



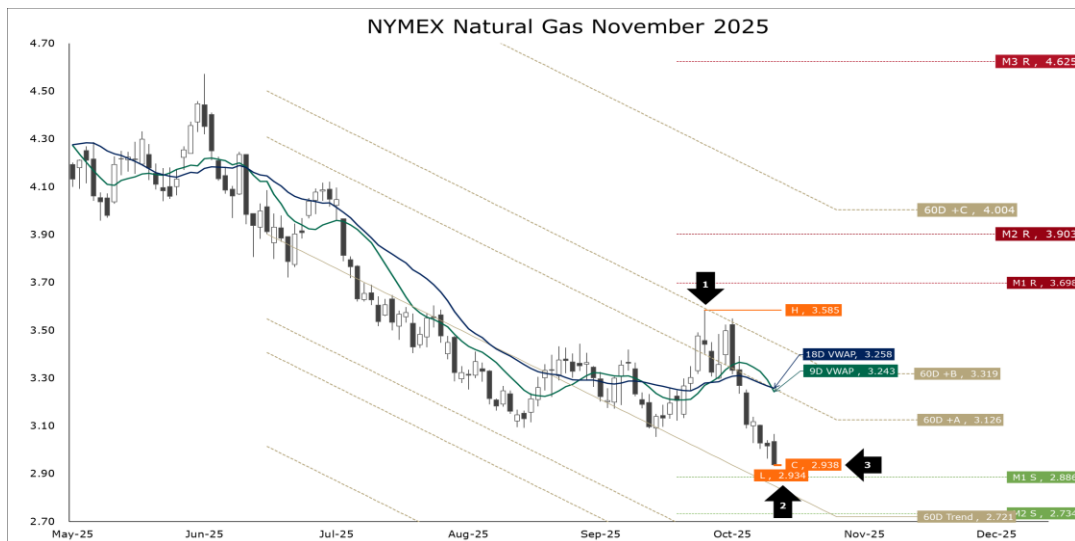
## November Gas Craters Below the Psychological \$3 Threshold

NYMEX gas for November delivery saw a strong rally in the latter half of last month, climbing from a low of \$3.055 on September 23<sup>rd</sup> to a high on October 2<sup>nd</sup> of \$3.585 (arrow 1)—a trough-to-peak gain of \$5,300 per contract. Since then, it has been a one-way ticket to the cellar. Yesterday, the contract broke below the \$3 threshold to a \$2.964 low and finished at \$3.016. It was the first time in the life of the contract that it traded with a \$2-handle. Today, the contract bottomed at \$2.934 (arrow 2) and settled at a life-of-contract low of \$2.938 (arrow 3).

Since turning prompt, the market has morphed from a \$0.178 premium to the 50-Day VWAP (volume weighted average price) to a \$0.334 discount! It goes without saying: all our preferred market technical indicators (Parabolic SAR, MACD, CMF, Stochastic) are skewing bearish.

For the week ahead, the first support level is our initial monthly target (M1, S) at \$2.886, followed by the 60-day trend at \$2.778 and our second lower target for the month (M2, S) at \$2.734. There is also an approximate 16% probability gas will bottom below \$2.657 by next Thursday, along with a small chance (≈2%) of a break below \$2.461. On the upside, first area bulls will run into resistance is the Fibonacci 50%/62% retracement zone—\$3.181 to \$3.257 as of today.

Stay sharp and hedge with confidence.



## 80 Bcf injection pushes U.S. storage toward 3.9 Tcf end-of-season target.

Today, the EIA reported a solid 80 Bcf addition of natural gas into L48 underground storage—the typical injection for the early October period is 75 ± 7 Bcf. Market surveys ranged from a mean of 78 Bcf on the Dow Jones’ to 84 on Bloomberg. To date, 2.023 Tcf has been refilled—the largest injection since 2019 and the fourth largest since 2010. As of October 10<sup>th</sup>, total L48 storage stood at 3.721 Tcf. Our end-of-season projection moved from 3.891 to 3.903 Tcf. Should heating demand arrive early, i.e., before Halloween, our lower case is 3.853 Tcf, while a start closer to Thanksgiving points to 3.945 Tcf.