THE ANGUS ENERGY REPORT

http://www.angusenergy.com
e-mail pbaratz@angusenergy.com
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Written by Philip J. Baratz, C.T.A.

Crude ------- Products ------ Natural Gas ---		HEATING OIL (JUL)	GASOLINE-RBOB (JUL)	NATURAL GAS (AUG)	CRUDE OIL (AUG)
	HIGH	3.8374	3.4691	13.139	137.58
	LOW	3.6870	3.3255	12.754	131.95
	SETTLE	3.7492	3.3941	12.866	134.55
	CHANGE	-.0644	-.0694	-.260	-2.45
	14 DAY RSI	50	52	57	55
	5 DAY MA	3.7689	3.4209	13.084	135.25
	9 DAY MA	3.7990	3.4322	13.062	135.42
	14 DAY MA	3.8408	3.4388	12.940	135.60

NYH Barge (est.)		NYMEX #2 Oil		NYMEX #2 Oil	Jan '09 futures
06/19/08	3.6658	06/19/08	3.6808	06/19/08	3.7998
06/20/08	3.9595	06/20/08	3.9740	06/20/08	4.0780
06/23/08	3.8620	06/23/08	3.8770	06/23/08	3.9935
06/24/08	3.8050	06/24/08	3.8124	06/24/08	3.9364
06/25/08	3.9598	06/25/08	3.9748	06/25/08	4.0963

-D.O.E. stats…. Crude oil stocks rose .80 mmbls. Distillate stocks rose 2.82 mmbls. Gasoline stocks fell .15 mmbls. Operating capacity fell .72% to 88.6%. It's not clear whether the estimates were just way off (anticipating draws in both crude and distillates), or the builds were really that surprising, but the immediate response of the market to the data was a sharp selloff in prices. At one point yesterday, crude oil was off over $5.00/bbl., and heating oil was down as much as 12.5 cents/gallon. The whole energy complex rallied off of the lows before the close, but still showed some welcome weakness.

- Of course, that was then, and this is now. The morning, without any real warning, prices spiked higher (crude jumped – at one point about $4.50/bbl., and heating oil rose by as much as 19 cents/gallon). As with yesterday, those moves were corrected, and as of 12:30, heating oil is still about 12 cents/gallon higher.

-Trading range. The emotional highs and lows in these markets are causing a great deal of stress to distributors, traders and consumers. Heating oil has actually spent some time in its current trading range of $3.75 - $3.85, on a closing basis, for the past two weeks (winter heating oil is about 15 cents higher – currently a little above $4.00/gallon). It seems that each time there is some talk of the market "topping", we just move back higher.

-Today's jump in prices is being blamed on two factors. The first is the weakness of the U.S. Dollar against the Euro. That sounds like a plausible argument until you consider that the Euro jumped to two-week highs YESTERDAY while oil prices were selling off sharply. The "weak-dollar" excuse is great while it works, but when there is no correlation between the dollar and oil prices, it seems that the reasoning is ignored. In other words, the Euro argument only works SOMETIMES. The other reason, just as bizarre, but different, is that a Libyan spokesman (Libya is Africa's 3rd largest oil producer) announced that they might CUT production, citing that (a) the market is oversupplied, and (b) (get this) because of the threats and intimidation against OPEC" (couldn't make that up). This is worse acting than in Rocky V, but the market has certainly reacted to it this morning.

-**Bearish analysis?** Although it might be a little bit of grasping at straws, Marc Faber – investor and publisher (not a biggie, but he was quoted in today's news, so why not...) feels that commodity prices are set for a correction over the next 6 months, after the recent 7-year rally. His take is that there will be some softening of prices (and lowering of some inflation figures), but that prices will then increase, once again.

-Losing a ton of money...but not till next year? The first time that I heard it, I wasn't sure what to believe. The second time, I thought that it was isolated, but after 6 times – in 3 states (NY, ME and PA)... It seems that enough of the retailers have come to grips with where prices are, and the costs to manage their businesses. Although there are certainly those who are giving low-ball prices to bring in new customers, we are seeing a new disturbing trend with the same goal. Since the majority of customers seem to be focused on their monthly costs (budget customers), rather than the cost per gallon, there are numerous reports of marketing to new customers by setting monthly budget payments at levels that have zero to do with current pricing. In other words, giving someone a monthly payment of $275 per month instead of what "should be" $450 per month Hey, I'd sign up for it to. However, you really need to wonder (other than short cash-flow during the winter) how the receivables are going to look when they try to collect $1,000 or $1,500 from those "new" customers next spring. Nothing illegal or immoral about this, and perhaps a great marketing strategy – but, perhaps not the wisest business plan.

