THE ANGUS ENERGY REPORT

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January 27, 2010
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Post Inventory prices		HEATING OIL (FEB)	GASOLINE-RBOB (FEB)	NATURAL GAS (FEB)	CRUDE OIL (MAR)
Crude – 1.00 lower	HIGH	1.9658	2.0000	5.721	75.39
Products –	LOW	1.9336	1.9650	5.434	73.82
Heat- 300 lower	**SETTLE**	**1.9508**	**1.9674**	**5.485**	**74.71**
Gasoline – 300 lower	CHANGE	*-.015*	*-.0334*	*-.237*	*-.55*
Natural Gas - .15 lower					
	14 DAY RSI	34	42	47	36
	5 DAY MA	1.9730	1.9927	5.627	75.67
	9 DAY MA	2.0149	2.0224	5.634	77.33
	14 DAY MA	2.0738	2.0621	5.665	79.31

NYH Barge (est.)		NYMEX #2 Oil		NYMEX #2 Oil	Jan '11 futures
1/20/10	2.0031	1/20/10	2.0211	1/20/10	2.2309
1/21/10	1.9748	1/21/10	1.9856	1/21/10	2.1885
1/22/10	1.9304	1/22/10	1.9416	1/22/10	2.1465
1/25/10	1.9571	1/25/10	1.9658	1/25/10	2.1626
1/26/10	1.9421	1/26/10	1.9508	1/26/10	2.1465

D.O.E. stats…. Crude stocks fell 3.89 mmbls., Distillate stocks rose .36 mmbls., gasoline stocks rose 1.99 mmbls. Refinery operations were at 78.4% of capacity, unchanged from last week.

- The Wal-Mart effect. As they say in their commercials, "look out for falling prices". All energy prices are continuing their almost 3-week long price decline, as the weather and economic forecasts are not showing much that should boost demand. The early 2010 optimism about the economy seems to have disappeared as President Obama is struggling to advance his agenda (although there are many who are not all that sad about that fact), and the equity markets have also found little to be optimistic about.

- Margins aplenty! Thanks in part to the early January cold snap, coupled with the (then) rallying prices, the recent drop in prices continues to allow for "margin enhancement" for those who are selling either capped or rack-plus gallons, and those increased per-gallon margins are certainly needed as the HDD's have slowed of late.

- The Chinese impact on oil prices should not be overlooked, as the Chinese government is seeking a way to tighten their monetary policy, and the US dollar continues to gain in strength (well off of the lows versus the Eurodollar that were seen in November). Any slowdown in Chinese expansion, warranted or not, will have a negative effect on price forecasting in the oil patch. China will remain a wild card for some time, much as Iran has been over the past few years with their nuclear ambitions.

- Slight physical support? Fog in the Houston Ship Channel and a small spill in the Sabine-Neche Waterway that is blocking waterborne access to four Texas refineries may result in some "surprise" numbers regarding refinery activity, but without strong demand, it will still take some work to whittle down burgeoning inventories.

- It was fun while it lasted, and who knows what next year will bring?

U.S. Dollar vs. Eurodollar