HENRY HUB NG FUTURES

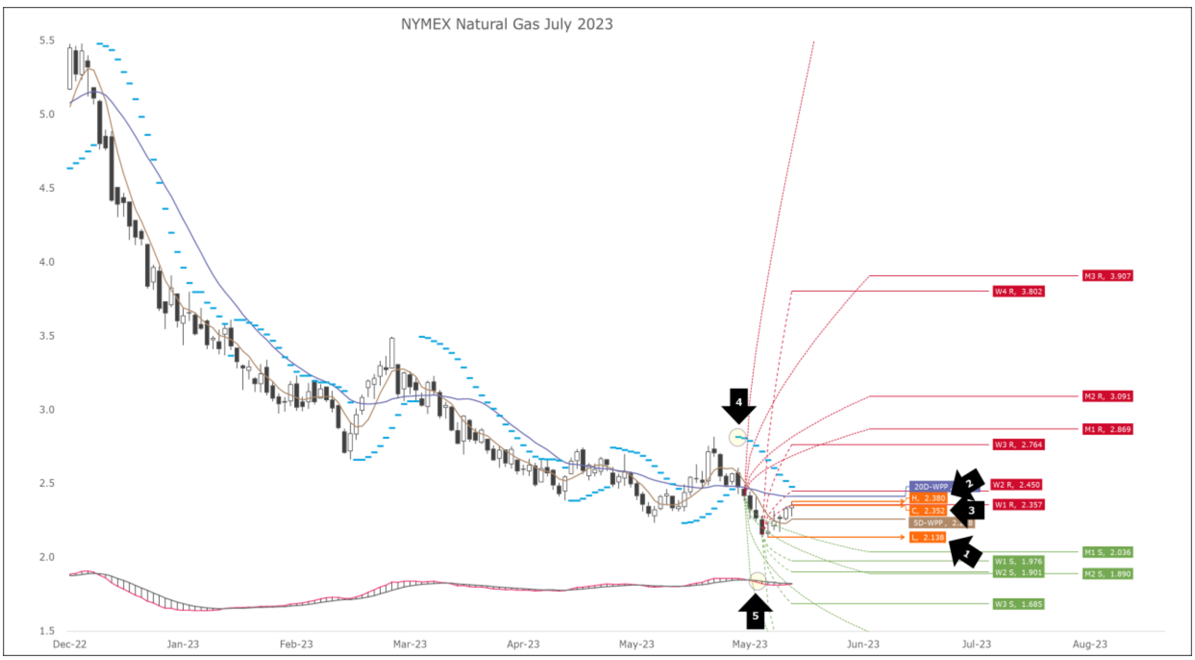
THE SCHORK GROUP, INC.

Gas Bulls Stem the Bleeding… For At Least One Week

Over the past week, the NYMEX Henry Hub July market drifted higher. The contract bottomed last Friday at $2.138 (arrow 1), peaked today $2.380 (arrow 2) and settled within five ticks of our $2.357 initial weekly resistance (W1 R) at $2.352 (arrow 3).

One of our favorite technical indicators, the MACD, turned bearish last week (arrow 5) and our other favorite indicator, the Parabolic SAR, turned bearish two weeks ago (arrow 4). **Given that these two metrics are in sync, we will hold our bias at bearish for a second straight week**.

Looking ahead to next Thursday, June 15th, based on Wednesday's $2.352 settlement, our four weekly upside targets are $2.578, $2.682, $3.040, and $4.231. Our support levels are $2.146, $2.063, $1.820, and $1.308. The monthly targets on the upside are $2.869, $3.091, $3.907, and $7.257. On the downside, we are looking at $2.036, $1.890, $1.495, and $0.805.



L48 storage… as strong as ever!

Today the EIA reported the ninth injection of gas into L48 underground storage. A total of 104 Bcf (inclusive of a 14 Bcf reclassification of working gas to base gas) was added. The typical injection for this update is 90 ±26 Bcf, so this report is strong. The season-to-date injection is up to an impressive 720 Bcf, 99 Bcf (16%) greater than a year ago and 86 Bcf (13½%) above the base case in our seasonal time series analysis. As of last Friday, June 2nd, storage rose to 2.550 Tcf. We are approximately 28% through the season and the market has already replaced 40% of last winter's delivery.