

THE ANGUS ENERGY REPORT

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Post-report pricing		HEATING OIL (AUG)	GASOLINE-RBOB (AUG)	NATURAL GAS (AUG)	CRUDE OIL (SEP)
Crude – 3.25 lower	HIGH	1.8045	1.9475	3.665	68.86
	LOW	1.7575	1.8960	3.454	66.48
Products – Heat- 750 lower Gasoline – 500 lower	SETTLE	1.7647	1.9106	3.535	67.23
	CHANGE	-.0319	-.0241	-.069	-1.15
Natural Gas - .15 lower	14 DAY RSI	58	61	45	54
	5 DAY MA	1.7636	1.9025	3.635	67.24
	9 DAY MA	1.7163	1.8442	3.656	66.08
	14 DAY MA	1.6509	1.7790	3.547	64.33

D.O.E. stats.... Crude oil stocks rose 5.152 mmbbls. Distillate stocks rose 2.108 mmbbls. Gasoline stocks fell 2.315 mmbbls. Refinery runs were 84.6% of capacity, down 1.27%. Crude oil prices were lower overnight after the A.P.I. reported a build of over 4 mmbbls. in the past week. Traders didn't seem to believe that such a large build fit with their supply/demand view, and were quite surprised to see the D.O.E. data showing an even larger build. On the heels of the sharp sell-off in crude oil, heating oil and gasoline – neither with especially bearish numbers – could not hold onto their recent gains, and are well lower on the session, as well.

- Time for a break? Or were the rallies over the past two weeks baseless? After 10 consecutive higher closes, heating oil prices closed lower on Monday, and are well lower today. We are still well above the mid-month lows, but those who were wondering whether there was something to substantiate the 30-cent per gallon increase (and \$8 per barrel gain) are feeling somewhat vindicated today. With all that said and done, we are still left in an “in between” position. We are looking well higher at the \$2.00+ per gallon prices for winter futures that we saw in mid-June, but we are also well above the lows that we saw just two weeks ago. As the high-to-low range over the past 2 months is only 35 cents per gallon, it is hard to believe that such a range will be able to “contain”

NYH Barge (est.)	NYMEX #2 Oil	NYMEX #2 Oil	Jan '10 futures		
07/22/09	1.6962	07/22/09	1.7112	07/22/09	1.8811
07/23/09	1.7532	07/23/09	1.7644	07/23/09	1.9309
07/24/09	1.7701	07/24/09	1.7813	07/24/09	1.9426
07/27/09	1.7866	07/27/09	1.7966	07/27/09	1.9510
07/28/09	1.6822	07/28/09	1.7647	07/28/09	1.9226

prices as we move into the fall, and into the winter.

- Helping to give the bears (at least in the short-term) the upper-hand was the release of July's consumer confidence numbers, showing that confidence level is now below 47, and seemingly moving lower. It is interesting to note the reported drop in confidence, at the same time as we are seeing the Dow Jones Industrial Average above 9,000 for the 1st time since January, and at the highest levels since last November. Can equity traders be seeing something about the forecasts for our economy that “consumers” and (at least for the past two days) and energy traders are not seeing?

- Betting on the Greenback? After an extended period of weakness, which saw the Dollar weaken from 1-Euro = \$1.25 to 1-Euro = \$1.42, the Dollar has gained back a bit of its losses, and that seems to also be keeping oil from continuing the rally of the past two weeks. Should the Dollar's decline start anew, it might be the impetus to bring oil prices right back to where they seemed to be headed just this past week.

- El Nino coming back? In a long, detailed and perfect for putting yourself to sleep report from NOAA, released on Monday, the Climate Prediction Center is pointing out that higher sea surface conditions indicate the El Nino conditions “will continue to intensify and are expected to last through Northern Hemisphere winter 2009-10”. I can’t say that I am the biggest fan of long-term weather forecasting, but there is no denying as to the impact that a warm winter would have on oil dealers. We have not had an “outlier” year in a

while, and it is time to consider what the impact of a 10, 12, or 15 percent warmer winter would have on your business’ profitability.

- Natural gas futures continue to lag, and seem to be disconnected from the historical relationship(s) that it shared with others in the energy complex. As we near the expiration of the August futures contract, there is little interest in taking prices higher – despite the \$2.00/dkt. spread between the current month and the January futures contract (just 5 months away).

Euro Dollar Index – past year (rising line indicates weaker U.S. Dollar).



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