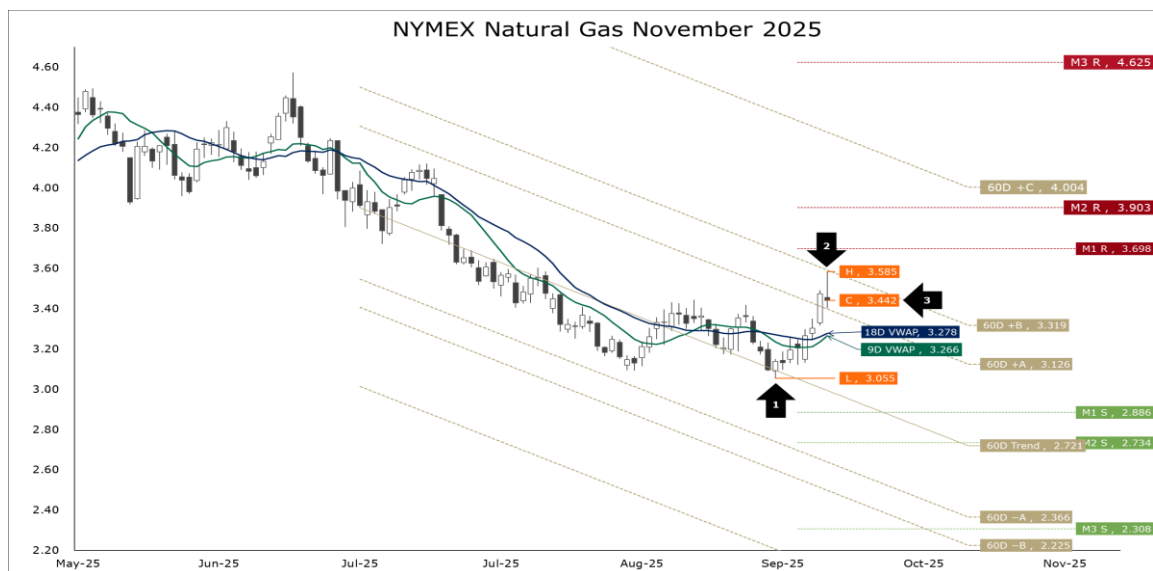
After a brief post Labor Day rally which saw NYMEX gas for November delivery peak at \$3.444, bullish momentum stalled and the market plunged through the remaining three weeks of September, bottoming last week at \$3.055 (arrow 1).

However, after this week's roll, bullish momentum reignited with the market spiking today to our middle envelope of \$3.585 on the 60-day trend (arrow 2). Alas, bulls failed to finish strong, and the contract settled \$0.034 lower on the day at \$3.442 (arrow 3).

Key market technicals are mixed, thus failing to confirm the market's recent strength. The Parabolic SAR, 9-18 Day VWAP, and the Slow Stochastic are bullish, but the CMF flipped to bearish today and the MACD has been bearish since mid-last month.

For the week ahead, the initial support, resistance targets are the inner envelopes of \$3.400 to \$3.593 followed by the next line of support at the lower of the 9-18 Day VWAPs (\$3.266 as of today), and resistance at the 252-Day VWAP of \$3.636. The initial support/resistance targets for the month are \$2.886 and \$3.698.

Stay sharp and hedge with confidence.



## Anemic injection slashed EOS storage projections.

Today, the EIA reported a weak injection of natural gas into L48 underground storage of only 53 Bcf. The typical injection for this point in the season is in the upper 70s Bcf. Market surveys ranged from the mid to high 60s Bcf. As of September 26<sup>th</sup>, total L48 storage stood at 3.561 Tcf. After the latest update, our end-of-season projection was hammered—falling from 3.926 to 3.878 Tcf. Should heating demand arrive early, our lower case is 3.853 Tcf, while a late start points to 3.940 Tcf. Because of time decay, the chance of topping 4.0 Tcf is no longer a possibility.