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Natural Gas Market Outlook

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Natural Gas Futures September 2003 Contract

Current Outlook

The market has declined to a very critical area, the Lower Stealth curve.

Scenario 1

In the event the market continues lower below the very well defined Stealth Channel (see below) for at least two weeks, the door will be open for potential further declines – especially in the long run.

Scenario 2

In the event the market bounces higher off the Stealth Support curve, the potential arises for the current market level to establish a Low that will last for some time to come. In other words, as long as the market continues to adhere to the current Stealth Channel, the current market Low of last week price cannot be penetrated by a significant amount. If this scenario prevails, the closest upside resistance level is at **[\$9.62]** meaning upside risk(reward) is **exponentially greater** than downside reward(risk). Reference the chart below.

Cycles

Looking at numerous cycle analyses, there is the potential for a Pivot Low to occur anywhere in the next 40 or so trading days (2 months). Price-wise, there are numerous potential support zones all the way down to **[\$2.86]**. The market could easily bounce from current market levels based on price cycles as two (2) cycles coincide at the nearest support level.

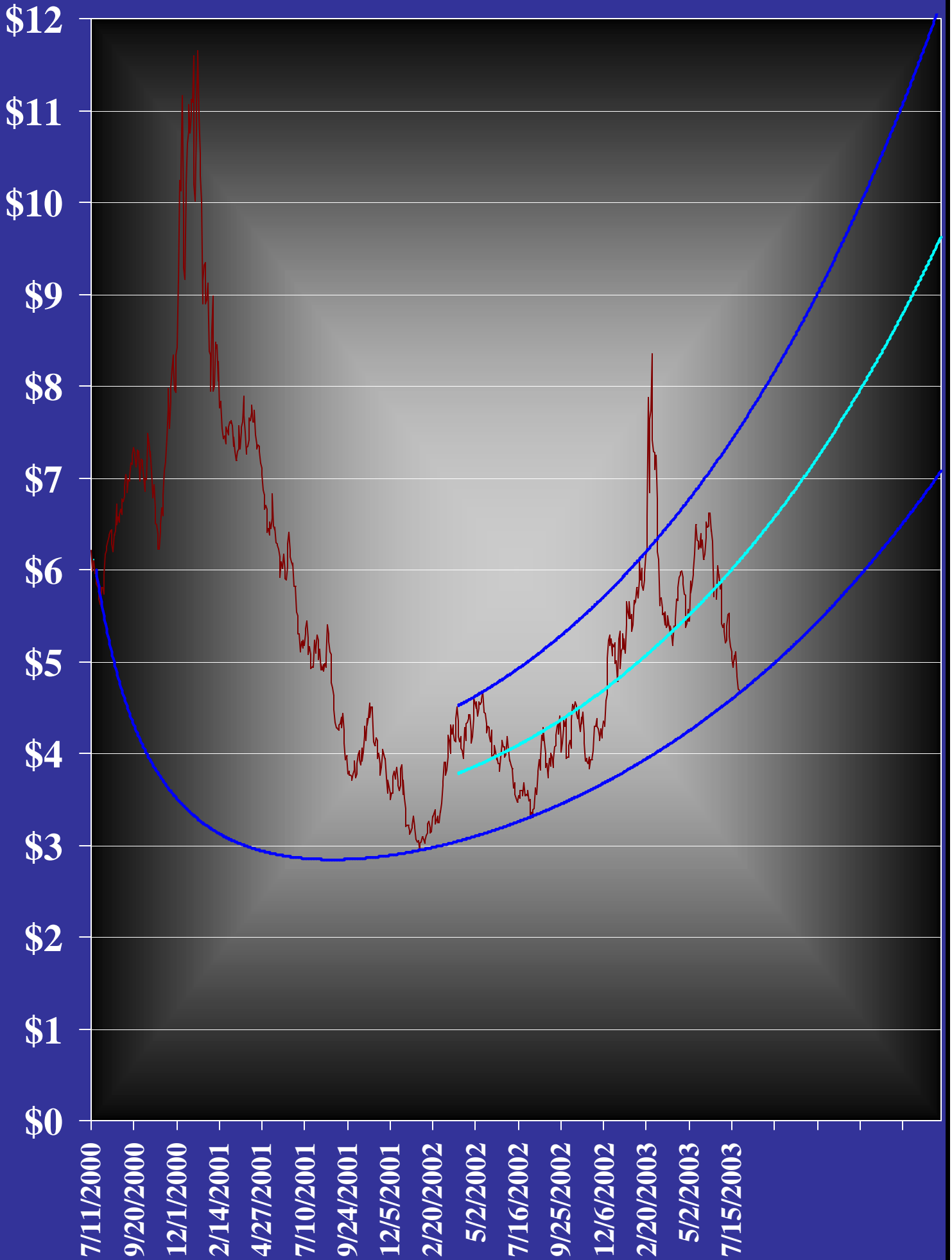
Bottom line – The next couple of weeks will be highly informative in terms of revealing longer-term potential market movement based on the Stealth Channel scenarios defined above. Since Price analysis and Low Pivot cycle analysis are not definitive in terms of a high probability market bounce, it's best to rely on the Stealth Channel for determination of future market direction at this time.

