

THE ANGUS ENERGY REPORT

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Today's pricing		HEATING OIL (MAY)	GASOLINE-RBOB (MAY)	NATURAL GAS (MAY)	CRUDE OIL (JUN)
Crude – .25 lower	HIGH	1.3650	1.4350	3.560	49.29
Products –	LOW	1.2979	1.3631	3.448	46.72
Heat- 250 lower	SETTLE	1.3478	1.4144	3.511	48.55
Gasoline - 400	CHANGE	+.0162	+.0025	-.029	+.04
lower					
Natural Gas - .02	14 DAY RSI	47	48	37	42
higher	5 DAY MA	1.3849	1.4480	3.614	50.69
	9 DAY MA	1.3947	1.4535	3.625	51.75
	14 DAY MA	1.3995	1.4537	3.657	52.17

D.O.E. stats... Crude oil stocks rose 3.86 mmbbls. Distillate stocks rose 2.68 mmbbls. Gasoline stocks rose .80 mmbbls. Refinery runs were 83.4% of capacity, up 3.1%. There had been expectations of a draw in products, and prices are lower on the news of the builds. Interesting to note that there was a sizable increase in refinery activity – which may have helped the product builds, as opposed to continued dwindling of demand. Equities are higher, so a late-day rally wouldn't be out of the question.

- Dare we say, “stability”? We have spent the entire month of May with prices managing to stay within a 10-cent per gallon range. Actually, until the sharp (9-cent) drop on Monday, we had seen an even tighter trading range. Monday's sell-off (with crude oil prices falling the most in the energy complex) continued the trend of having oil prices mirror the “directionality” of the equity markets. The theory persists that the stock markets are the “true” predictors of the economy's direction, and if that is the case, the logic extends that oil prices should follow suit: *weak economy ahead = weak oil prices*, and vice-versa.

- Missed opportunity for the bears? After the beating that crude oil futures took on Monday, dragging the whole complex lower, crude oil prices traded another \$2/bbl. lower at the opening of trading on Tuesday – at the low point, trading below \$44/bbl. – before fully recovering, and settling with a gain for the session. This

NYH Barge (est.)	NYMEX #2 Oil	NYMEX #2 Oil	Jan '10 futures
04/15/09	1.3785	04/15/09	1.4010
04/16/09	1.4006	04/16/09	1.4218
04/17/09	1.4050	04/17/09	1.4225
04/20/09	1.3154	04/20/09	1.3316
04/21/09	1.3316	04/21/09	1.3478

morning's trading has been, for the most part, lower, but with signs that traders might like to take prices high – that, obviously, is very subject to the whims of the market (equities are currently nominally higher).

- Natural gas futures seem to be tracking the realities of the economy, as they continue to trade at or near multi-year lows. However, as we see with oil prices, there is some optimism in the forward markets – with next winter's futures trading a full 65% higher than current levels (that is the equivalent of seeing January heating oil futures at about \$2.20/gallon!). Will that optimism be rewarded, or will we see a weak economy drive next winter's futures lower as the fall approaches?