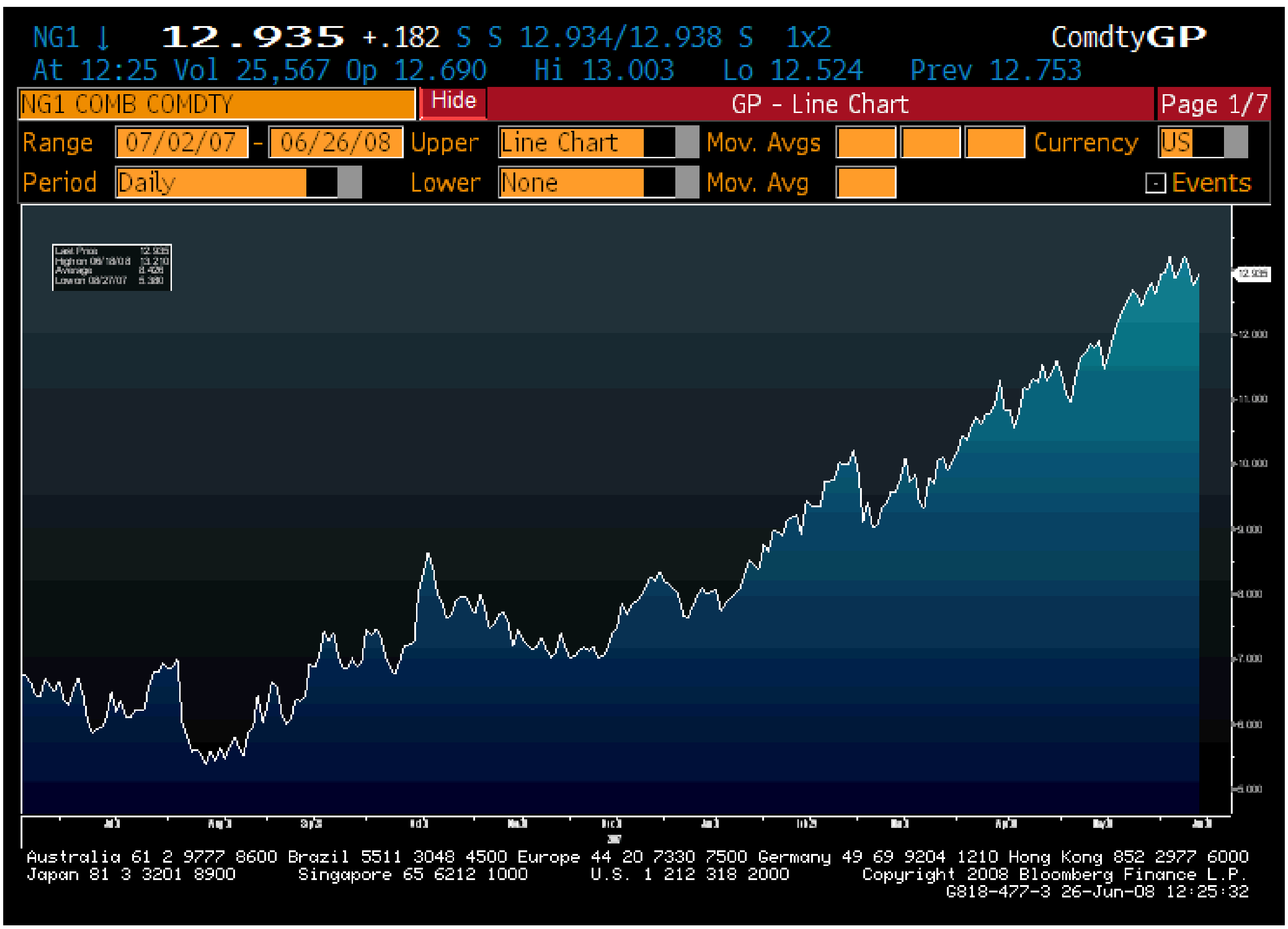
-**Bullish/Bearish...** This past week we have heard that.... Iran is considering stopping their nuclear enrichment program, AND that the President of OPEC said that if there are real problems in Iran, prices can go to $200/bbl., and even $400/bbl.!!... China, the world's second largest energy consumer was raising the retail prices in the country... McCain plans to double the number of nuclear reactors if elected, and supports some drilling off the coast of Florida... Nigeria suffered through more attacks on oil facilities.. The weakness in the stock market is going to cause the economy to implode, BUT that will bring down oil prices – the old, "when America sneezes, the world catches pneumonia" theory...

-Things are as uncertain as ever – perhaps more so. As we finish the month of June, more and more price offerings for the next year are being set and sent. Unfortunately, the head-in-the-sand approach by some dealers has left them well behind the 8-ball, as their customers have started to shop. Leading a horse to water is really all that can be done. If the waiting is because you KNOW something, we just hope that you are right.

-Fight back. The losses to natural gas have been growing – and they seem even worse as collecting money and keeping customers have become harder. There was a nice article on Yahoo a few days ago, mentioning that natural gas prices have moved up (lately) faster than Crude Oil. If you want a copy, let us know.

-Oil is delivered 12 months a year. Unless your program specifies an end-date (March 31st, April 30th, etc.) your customers may well believe that the price that you offer them – capped or fixed – is for a full 12 months. In many case it is offered that way. However, too many dealers leave those "other" months (generally May-Sep) uncovered. While it is true that your delivery volumes are lower during those months, losing $300 on each delivery – even if there are fewer deliveries in the summer – is not a lot of fun. Look at your offering, and look at your coverage. If the two are not in line with one another, you need to address that.

- At least I can be thankful about the Phillies going 2-8 in their last 10!!



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