**Numerous Downside Support Levels Exist from Current Market Levels
The Nearest Upside Resistance is located at \$9.62**

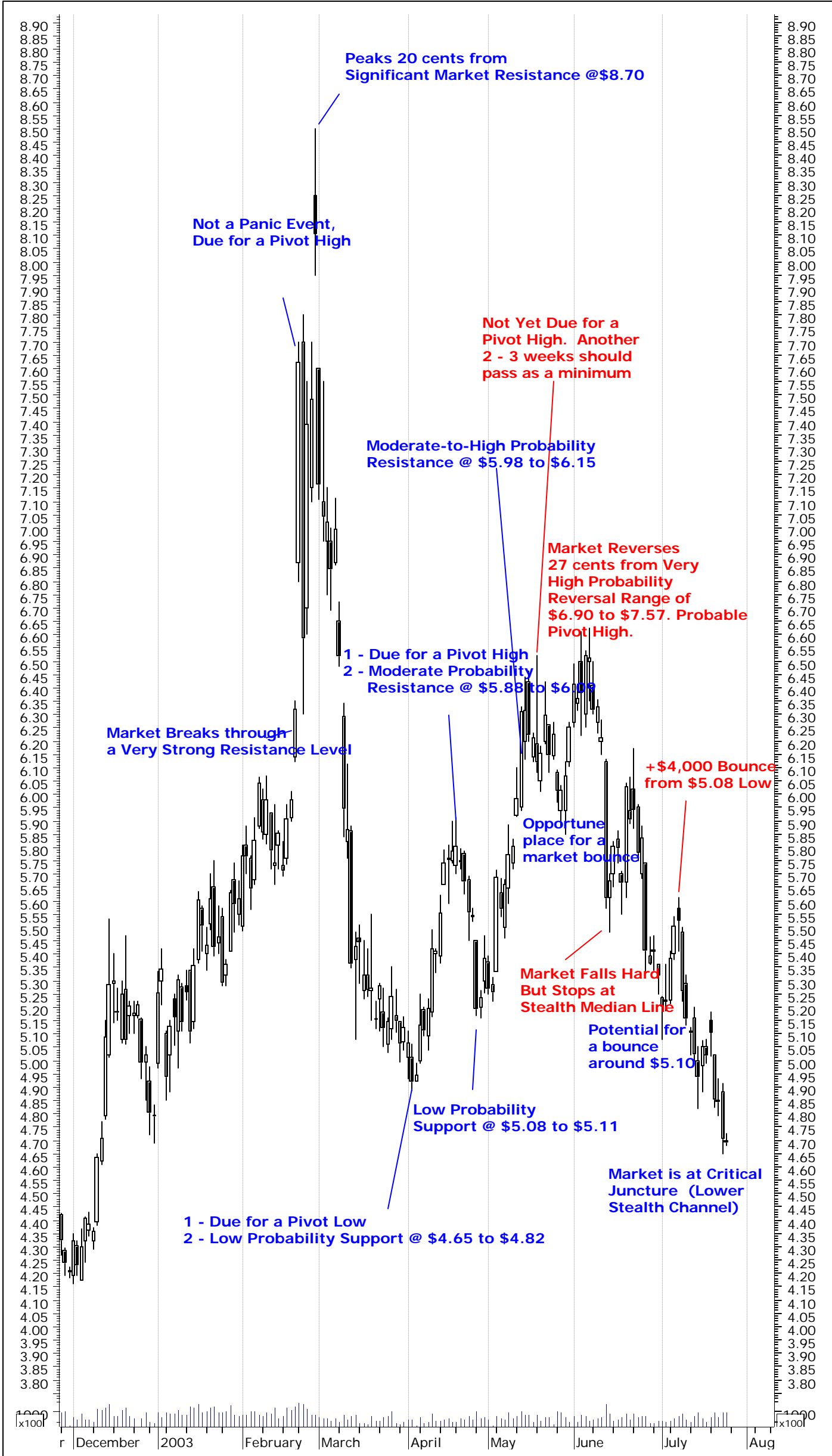


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Natural Gas Futures w/ "Stealth" Channel (September 2003 Front-Month)



Disclaimer: The above chart is in no way displayed to portray trading, investing and/or hedging advice. Consult your advisor or broker prior to making any financial decisions. Past performance is not a guide to future performance.



Peaks 20 cents from Significant Market Resistance @ \$8.70

Not a Panic Event, Due for a Pivot High

Not Yet Due for a Pivot High. Another 2 - 3 weeks should pass as a minimum

Moderate-to-High Probability Resistance @ \$5.98 to \$6.15

Market Reverses 27 cents from Very High Probability Reversal Range of \$6.90 to \$7.57. Probable Pivot High.

1 - Due for a Pivot High
2 - Moderate Probability Resistance @ \$5.88 to \$6.07

Market Breaks through a Very Strong Resistance Level

+\$4,000 Bounce from \$5.08 Low

Opportune place for a market bounce

Market Falls Hard But Stops at Stealth Median Line

Potential for a bounce around \$5.10

Low Probability Support @ \$5.08 to \$5.11

1 - Due for a Pivot Low
2 - Low Probability Support @ \$4.65 to \$4.82

Market is at Critical Juncture (Lower Stealth Channel)

x1000

x1000

December 2003 February March April May June July August