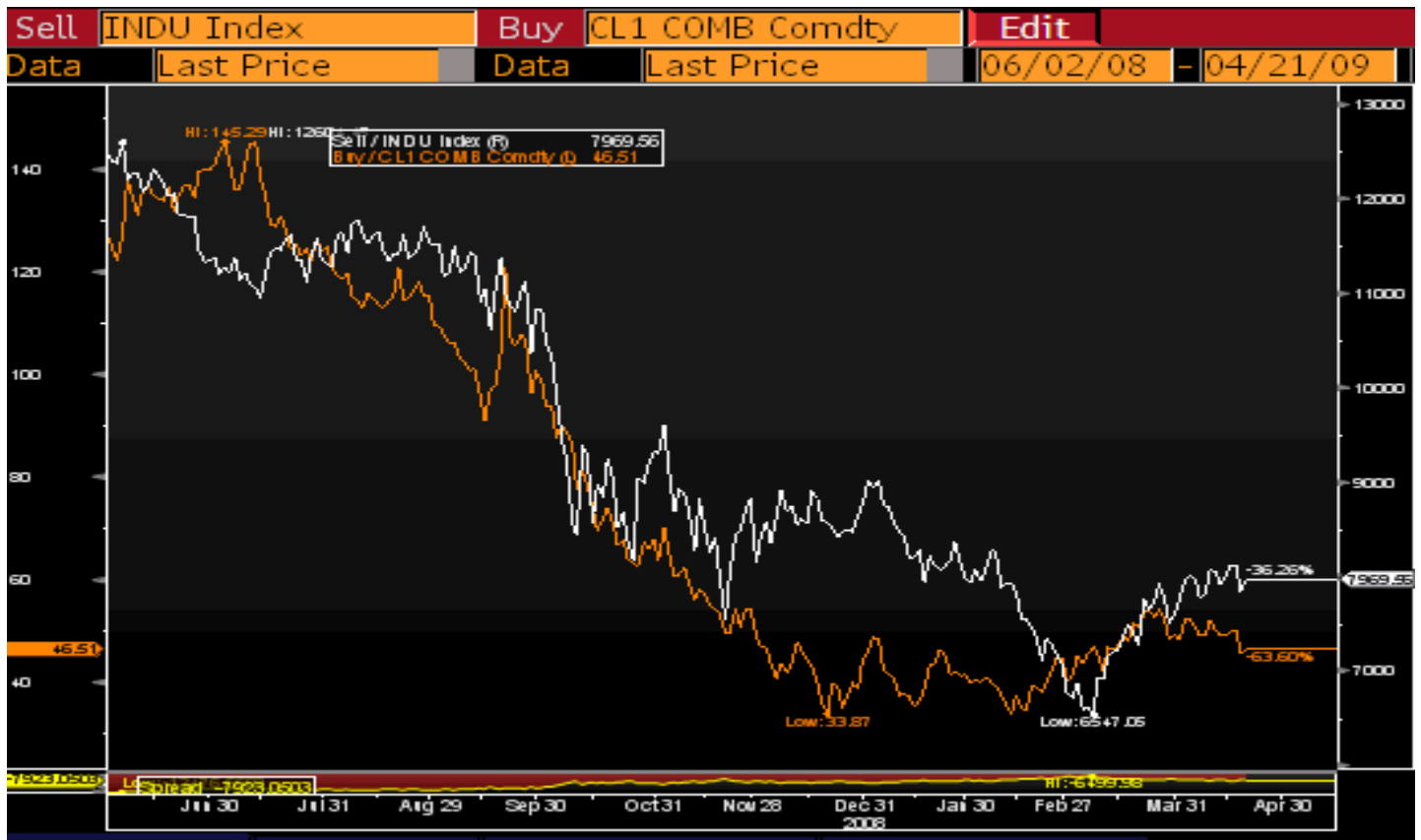
- Is there any logic in oil companies who lost BIG percentages of either their customers OR their margins through their fixed-price programs offering the same programs again this coming winter? We see more and more companies either totally switching to caps from fixed-price programs, or at the minimum ADDING a cap to the fixed-price offer. Interestingly, there are still a

number who say that offering a cap would be confusing and hard for them to manage. I can't imagine that it is any harder to manage that trying to control a stream of customers who are leaving for a competitor. If you need advice on how to set up, offer, manage and report on a price cap program, let us know. Help is readily available.

- Springtime in Atlantic City. While most conventions across the country are reporting

massive drops in attendance, I am hoping that the banner year that many heating oil dealers are having (don't be embarrassed, it's okay to admit it!!) will result in strong attendance, and we look forward to seeing you there. We will have a booth at the trade show, be making several presentation, and are available for private meetings, if there are things that you wish to review with us. See you there!

Look at how well stocks (DJIA) and oil (NYMEX Crude) track each other over the past year. Which is the leader?!?



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