



Natural Gas Gains as Oil, Stock Markets Signal Increased Demand

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By Reg Curren

March 10 (Bloomberg) -- Natural gas advanced for the first time in four days in New York on speculation a rally in crude oil and stock markets signaled the economy will recover and boost fuel demand.

Gas jumped after a profit outlook from Citigroup Inc. suggested the worst of the banking crisis is past. The **Standard and Poor's index** of 500 stocks rose 4.2 percent and crude gained 1.6 percent. An improving economy would increase gas consumption by industrial users, which account for about 29 percent of U.S. demand.

"You're buying natural gas today because the other markets are catching a bid and forecasting a recovery," said **Chris Jarvis**, president of Caprock Risk Management LLC in Hampton Falls, New Hampshire. "Equity markets and crude are in bull mode and with natural gas below \$4 people are trying to ride this rally."

Natural gas for April delivery rose 2.7 cents, or 0.7 percent, to \$3.892 per million British thermal units at 10:58 a.m. on the New York Mercantile Exchange. The futures have declined 31 percent this year. The heating and industrial fuel yesterday settled at the lowest price since November 2002, falling to \$3.865 per million Btu.

Inventories last week probably fell 110 billion cubic feet, the median of three analyst estimates compiled by Bloomberg. The average decline for the week is 91 billion, according to the Energy Department. Supplies in last week's report were 14 percent above the five-year average.

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