



November Gas Stalls at Fibonacci Resistance

Following last week's plunge below the \$3 psychological threshold, NYMEX gas for November delivery reversed course and gapped higher to start this week in what we analyze in today's [Market View](#) as an epic short-gamma squeeze centered on the \$3.500 call strike.

At the end of last week, November bottomed at a life-of-contract low of \$2.893 (arrow 1). Yesterday, the contract peaked at an intraday high of \$3.572 (arrow 2) for a trough-to-peak rally of 20%—\$6,790 per contract! However, today—in the wake of a stronger than expected update from the EIA—the market pulled back to a \$3.344 close (arrow 3).

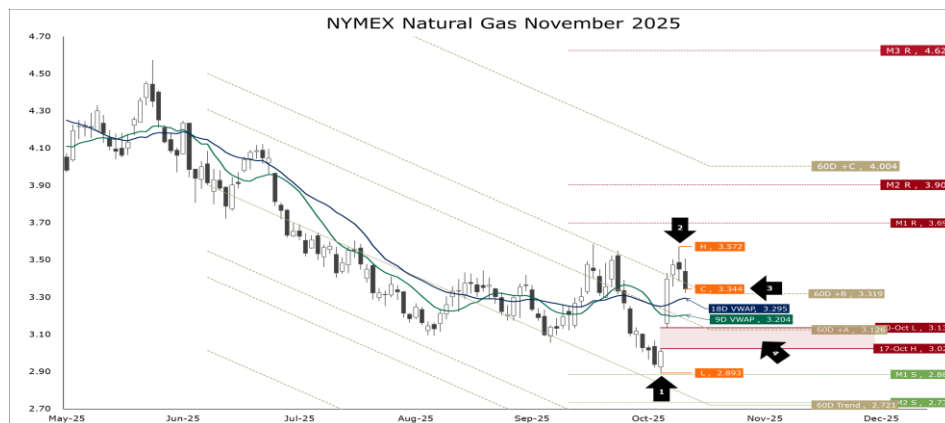
November gas has stalled for a third straight day at The Fibonacci zone from \$3.508 to \$3.653.

Through last week, the market has morphed from a \$0.18 premium to the 50-Day VWAP (volume-weighted average price), to a \$0.34 discount! At the time, all our preferred market technical indicators (Parabolic SAR, MACD, CMF, Stochastic) were skewing bearish.

However, because of the market spike earlier in the week, the indicators, with the exception of the CMF, whipsawed to bullish. Nevertheless, our confidence in these metrics, given market volatility, is low.

For the week ahead, the primary target for the bears is to close the gap that was established between last Friday's \$3.025 high, and Monday's \$3.136 high (arrow 4). The initial upside for bulls is our initial resistance for the month (M1 R) at \$3.698.

Stay sharp and hedge with confidence.



Storage is on track to top 3.9 Tcf before winter.

Today, the EIA reported a heavy 87 Bcf injection of natural gas into L48 underground storage—the typical injection for mid-October period is 63 ± 9 Bcf. Market surveys were clustered in the low 80s Bcf. To date, 2.110 Tcf has been refilled—the largest injection since 2019, and the fourth largest since 2010. As of October 17th, total L48 storage stood at 3.808 Tcf. Our end-of-season projection moved from 3.903 to 3.922 Tcf. Should heating demand arrive early, i.e., before Halloween, our lower case is 3.891 Tcf, while a start closer to Thanksgiving points to 3.945 Tcf.