

# THE ANGUS ENERGY REPORT

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Post-report pricing	HEATING OIL (OCT)	GASOLINE-RBOB (OCT)	NATURAL GAS (OCT)	CRUDE OIL (OCT)
<b>Crude – .25 higher</b>	HIGH 1.7900	1.7980	3.600	71.19
	LOW 1.7300	1.7300	3.313	68.48
<b>Products – Heat- 50 higher</b>	<b>SETTLE 1.7801</b>	<b>1.7892</b>	<b>3.320</b>	<b>70.93</b>
<b>Gasoline – 100 higher</b>	CHANGE +.0379	+.0459	+.023	+2.07
<b>Natural Gas - .25 higher</b>	14 DAY RSI 46	46	52	52
	5 DAY MA 1.7672	1.7848	3.132	70.47
	9 DAY MA 1.7583	1.7923	2.936	69.72
	14 DAY MA 1.7885	1.8113	2.982	70.15

**D.O.E. stats....** Crude oil stocks fell 4.73 mmbbls. Distillate stocks rose 2.24 mmbbls. Gasoline stocks rose .55 mmbbls. Refinery runs were 86.9% of capacity, down .26%. Last night's A.P.I. reports showed a more bearish view of things, with a build in crude oil, and prices were lower overnight on the data. This morning's (D.O.E.) report erased – for now – the drop in price, and took us up to almost \$72.00/bbl. It seems that we are still mired between very serious resistance in the \$75/bbl. range and support (helped by the equity markets) in the \$67-\$68/bbl. range.

**- Could have been worse.** If Federal Reserve Chairman Bernanke is correct (big question – not a knock, but it is all opinion and conjecture) that the recession is over and that the recovery has started, seeing stock prices moving up towards what will be a key psychological level of 10,000 in the Dow, should give oil traders some comfort if their opinion is that prices are poised to move higher. Natural gas, a fairly decent indicator of industrial demand, had plummeted to as low as \$2.41/dkt in trading last week, and has now “recovered” to about \$3.60/dkt. Make no mistake, in that NG prices had been so oversold for such a long time that a “short-covering rally” was to be expected, but seeing a 50% rise in prices in less than 2 weeks, might actually be an early indicator that things will improve. Actually, for oil dealers, any sharp rise in NG prices is quite welcome, as the utilities are cranking up their marketing rhetoric to try to get conversions from heating oil. Coal futures prices (another industrial “indicator”) have moved up to their

NYH Barge (est.)	NYMEX #2 Oil	NYMEX #2 Oil	Jan '10 futures
09/09/09	1.7557	09/09/09	1.7944
09/10/09	1.7498	09/10/09	1.7885
09/11/09	1.6883	09/11/09	1.7308
09/14/09	1.6997	09/14/09	1.7422
09/15/09	1.7576	09/15/09	1.7801

highest prices in a month after slowly drifting lower for most of the summer.

**- The recent support** in crude oil and heating oil have taken the “technical” indicators back into what would be considered “neutral” territory. Holding the support levels when prices were oversold is not necessarily an indicator that if prices are pushed lower for some REAL fundamental reason (supply, weather, etc.) they won't break to new lows. But it does show that no one seems to be placing any real faith in a major move in either direction. Maybe, just maybe, prices will stabilize, so you can just worry about running your business, and not about what oil futures are doing every day.

