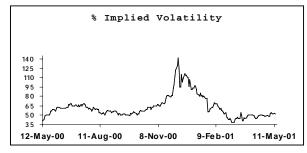


## COMMODITY FUTURES, INC. DAILY NATURAL GAS MARKETWATCH May 15, 2001

CONTRACT	MO.	CLOSE		Δ	ΗI	LOW	VOL	OPEN	INT	EREST
NYMEX	JUN	4653	+	259	4670	4435	44842	4180	8 -	1690
NYMEX	JUL	4722	+	257	4730	4509	12251	2821	.5 -	163
NYMEX	AUG	4785	+	257	4790	4551	4725	3140	9 –	748
NYMEX	SEP	4798	+	255	4810	4590	1605	2378	32 +	43
NYMEX	OCT	4815	+	252	4810	4600	4129	3724	£6 +	83
NYMEX	NOV	4980	+	252	4970	4760	1382	1603	33 +	5
NYMEX	DEC	5135	+	250	5140	4935	3822	1900	7 -	77
NYMEX	JAN	5193	+	246	5190	4995	1365	1623	88 +	14
NYMEX	FEB	5058	+	241	5050	4865	1144	1807	0 -	67
NYMEX	MAR	4863	+	233	4850	4710	3980	2185	55 +	50
NYMEX	APR	4478	+	186	4460	4372	1444	1750	8 -	13
NYMEX	MAY	4383	+	171	4400	4270	646	1528	89 -	112
NYMEX	AVG	4822	+	238	TOT	ALS	88025	41361	6 -	2398

National Weather Service 6-10 Day: Below normal for the Upper Midwest, Northwest and Northern New England. Normal from the Mid-Atlantic, across the Ohio Valley, Central Plains and Southwest. Above normal for the Southeast. From 5/15/01

	%IMPL.	%NET					
	VOLT.			VOL.			
ĺ	56.5%	+6.0	CALLS	12274	2100	82	+3087
	54.0%						
	54.5%	+2.0	TOTAL	22835	4908	51	+2843

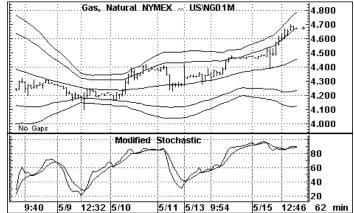


4d Avg	4418	S-Trend	UP	Resist	4850
9d Avg	4379	L-Trend	NEUT	Support	4425
18d Avg	4639	14d RSI	46	Pivot	4586
40d Avg	5035				
Strips:		SUM '01	4755	WIN '01	5046

## **NATURAL GAS COMMENT**

The market exploded to the upside today as short covering continued in earnest. When the ball gets rolling in a move like this it's difficult to stop. It began after last week's AGA number and it's been one thing after another ever since. Warm weather in the 6-10 day forecast brought the buyers out yesterday, and then overnight talk of problems on Sea Robin in the U.S. Gulf provided support as well. These fundamental developments brought the market into key technical levels, which continued to feed the rally. June put in a very strong chart pattern today by opening on vesterday's high and rallying from there. Despite the strong move the market appears to be in a bear rally; however, this doesn't mean one or two days and the buying stops. The market hit the 18-day moving average on its way to the 38.2 retracement (see top chart at right). The next objective, and an attractive one at that, is the 50% retracement, which coincides perfectly with the gap area between \$4.810-\$4.850. In the short term look for a move to this area before selling reemerges. Tomorrow's AGAs may alter this strategy, but for another week the market is counting on a very large injection. If the number isn't big enough disappointment will trigger the next short covering wave.





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