



"We sit on the customer's side of the table"

Support and Resistance for MAR

Support	\$2.039 & \$2.00
Resistance	\$2.240 & \$2.215
MAR close	\$2.07 up \$0.047

General Market Direction: Down, then Up

In the tradition of cyclical trading events, today's AGA will attempt to provide the market with the necessary catalyst to follow through the overnight drop below \$2.075. Today's estimates have been readjusted after several observers retracted incremental additions from ratcheting. A late day survey showed estimates in average range of 95 to 110, with a few anomalous estimates in the 125 and 75 range. Our evaluation of last week's conditions shows a 116 estimate, but our intuitive expectation might be a little higher than that yet. The expected results of a number in that range are unfortunately not the kind to satiate the market's desire to act impulsively. We may, however, generate some follow through in today's early market as those who are seeking out estimates below 90 Bcf put their money where their mouths are. Strong support is still cramping developments at \$2.04 and \$2.00, so look for increased bidding in the market at those locations. A bounce from those values would begin to suspiciously look like a market with an intention for a new high, probably aiming for an equality target at \$2.24 to begin the journey to what might eventually be the flush "we've all been waiting for." Of course, we're geared up to be sellers as the market presents that opportunity.

Futures Commentary:

Futures prices seemed to be taking the preliminary warm up lap of the week both yesterday and Monday as exerted efforts remained at minimal levels. Recent average volumes have been approximately 75,000, which is substantially larger than the unusual 50,000 average of the last couple of days. Commitments in the March contract are large at 71,500, which further contains suspicions about how many shorts the funds are holding in this month. Yesterday's trading unfolded similar to the prior few with locals bidding and trade selling, giving us our \$2.07-\$2.13 range for the day.

TODAY'S THOUGHT: *Let's hope that today's AGA surprises traders by being outside of the range anticipated. Perhaps that is why values were readjusted yesterday to lower levels than initially anticipated.*

Natural Gas Sheet

February 6, 2002

Trading Summary

Yesterday's Volume	49,659
Previous Day's Open Interest	472,050
Previous Day's Volume	49,640
Two Day's Prior Open Interest	471,875

The big moment in yesterday's trading was the \$2.07 daily settlement.

News:

Bad accounting that was suddenly figured out overnight? If Reliant's tactic was to be antithetical to recent catastrophes in the energy business, they went about it in the wrong manner. Reliant's adjustments are purportedly going to help the company's balance sheet as they can recognize earnings this year that were expected for 2002 and 2003. Why hadn't they mentioned this earlier? Would any individual who here's "revision" think positively, despite the underlying implications of the news? Well, apparently not as the two Reliant' stocks took hits of 8% and 13.5 % yesterday.

Spot:

A blast of cold weather and precipitation has sent some Texans the unusual gift of snow, reaching as far south as Dallas as well as keeping other Southeastern states in the lower 30's today. Prices took their cue from these patterns in the production area, rising from 3 to 5 cents at several locations while market area prices stayed relatively flat despite waning weather. The Upper Midwest and the Rockies kept their winter weather patterns unlike the Northeast and used them as a supporting catalyst throughout yesterday's trading as well.

Pipeline	Location	Price
Katy	Texas	2.45-2.47
Henry Hub	Louisiana	2.36-2.49
El Paso	San Juan	2.19-2.25
PG&E	Large Pack.	2.29-2.36
Transco	Z-6NY	2.80-3.35

Gelber & Associates
 1010 Lamar, Suite 540
 Houston, Texas 77002
 (713) 655-7000
 www.gelbercorp.com