

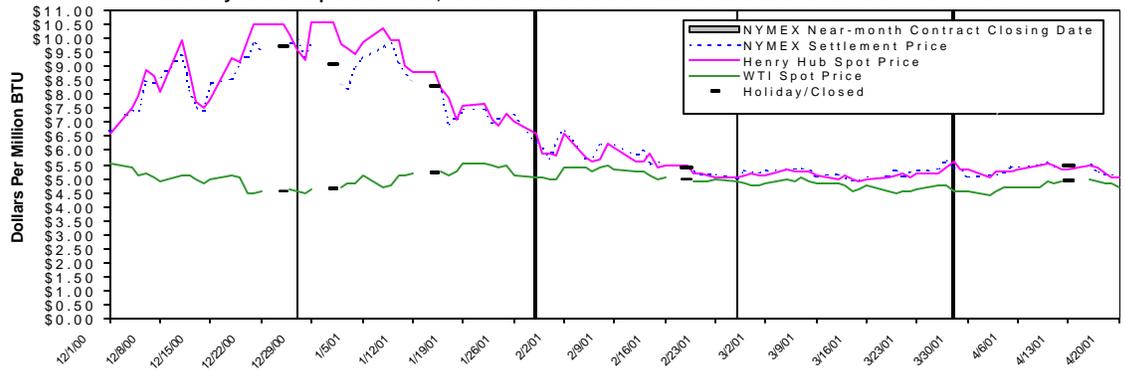
HENRY HUB PRICE

(\$ per MMBtu)

SPOT FUTURES

	April	May
	Del	Del
04/16	5.46-5.50	5.516
04/17	5.32-5.43	5.248
04/18	5.13-5.18	5.148
04/19	5.04-5.10	5.101
04/20	4.98-5.04	5.128

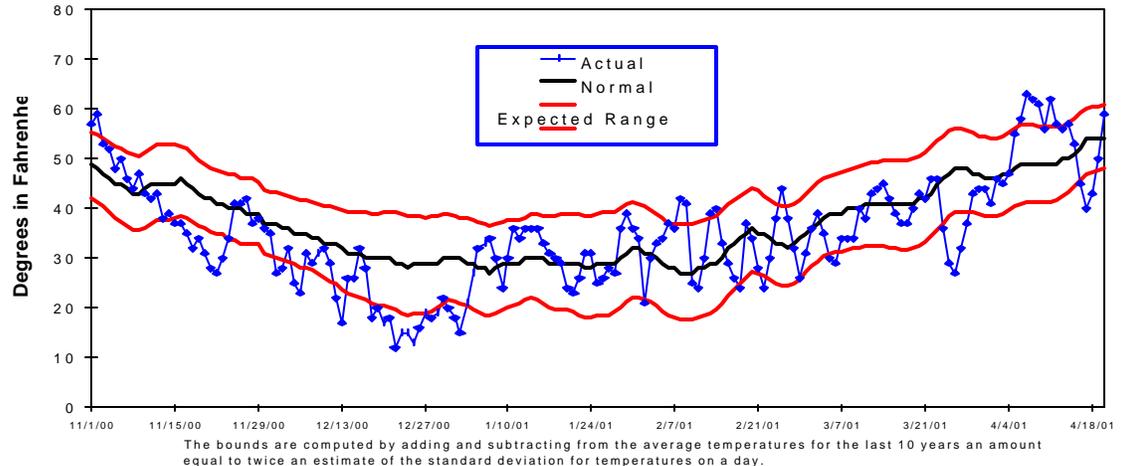
NYMEX Natural Gas Futures Near-Month Contract Settlement Price, Henry Hub Spot Price, and West Texas Intermediate Crude Oil Price



Average Temperature for Four Major Gas Consuming Areas

	Actual	Normal	Diff
04/14	57	50	7
04/15	53	51	2
04/16	45	52	-7
04/17	40	54	-14
04/18	43	54	-11
04/19	50	54	-4
04/20	59	54	5

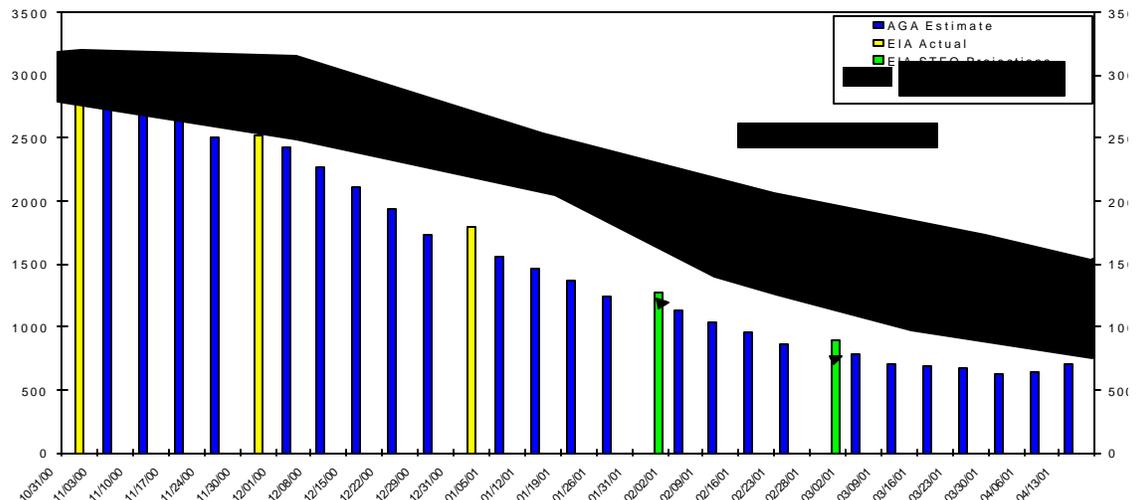
Average Temperature for Four Major Gas Consuming Metro Areas
(Chicago, Kansas City, New York, and Pittsburgh)



