



Natural Gas Advances on Speculation Demand May Start to Recover

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By Reg Curren

April 9 (Bloomberg) -- Natural gas futures in New York rose for a second day as signs of an improving economy indicated that industrial fuel demand may gain.

Gas rose along with crude oil and stocks after the Labor Department said first-time jobless claims fell by 20,000 to 654,000 in the week ended April 4 from a revised 674,000 a week earlier. A weekly stockpile report today may show that gas supplies rose near the average for this time of year.

"Natural gas is just sitting here waiting for the number to come out and if the build is in line with expectations, we could make a run to \$4," said **Chris Jarvis**, president of Caprock Risk Management LLC in Hampton Falls, New Hampshire.

Natural gas for May delivery rose 4.8 cents, or 1.3 percent, to \$3.678 per million British thermal units at 9:57 a.m. on the New York Mercantile Exchange. Prices are down 35 percent this year.

Crude oil for May delivery rose \$2.49, or 5 percent, to \$51.87 a barrel on the exchange. The Standard & Poor's index of 500 stocks gained 2.9 percent to 848.97.

"With crude up \$2 and equity markets rallying," and the jobs report, gas will probably follow, Jarvis said.

An Energy Department report today will probably show a stockpile **increase** of 14 billion cubic feet last week, according to the median of 21 analyst estimates compiled by Bloomberg. Supplies in last week's report were 22 percent above the five-year average. The typical change for the week over the past five years is an increase of 13 billion cubic feet.

Industrial use, which may fall by 6 percent this year, accounts for about 29 percent of U.S. demand.

To contact the reporter on this story: **Reg Curren** in Calgary at rcurren@bloomberg.net

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