# 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 (JAN) | GASOLINE-RBOB (JAN) | NATURAL GAS (JAN) | CRUDE OIL (JAN) |
|---|---|---|---|---|---|
| Crude – 2.50 higher | HIGH | 1.9312 | 1.8618 | 5.540 | 71.15 |
| Products – | LOW | 1.9009 | 1.8257 | 5.314 | 69.31 |
| Heat- 600 higher | **SETTLE** | **1.9033** | **1.8451** | **5.523** | **70.69** |
| Gasoline – 450 higher | CHANGE | *-.0049* | *.0184* | *.191* | *1.18* |
| Natural Gas - .06 lower | | | | | |
| | 14 DAY RSI | 36 | 38 | 60 | 35 |
| | 5 DAY MA | 1.9064 | 1.8412 | 5.243 | 70.26 |
| | 9 DAY MA | 1.9566 | 1.8932 | 5.038 | 72.20 |
| | 14 DAY MA | 1.9869 | 1.9330 | 4.989 | 74.00 |

| NYH Barge (est.) | | NYMEX #2 Oil | | NYMEX #2 Oil | Jan '11 futures |
|---|---|---|---|---|---|
| 12/09/09 | 1.8781 | 12/09/09 | 1.9093 | 12/09/09 | 2.1629 |
| 12/10/09 | 1.8717 | 12/10/09 | 1.9029 | 12/10/09 | 2.1544 |
| 12/11/09 | 1.8798 | 12/11/09 | 1.9085 | 12/11/09 | 2.1506 |
| 12/14/09 | 1.8795 | 12/14/09 | 1.9082 | 12/14/09 | 2.1494 |
| 12/15/09 | 1.8772 | 12/15/09 | 1.9033 | 12/15/09 | 2.1461 |

**D.O.E. stats**…. Crude oil stocks fell 3.67 mmbls. Distillate stocks fell 2.94 mmbls. Gasoline stocks rose .88 mmbls. Refinery runs were 79.9% of capacity, down 1.1%. The market is viewing the inventory data through bullish glasses, although it is not clear whether the pop in prices is due to the actual inventory numbers or to the fact that we have sold off recently, and are due for some short-side profit-taking.

**- Monday marked the 9th consecutive day** that crude oil futures fell (the string was broken yesterday), as the U.S. Dollar has seen recent strength. The 9-day drop equaled a fall of about $9/bbl., and has put the "high end" of $80/bbl. pretty far in the distance. Heating oil prices have mostly followed suit, and are back down to levels (January futures contract) that we haven't seen since early October. Even with today's early price rise, it seems that the $2.00/gallon level may offer a good amount of technical resistance – until there is a change in market fundamentals, or some sort of "political surprise".

**- Bad news / Good news.** We continue to trail both "normal" and last years' HDD's all throughout the Northeast, and now that we are into the second half of December, you need to wonder if those HDD's will be recouped (yes, that is the bad news). The good news is that with the recent drop in prices of almost $.20/gallon, there has been very little movement in "posted prices". Most variable and capped sales have increased their profit margins to help to offset some of the lost volumes. Fixed-sales do not have that flexibility, and may actually be causing some damage to overall margins, as fixed-supply likely has been outweighing fixed-demand.

**- Not that it is much of a surprise,** but most OPEC ministers – including OPEC's Secretary-General – are not expecting any changes in production, as the ministerial meeting approaches.

**- Natural gas prices** continue to rise amidst optimism of growing industrial demand, and some cold weather in the Midwest. January futures are at their highest levels since October, and settled yesterday more than a dollar higher than the recent lows ($4.459/dkt.) on December 3rd. Although it has not moved with as much "zest", coal futures have moved up a bit this month, and closed yesterday at their highest levels of the month – interesting considering the weakness in crude oil, heating oil, and gasoline!

**- As interest in hedging for next winter starts** to (slowly) pick up steam, many dealers are facing issues in renewing working capital facilities (especially those who need increases in their lines). As if that weren't tough enough, those who need to work with new banks are not having an easy time at all, despite all of the sound-bites from bankers about the money that they are looking to lend to small and medium sized businesses. If you are having a tough time on any of those accounts, we have partnered with some consultant/ex-bankers who might be able to help guide you through some of these financial issues. Let us know.

Crude Oil futures