Working Gas Volume as of 04/13/01

	BCF	% Full
East	295	16
West	172	34
Prod Area	238	25
U. S.	705	21

Source: AGA



Spot prices trended down at most markets last week after temperatures in the Midwest and the Northeast returned to a more normal range following 3 days of cool weather early in the week. At the Henry Hub, trading ended on Friday at \$5.01 per MMBtu. NYMEX futures market prices followed a similar pattern as the May contract price dropped almost \$0.40 between Monday and Friday to end the week at \$5.128 per MMBtu. The latest Bureau of Labor Statistics (BLS) consumer price index (CPI) report indicates that the seasonally adjusted price of natural gas delivered to residential users in March 2001 declined nationally for the second straight month, falling 2.1 percent compared with February's decline of 2.7 percent. Despite this decline to residential consumers in March, natural gas prices were 49 percent higher compared to March of last year. The price of West Texas Intermediate crude oil traded above \$28.00 per barrel most days last week before moving down to end the week at \$27.30 or \$4.71 per MMBtu.

Storage: Injection activity shifted into high gear during the first full week of the refill season (week ended Friday, April 13) as the American Gas Association (AGA) estimated that net injections of working gas were 64 Bcf, compared with average net withdrawals of 6 Bcf during 1996-2000. Estimated net injections through the first 13 days of April now total 76 Bcf, already more than twice the 36 Bcf reported by EIA as total net injections for the entire month of April 2000. Storage operators in the Producing region continue to rebuild base gas inventories, adding another 5 Bcf of base gas that reduced the net depletion of base gas to 4 Bcf. (The base gas deficit had reached 11 Bcf as of Friday, March 30.) In the East region, net injections were 43 Bcf during a week that over the past 5 years has averaged net withdrawals of 10 Bcf and shown net withdrawals in 4 of the last 7 years. With 17 days of refill activity remaining to be reported in April, it seems likely that net injections for this month will be well above the previous 5-year average of 96 Bcf.

Spot Prices: After beginning the week at \$5.48 per MMBtu—a 14 cent increase from the previous Friday-spot prices at the Henry Hub generally declined through the week to \$5.01 per MMBtu on Friday, April 20. Prices fell more than \$0.30 per MMBtu by Wednesday as warmer seasonal temperatures returned to most parts of the country. At other major market locations, prices moved below \$5.00 on Thursday and continued their downward trend on Friday; posted prices at Waha, the Midcontinent, and the Rockies were at \$4.91, \$4.88, and \$4.15 per MMBtu, respectively, at the end of the week. Citygate prices in Chicago and New York moved down \$0.47 and \$0.59 per MMBtu, respectively, between Monday and Friday to end the week at \$5.13 and \$5.41. The highest prices in the country continue to be in California with prices in the northern and southern parts of the state at \$10.67 and \$12.61 per MMBtu, respectively.

Futures Prices: The NYMEX futures contract for May delivery at the Henry Hub moved down steadily following Monday's increase, declining almost \$0.40 per MMBtu by Friday. The May contract began bid week today (4/23) with an opening price of \$5.140 per MMBtu. The May contract will close on Thursday, April 26, and even with the recent declines in daily settlement prices will remain well above last year's final May price of \$3.089 per MMBtu. As of the end of last week, settlement prices for the futures contracts for remaining months in the storage refill season showed an increasing price trend, ranging from \$5.182 per MMBtu for June to \$5.322 for October.

Summary: Spot prices trended down last week to below \$5.00 per MMBtu at several major market locations and the NYMEX near-month contract price also moved down most days last week. Net additions to stocks were estimated to have averaged over 9 Bcf per day during the second week of April. The BLS reported that in March, for the second consecutive month, the price of natural gas to residential consumers declined by more than 2 percent.

Note: Within the next few weeks, the Energy Information Administration (EIA) will consolidate the *Natural Gas Update* (released on Thursdays) and the *Natural Gas Weekly Market Update* (NGWMU) (released on Mondays) into a single product titled the *Natural Gas Weekly Update* (NGWU). The NGWU will be published on the EIA Website each Monday. Prior issues of the NGWMU will continue to be available on the existing archive page.