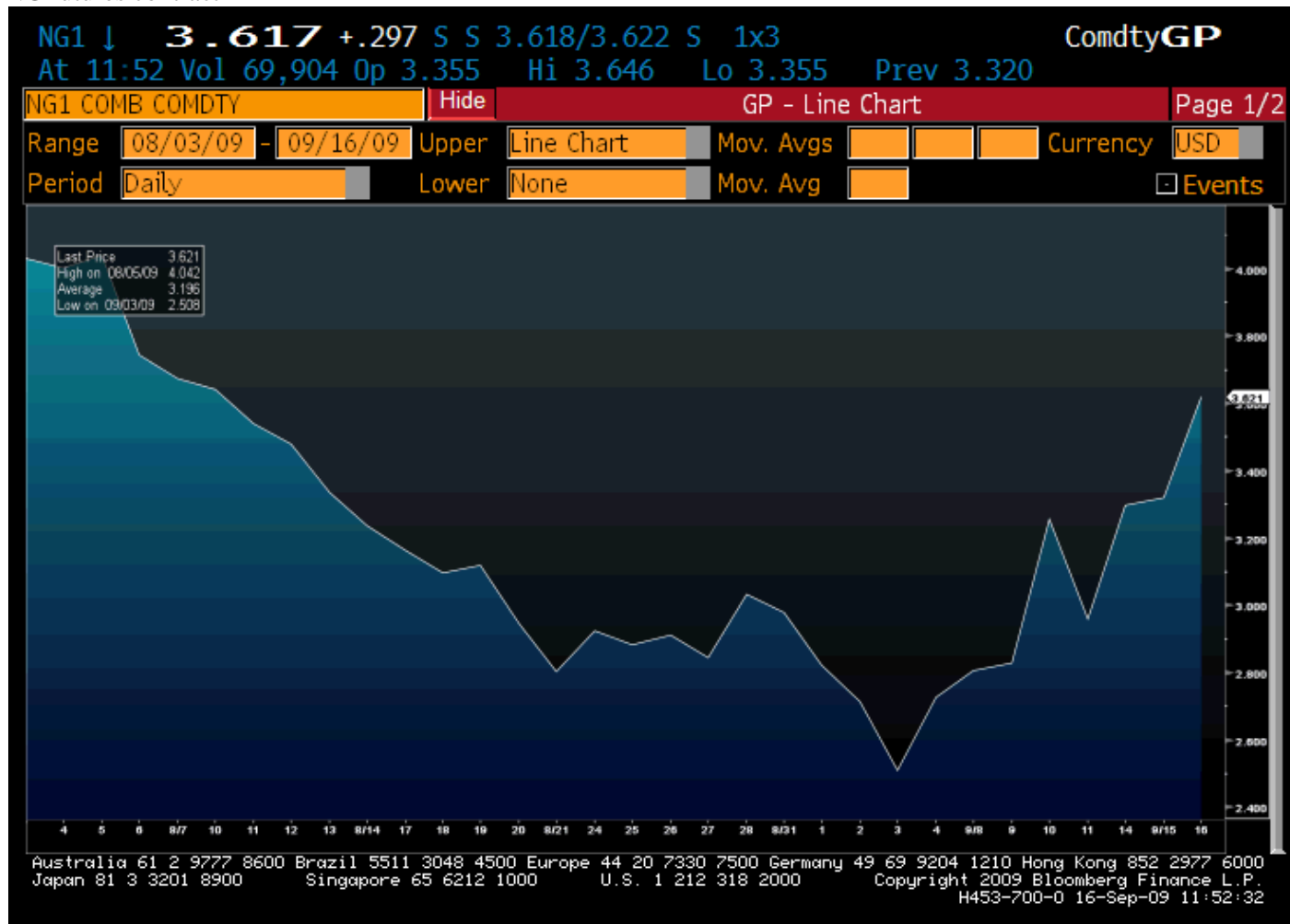
**- Watch the dollar.** As we saw, all too clearly, about a year ago, the ebbs and flows of the U.S. Dollar's value versus other currencies has strong tie-ins with the movements in the price of oil. Although we are still quite a distance from the extreme lows that the dollar had against the Euro in the spring of '08 (almost \$1.60 per Euro), after the dollar gained a lot of strength during the financial meltdown (back to \$1.25 per Euro), we are now back to about \$1.47 per Euro. Movements in the dollar are related to many, many things, and although oil prices do not have a 100%

correlation to those moves, they are certainly worth having on the radar.

**- Who were those guys on defense?** Is it possible that Rex Ryan kidnapped some of his players from the last few years, and dressed them up in Green this past Sunday? Whether yes or no, and whether or not the

success continues, at least there were some big smiles (helped by the Dolphins loss) in my house last Sunday. Also, yes, to my passionate New England readers, the Pats, and Tom Brady are absolutely phenomenal – and, yes, almost “magical”. Happy?!?

NG futures contract



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