

THE ANGUS ENERGY REPORT

http://www.angusenergy.com
e-mail pbaratz@angusenergy.com

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Written by Philip J. Baratz, C.T.A.

Post-report pricing	HEATING OIL (DEC)	GASOLINE-RBOB (DEC)	NATURAL GAS (DEC)	CRUDE OIL (DEC)
Crude - .10 higher	HIGH 2.0905	2.0174	4.665	80.51
	LOW 2.0295	1.9480	4.436	77.89
Products – Heat- 50 higher	SETTLE 2.0523	1.9774	4.467	79.05
Gasoline – 50 higher	CHANGE -.0104	-.0044	-.203	-.38
	14 DAY RSI 54	57	32	55
Natural Gas - .05 higher	5 DAY MA 2.0533	1.9768	4.648	79.19
	9 DAY MA 2.0522	1.9843	4.788	78.95
	14 DAY MA 2.0616	2.0038	4.982	79.14

D.O.E. stats.... Using API stats this week (reported last night, while awaiting DOE numbers). **Crude oil stocks** rose 1.22 mmbbls. **Distillate stocks** rose .64 mmbbls. **Gasoline stocks** rose 1.40 mmbbls. Refinery runs were 81.0% of capacity, unchanged from the prior week. Nothing really exciting about the stats, as prices are barely changed on the session, after a week of (continued) wide swings in price. It is still early in the session, so an outside source (news in equities or the U.S. Dollar as the most likely culprits) will have to emerge to drive prices out of their narrow daily range.

- NG weakness returns. After bottoming out in early-September, natural gas prices moved to their highest levels since January early this month. However, there has been a slow and steady decline since, mostly (of late) on slacking heat-load demand, and bulging early-season inventories. The weakness over the past week has not shown much of an impact on heating oil prices, but we have seen a sizable drop in the spot and forward prices of coal. Coal futures are down 13% in the last 3+ weeks, and coal producers NEED higher natural gas futures prices in order to continue to see price recovery from the sharp sell-off that they witnessed over the past year.

-Weakness in the Dollar. Although we have not “officially” seen the Euro settle a trading session at a (psychologically important) level above \$1.50, we have traded intra-day at >\$1.50 for each of the last 3 trading sessions. For perspective, the Euro was worth about \$1.25 in March, at the peak of the Dollar’s rally from the record highs that were seen in the spring and summer of 2008 (\$1.60). The 20% increase in value

NYH Barge (est.)	NYMEX #2 Oil	NYMEX #2 Oil	Jan '11 futures
11/04/09	2.0452	11/04/09 2.0902	11/04/09 2.3488
11/05/09	2.0051	11/05/09 2.0576	11/05/09 2.3226
11/06/09	1.9485	11/06/09 2.0035	11/06/09 2.2772
11/09/09	2.0102	11/09/09 2.0627	11/09/09 2.3245
11/10/09	2.0148	11/10/09 2.0523	11/10/09 2.3053

over the past few months has helped lead to the recent strength in oil prices, and should \$1.50 move up towards \$1.60, a movement in crude oil prices towards \$90/bbl., would not be out of the question. So, we have at least one more reason to wish for strength in the “Greenback”.

- Come see the changing (okay, the “changed”) of the leaves. On December 2, Angus Energy and Ren Re Advisory Services will be putting on a 4-hour seminar on Hedging, Finance and Banking, in the Hudson Valley. For more information, please contact Danny Silverman at dsilverman@angusenergy.com.

- All hands on deck. After the scare created by Tropical Storm Ida this past week, all workers have returned to their evacuated platforms in the Gulf of Mexico. We might see a small dip in production numbers, as released over the next week or two, but do not have any reports of damage to rigs, or planned long-term supply disruptions.

