



ENERGY UPDATE

Thursday, March 25, 2004

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CIBC WM TICKER BOARD:	WTI 1st \$35.51 -1.50	WTI 1st Vol 37.8% +2.4%	Brent 1st \$31.83 -1.18	Heating Oil 1st \$0.8890 -0.0317	Gasoline 1st \$1.1049 -0.0415	NYMEX NG 1st \$5.336 -0.093	NYMEX 1st Vol 37.3% -2.8%	HH Cash \$5.220 -0.130	AECO Cash \$5.670 -0.330	CAD Noon FX 1.3299 -0.0088	OPEC Basket \$32.85 +0.02
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CRUDE OIL
Crude oil finished the day lower on heavy volume, and long liquidation ahead of the weekend. OPEC will meet next week in Vienna to decide if the announced cuts are still needed, the IEA head is traveling to Saudi Arabia this weekend to discuss the current supply demand imbalance. Implied volatility was higher across the board today, with buying from Europe. Product options expire tomorrow.

NATURAL GAS
Larger EIA storage draws couldn't help natural gas prices today, we have started the last 3 day average. Natural Gas options expire tomorrow and futures on Monday. Volume was heavy on the exchange and western basis markets tightened as prices moved lower. Implied volatility was lower in the short dates and unchanged in the term markets.

FIXED PRICE SWAPS											
WTI		WTI-C\$		WTI		WTI-C\$		WTI		WTI-C\$	
Q2 2004	\$34.67	\$46.19	6 months	\$33.96	\$45.27	ROY 04	\$33.41	\$44.59	2005	\$30.71	\$41.21
Q3 2004	\$33.25	\$44.37	1 year	\$32.95	\$44.01	2006	\$29.30	\$39.58	2007	\$28.76	\$39.08
Q4 2004	\$32.32	\$43.21	3 years	\$30.77	\$41.34	2008	\$28.39	\$38.69			
Q1 2005	\$31.54	\$42.24	5 years	\$29.86	\$40.33						
Q2 2005	\$30.92	\$41.49	7 years	\$29.36	\$39.90						

FIXED PRICE SWAPS (Basis Swaps)									
NYMEX		AECO		NYMEX		AECO			
Apr4-Oct4	\$5.49	\$5.97 (0.76)	Nov4-Oct5	\$5.46	\$5.99 (0.74)				
Nov4-Mar5	\$5.90	\$6.53 (0.75)	Nov5-Oct6	\$5.15	\$5.68 (0.70)				
Apr5-Oct5	\$5.14	\$5.60 (0.73)	Nov6-Oct7	\$4.93	\$5.43 (0.70)				
Nov5-Mar6	\$5.50	\$6.12 (0.70)	Nov7-Oct8	\$4.74	\$5.23 (0.68)				
Apr6-Oct6	\$4.90	\$5.36 (0.71)	Nov8-Oct9	\$4.62	\$5.11 (0.68)				

COSTLESS COLLARS											
WTI		HU		HO		GC 3%		NY 1%		NY 2.2	
Q2 04	\$1.0875	\$0.8747	\$21.75	\$25.17	\$23.26	\$31.43	\$31.40	\$11.01	\$2.07		
Q3 04	\$0.9980	\$0.8737	\$22.99	\$25.75	\$23.90	\$30.68	\$30.76	\$8.66	\$3.44		
Q4 04	\$0.9116	\$0.8917	\$22.60	\$26.47	\$24.49	\$30.04	\$30.02	\$5.97	\$5.13		

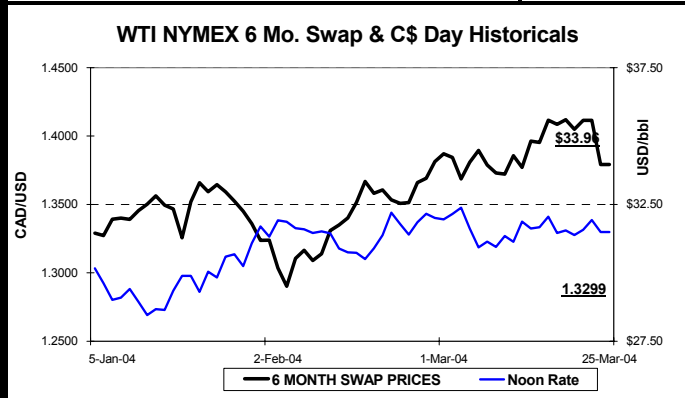
COSTLESS COLLARS									
NYMEX AECO		Apr-04/Oct-04		Nov-04/Mar-05		Apr-05/Oct-05		Nov-05/Mar-06	
Cap	\$6.25	\$7.00	\$7.00	\$7.50	\$5.75	\$6.50	\$6.00	\$7.00	
Floor	\$5.00	\$5.25	\$5.25	\$5.75	\$4.50	\$5.00	\$5.00	\$5.50	

