

10:35 24Nov2004 RTRS-TECHNICALS-Chartists see more declines for NYMEX natgas

By Joseph Silha

NEW YORK, Nov 24 (Reuters) - New York Mercantile Exchange natural gas futures seem firmly entrenched in a downtrend despite the approach of the peak demand winter season that could lead to higher prices, technical analysts said.

"The natural gas market is very weak technically. There is a tendency to see a seasonal bounce at the end of November, but the market often weakens again in December," said Daniel Chesler, a CMT or chartered market technician, in Florida.

The steady decline over the last month saw the front month December contract break key support points, including its 40-day moving average in the \$7.80 area and then the psychologically-important \$7 level last week.

But with December set to expire today, Chesler said the January contract, which is trading at an 80-cent premium to December, must hold key support at \$7.20 and then at \$7 when it takes over the front month position on Monday.

((Reporting by Joe Silha, editing by John Picinich; Reuters))