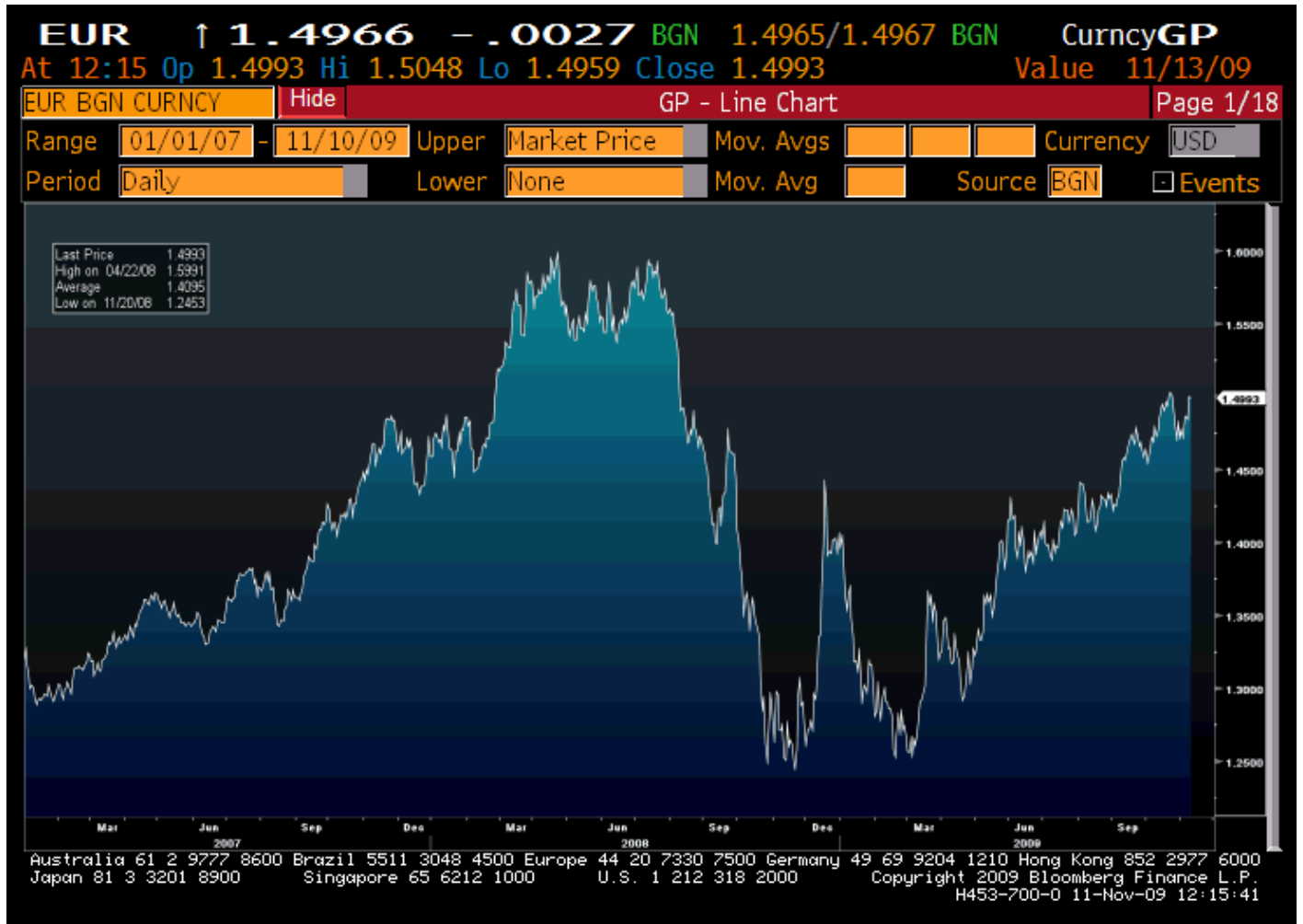
- Newsworthy, or typical tabloid? The UK Guardian is reporting that a “whistleblower” inside the International Energy Agency is warning those willing to listen (and believe) that there are fewer proven oil reserves than are being reported. Although there are many, many “peak oil” theories (portending

diminishing supply, wells drying up, and new supply being harder and more expensive to produce), this story seems to have garnered some following, and (oddly enough, but maybe not – without anything exciting in the news) seems to be having a bit of a supportive impact on prices.

- **Very far from a “roar”**, but there are certainly some early-season rumblings that sound something like “WHERE ARE THE *&^#@\$ HDD’S!?”

- **Now that baseball season is over**, and it seems that football season (for me, at least) might be over soon, I guess all I have to cheer for is Dwayne Wade and the Miami Heat. Better than nothing!

Eurodollar value – vs. U.S. Dollar (from Jan, 2007, forward).



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