

THE ANGUS ENERGY REPORT

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Today's pricing		HEATING OIL (AUG)	GASOLINE-RBOB (AUG)	NATURAL GAS (AUG)	CRUDE OIL (AUG)
Crude – .25 lower Products – Heat- 150 higher Gasoline – 200 higher Natural Gas - .15 higher	HIGH	1.7373	1.8318	3.745	64.90
	LOW	1.6744	1.7780	3.606	63.19
	SETTLE	1.6984	1.8120	3.705	64.72
	CHANGE	+.0090	+.0226	+.016	+.74
	14 DAY RSI	54	53	50	50
	5 DAY MA	1.6421	1.7586	3.603	63.16
	9 DAY MA	1.5882	1.7104	3.499	61.70
	14 DAY MA	1.6090	1.7250	3.512	62.75

D.O.E. stats.... Crude oil stocks fell 1.796 mmbbls. Distillate stocks rose 1.218 mmbbls. Gasoline stocks rose .813 mmbbls. Refinery runs were 85.8% of capacity, down 2.03%. Crude oil was lower overnight, and into early trading this morning on the heels of the A.P.I. stats showing a 3+ mmbbls. build in crude stocks. The market was down almost \$2/bbl. at the lows this morning, before recovering to about unchanged after the release of the D.O.E. figures. Part of today's trading may also be effected by the fact that the September crude oil contract is now "spot", with August futures expiry yesterday.

-The tug-of-war between being mired in a deep recession (accompanied by job losses, foreclosures and slow sales that are continuing), and "signs of life" in several economic reports, has the bulls winning this week. Along with the (very) recent enthusiasm has been a nice rally in stocks that has taken the DJIA from as low as 8087 on July 7th to as high as 8949 this morning. Along with the economic "things are looking brighter" perspective, oil prices have moved up after seeing a significant decline from the mid-June highs. After falling almost 40 cents through mid-July, heating oil prices have "recovered" more than half of that in the last week and a half.

NYH Barge (est.)	NYMEX #2 Oil	NYMEX #2 Oil	Jan '10 futures		
07/15/09	1.5534	07/15/09	1.5821	07/15/09	1.7568
07/16/09	1.5744	07/16/09	1.5994	07/16/09	1.7765
07/17/09	1.6248	07/17/09	1.6410	07/17/09	1.8184
07/20/09	1.6719	07/20/09	1.6894	07/20/09	1.8568
07/21/09	1.6822	07/21/09	1.6984	07/21/09	1.8607

-Technical? With the steep sell-off and then "rally" over the past month, traders are looking at technical indicators that are, for the most part, "neutral", giving no clear indication of the next market direction. There seems to be support below the market on the "belief" that even if the economic recovery DOES take an extended period of time, the thinking is (who knows if "the thinking" is right) that the worst is known. As far as prices skyrocketing to the moon (or to last summer's levels), there doesn't seem to be much fear of that happening, as job losses continue to mount, and the Federal Reserve continues to be fixated on making sure that there are no signs of strong inflationary pressures building.

-Weak Greenback. Also helping lift oil back off of last months' lows (and not coincidentally) is the recent weakness of the U.S. Dollar. After trading down to about \$1.30 per Euro in April, the Dollar has dropped in value by almost 10% (currently at \$1.4220) in the past 3 months.

-Can't wait for NFL Pre-Season! ☺

January 2010 Heating oil futures....rally, dip, rally....



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