AT-THE-MONEY STRADDLES			
WTI	Q2'04	Q3'04	2005
Strike	\$34.67	\$33.25	\$30.71
Premium	\$3.01	\$4.21	\$5.29
Avg. Vol	22%	20%	20%

THREE WAY COLLARS			
WTI	Q2'04	Q3'04	2005
Put Strike	\$35.00	\$32.50	\$30.00
Put Strike	\$33.00	\$27.50	\$25.00
Call Strike	\$35.00	\$35.50	\$33.50

AT-THE-MONEY STRADDLES			
NYMEX AECO	Apr-04/Oct-04	Nov04/Mar05	NYMEX AECO
Strike	\$5.49	\$5.97	\$5.90
Premium	\$0.70	\$0.76	\$1.45
Avg. Vol.	34%	30%	36%

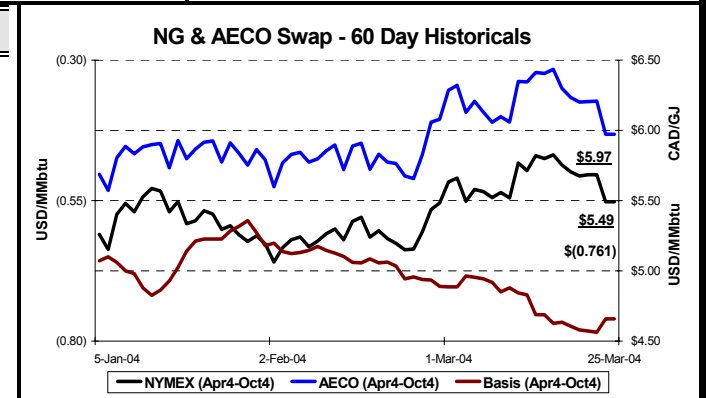
THREE WAY COLLARS			
NYMEX AECO	Apr-04/Oct-04	Nov04/Mar05	NYMEX AECO
Put Strike	\$5.75	\$5.75	\$5.75
Put Strike	\$4.25	\$4.50	\$4.25
Call Strike	\$6.00	\$6.50	\$6.75



IMPORTANT DATES:

- NYMEX NG Option expire ~ March 26th
- NYMEX Product Option expire ~ March 26th
- NYMEX NG expire ~ March 29th
- OPEC Meeting ~ March 31st
- NYMEX Products expire March 31st

If you have any suggestions to further improve our service, please let us know



WTI SETTLES			TECHNICALS	
Month	WTI	Change	Near Month	Level
May-04	\$35.51	-1.50	Resistance	\$37.80
Jun-04	\$35.51	-1.50	Support	\$36.30
Jul-04	\$34.80	-1.50	18 Day MA	#REF!
Aug-04	\$34.26	-1.49	40 Day MA	#REF!

MONTHLY HISTORICAL PRICES									
Month	WTI	BofC NG(nx3)	AEC-C	AEC-U	Empr	Sum	Mal	Vent	Chi
Mar04	0.0000	0.0000	5.1180	5.8461	4.6062	6.0161	4.42	4.62	4.91
Feb04	34.5000	1.3290	5.7393	6.4644	5.0961	6.6382	5.20	5.23	5.77
Jan04	34.2247	1.2960	6.2240	6.4793	5.2993	6.6514	5.20	5.38	6.15
Dec03	32.1424	1.3128	4.7253	5.2807	4.2783	5.4378	4.50	4.52	4.80
Nov03	31.0561	1.3126	4.4857	5.1939	4.1132	5.3165	4.08	4.25	4.42

NYMEX NG SETTLES			TECHNICALS	
Month	NG	Change	Near Month	Level
Apr-04	\$5.336	-0.093	Resistance	\$5.61
May-04	\$5.416	-0.085	Support	\$5.49
Jun-04	\$5.484	-0.083	18 Day MA	\$5.53
Jul-04	\$5.536	-0.079	40 Day MA	\$5.45

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