

THE ANGUS ENERGY REPORT

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11:00 a.m. prices		HEATING OIL (MAR)	GASOLINE-RBOB (MAR)	NATURAL GAS (MAR)	CRUDE OIL (MAR)
Crude – .75 lower	HIGH	1.9499	1.9488	5.466	74.15
Products –	LOW	1.8747	1.8827	5.262	71.32
Heat- 200 lower	SETTLE	1.9373	1.9290	5.290	73.75
Gasoline – 250 lower	CHANGE	.0518	.035	-.111	1.86
Natural Gas - .02 lower	14 DAY RSI	43	43	45	43
	5 DAY MA	1.9304	1.9393	5.408	73.39
	9 DAY MA	1.9423	1.9430	5.355	73.90
	14 DAY MA	1.9496	1.9562	5.417	74.24

D.O.E. stats.... Due to the winter storm(s), the weekly inventory report – schedule for release today at 10:30 a.m. – is being postponed until Friday at 11:00 a.m.

- The volatility that we have seen over the past few weeks does not seem to be going anywhere, but after what seemed to be signs of a “bottom” in process early last week (and a rally thereafter), heating oil prices plunged on Thursday and Friday, dropping as much as (at Friday’s lows) 20 cents/gallon before “recovering”. Coming into this morning’s trading, March heating oil futures were 11 cents/gallon higher than Friday’s lows, but still about 26 cents lower than the highs that we saw (with the accompanying cold weather) in early January. Crude oil seems to have held the “support level” of \$70/bbl., but many more traders are looking at a possible breaking of that level, than looking to a retest of the highs above \$80/bbl.

- Although the Tri-State area made it through last weeks’ snow storm fairly unscathed (the same cannot be said for the mid-Atlantic), today’s blizzard is shutting down much of the area – with snow currently falling at 1+ inches per hour.

NYH Barge (est.)	NYMEX #2 Oil		NYMEX #2 Oil		Jan ‘11 futures
2/3/10	2.0082	2/3/10	2.0194	2/3/10	2.2026
2/4/10	1.9257	2/4/10	1.9352	2/4/10	2.1206
2/5/10	1.8648	2/5/10	1.8748	2/5/10	2.0658
2/8/10	1.8730	2/8/10	1.8855	2/8/10	2.0770
2/9/10	1.9261	2/9/10	1.9373	2/9/10	2.1235

Heating demand is popping up with the storm, but deliveries have also become harder to make (gotta find those fill pipes!).

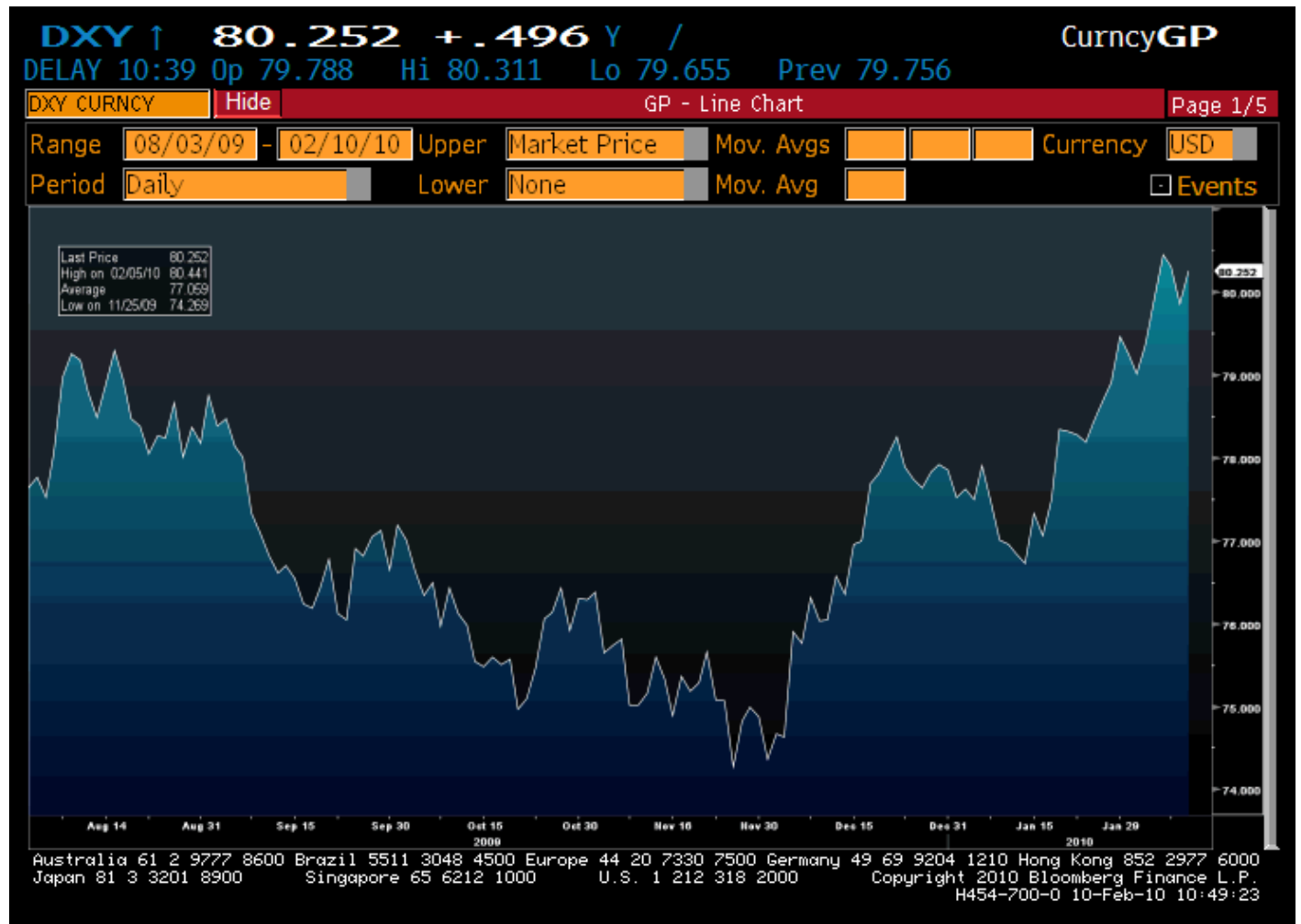
- With the ample supplies of oil available, and the winter neither very warm, nor very cold, the swings in oil prices have fallen to the available news items. The US dollar had gained in strength (and is up again today), while European economies appeared to be struggling. Of the weakest, Greece, there were legitimate fears of default and the need for a bailout. Supporting energy prices (and weakening the dollar) yesterday were reports of an EU “bailout” of Greece. Those conversations are ongoing, but we should all be aware that the notion of a partial bailout is already built into the market.

- In a true signal that the bears still have control over the markets, the saber-rattling between the world (led by the U.S.) and Iran, seems to be getting very little press. President Obama, pointing out that a

weapon-touting, “nuclearized” (yes, I made up the word) Iran is not acceptable, said that the move towards sanctions is picking up steam. You do have to wonder about how many times the Iranians will totally disregard world opinion and threats. However, if the threats really lead to nothing damaging for them, why wouldn't they disregard?

- The OPEC minister's meeting scheduled for March 17th continues to be thought of as a gathering to rubber-stamp existing production quotas. Lacking a move well below \$70/bbl. (WTI), or well above \$80/bbl., that will likely be the case.
 - Happily, I was not the only one in a Jets jersey.

U.S. Dollar Index (last 6 months). Note the (inverse) correlation between the dollar and the direction of oil prices.....



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