THE ANGUS ENERGY REPORT

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Post-report Calls:
Crude ------- 25 higher
Products ------ 50 higher
Natural Gas --- .025 higher

	HEATING OIL (JUL)	GASOLINE-RBOB (JUL)	NATURAL GAS (JUL)	CRUDE OIL (JUL)
HIGH	1.8908	2.2104	7.995	63.87
LOW	1.8624	2.1661	7.730	62.88
SETTLE	**1.8738**	**2.1990**	**7.941**	**63.49**
CHANGE	*+.0007*	*+.0056*	*+.210*	*+.34*
14 DAY RSI	48	49	50	44
5 DAY MA	1.9108	2.2394	7.852	64.36
9 DAY MA	1.9198	2.2652	7.968	65.12
14 DAY MA	1.9049	2.2588	7.986	64.72

NYH Barge (est.)		NYMEX #2 Oil		NYMEX #2 Oil	Jan '08 futures
05/23/07	1.9361	05/23/07	1.9323	05/23/07	2.0766
05/24/07	1.9291	05/24/07	1.9291	05/24/07	2.0715
05/25/07	1.9441	05/25/07	1.9391	05/25/07	2.0871
05/29/07	1.8728	05/29/07	1.8690	05/29/07	2.0266
05/30/07	1.8805	05/30/07	1.8755	05/30/07	2.0298

-D.O.E. stats…. **Crude oil stocks** fell 1.97 mmbls. **Distillate stocks** rose .15 mmbls. **Gasoline stocks** rose 1.36 mmbls. **Operating capacity** was unchanged @ 91.1%. Prices hesitated at the release of the inventory data, as the A.P.I. numbers showed a 3.13 mmbls. build in crude oil. After trading lower this morning, prices turned around, post-data, and are slightly higher, but may turn lower this afternoon...

- After trading at their highest levels since August, last week, prices "corrected" lower after the long holiday weekend. The primary reason for Tuesday's weakness was on reports that following the inauguration of the first democratically elected (if you believe that) President in Nigeria, there was an olive branch extended to the country's insurgents. So, at least temporarily, some of the pressure of the "Nigerian situation" is off the markets – until it shows up again. There seems to be some optimism that a truce can be worked out, but there is a lot of work to do before peace "breaks out" in that country. Tuesday's drop gave back the recent "Nigeria gains", but the hoped-for follow-through selling on Wednesday never really materialized, putting the ball back in the hands of the bulls.

- Relatively strong, or relatively weak? We are – as of this writing – about 7 cents lower than last week's highs, but still 35 cents higher than the calendar years' lows. For those who have been ratably buying to set up their hedge programs, we are still well above the year-to-date averages. As price caps are starting to come out, most areas are able to see caps (and fixed prices for those who want to take that route) at the same, or lower, levels than last year. Coupled with the fact that in most areas the weather was "normal to slightly warmer than normal", budget plans should have credit balances. The term that I keep hearing – from all parts of the Northeast – is that it is "eerily quiet", with regards to customers calling up to complain/inquire/shop/negotiate/etc. It seems that "the programs" worked, that high prices are a reality, and that making sure that they don't get much worse is what customers are relying on their heating oil dealers for.

- Speaking of higher prices. We are running out of areas of the country that have gasoline prices UNDER $3.00/gallon. After spiking back to above $2.40/gallon last week, June futures fell – with the easing of tensions in Nigeria. Inventories are still well off of year-ago levels, and the "official" driving season just started. There is not much, if any, talk of supplies running out, but constant talk of "tightness" – a/k/a higher prices.

- More Mets caps seen in NYC than Yankees caps?!? That's newsworthy!!

The chart below is the January (NYMEX) heating oil futures contract......