

THE ANGUS ENERGY REPORT

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Today's pricing		HEATING OIL (JUL)	GASOLINE-RBOB (JUL)	NATURAL GAS (JUL)	CRUDE OIL (AUG)
Crude – .15 higher	HIGH	1.7766	1.9132	4.000	69.68
Products – Heat- 25 higher	LOW	1.7072	1.8368	3.827	66.37
Gasoline – 300 lower	SETTLE	1.7690	1.8932	3.879	69.24
Natural Gas - .100 lower	CHANGE	+.0415	+.0335	-.054	+1.74
	14 DAY RSI	56	50	47	55
	5 DAY MA	1.7966	1.9479	4.038	70.07
	9 DAY MA	1.8127	1.9968	4.032	71.00
	14 DAY MA	1.8055	1.9862	3.939	70.71

D.O.E. stats.... Crude oil stocks fell 3.87 mmbbls. Distillate stocks rose 2.08 mmbbls. Gasoline stocks rose 3.87 mmbbls. Refinery runs were 87.1% of capacity, up 1.15%. After trading lower overnight (partially on the heels of the API data – showing only a .07 mmbbls draw in crude), prices rebounded on the DOE release of data, and heating oil and crude are slightly higher on the session, with gasoline down a few cents on the inventory build.

- Taking a breather? After steadily climbing to 2009 highs, with a gain of over 60 cents/gallon from the lows (in February), this past week (Thursday's settlement through the close on Monday) represented the first time since March that heating oil prices settled lower for 3 consecutive days! The strength had been pinned on a number of things – improving economy, the fact that prices were “oversold” in the first place, political uncertainty, military tensions, etc. It was, sort of, a mini-Spring 2008, but with movements (thankfully) that were much smaller. Along with the rise in oil prices, were increases in equity (stock) prices, and with stock markets taking a bit of a breather, we seem to be seeing traders reassessing how high they think oil prices might actually go. After trading to almost \$74/bbl. (August futures), crude oil prices moved down to almost \$66/bbl., before moving back up to current levels – approaching \$70/bbl.

NYH Barge (est.)	NYMEX #2 Oil	NYMEX #2 Oil	Jan '10 futures		
06/17/09	1.8180	06/17/09	1.8630	06/17/09	2.0505
06/18/09	1.7883	06/18/09	1.8370	06/18/09	2.0355
06/19/09	1.7417	06/19/09	1.7867	06/19/09	1.9913
06/22/09	1.6838	06/22/09	1.7275	06/22/09	1.9380
06/23/09	1.7190	06/23/09	1.7690	06/23/09	1.9844

- Trouble in Fundamentalist Paradise? As tensions continue to grow in the aftermath of the questionable election results in Iran (actually, I don't think the results were really questionable, the issue is on what is reported by a government – and its clerics - that is trying to keep control over a large, and seemingly restless, nation). Much of this is reminiscent of the falling of the Eastern Block governments in the Reagan Era, but these Islamic leaders do not seem to be the type that will easily abdicate control. All of this is important globally, but closer to home it is hard to see what the ultimate impact on oil production and/or prices will be. However, this must be watched carefully.

- The “other” troublemakers. Even though the North Koreans do not produce any oil to speak of, and their global “trade” is generally limited to supporting terror activities, the saber-rattling has started to come close to a deafening din. Nuclear testing, after “warnings” from the rest of the world, have led to some “suspect ships” being trailed in the high-seas by some “coalition” forces. This appears to be a game of chicken, and

someone is going to have to blink. Given their history, it wouldn't be surprising to see the North Koreans use this as a test of the new Obama

administration. Hopefully our President is up to the task.

- Not much good to report on the "diamonds", so we will defer till next time.

January Heating oil futures – Jan 1 - present



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