

# THE ANGUS ENERGY REPORT

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Post Inventory prices		HEATING OIL (APR)	GASOLINE-RBOB (APR)	NATURAL GAS (APR)	CRUDE OIL (APR)
	<b>Crude – 1.00 higher</b>	HIGH	2.0860	2.2224	4.755
<b>Products –</b>	LOW	2.0159	2.1550	4.655	78.26
<b>Heat- 250 higher</b>	<b>SETTLE</b>	<b>2.0561</b>	<b>2.1966</b>	<b>4.708</b>	<b>79.68</b>
<b>Gasoline – 350</b>	<b>CHANGE</b>	<b>.0326</b>	<b>.041</b>	<b>.029</b>	<b>.98</b>
<b>higher</b>					
<b>Natural Gas - .05</b>	14 DAY RSI	54	57	34	56
<b>higher</b>	5 DAY MA	2.0335	2.1789	4.765	79.24
	9 DAY MA	2.0489	2.1852	4.863	79.43
	14 DAY MA	2.0226	2.1485	5.039	78.22

**D.O.E. stats....** Crude stocks rose 4.03 mmbbls., Distillate stocks fell .84 mmbbls., gasoline stocks rose .77 mmbbls. Refinery operations were at 81.9% of capacity, down 0.9%. Prices trended higher overnight, dipped a little as the data was released, and are now moving up towards their highs (up about \$1.00/bbl).

**- Trading ranges continue to hold.** As noted last week, the volatility (range or “swings” in prices) moved down sharply throughout the month of February, mostly due to the range in prices that crude oil remained mired in. Traders tried to push crude prices down to below \$70/bbl., early in the month, and then tried to move prices over \$80/bbl later in the month – both with very limited success. As of this morning’s trading, we are at the high end of the recent range, but not close to the highs that we saw in January, so the expectation is that we will continue to be “range-bound” until we start to see something new to move prices away from the current support and resistance levels.

**- Strength in the US Dollar?** Helping guide some of the movement in energy prices has been the strength of the US Dollar, as Europe has struggled to deal with the “Greek Debt Situation”. While there is consensus that there will be some sort of resolution/bailout, the European nations continue to talk, and a solution is not yet in place. That has helped take the Dollar from \$1.45/Euro in early January to \$1.35 last week. Today, we are seeing the first substantial weakness in the Dollar in some time, as the Greek government has

NYH Barge (est.)	NYMEX #2 Oil	NYMEX #2 Oil	Jan '11 futures		
2/24/10	2.0309	2/24/10	2.0421	2/24/10	2.2359
2/25/10	1.9750	2/25/10	1.9862	2/25/10	2.1831
2/26/10	1.9949	2/26/10	2.0249	2/26/10	2.2157
3/1/10	2.0160	3/1/10	2.0235	3/1/10	2.1966
3/2/10	2.0541	3/2/10	2.0561	3/2/10	2.2219

announced plans (to win support from the EU and from the debt markets) to increase sales taxes and to cut certain welfare programs. There are so many comments that can be made about the US domestic situation, but we will leave that unsaid.

**-China’s continuing efforts** to tighten their monetary policy is not having the expected impact on energy prices. Most were looking at the lackluster US economy, along with the debt issues in Europe, and pointing out that the only reason that energy prices were not falling was because of the continued growth and demand out of China. Now that the Chinese are attempting to put some clamps on runaway lending and spending, analysts are going to have to find another reason to explain why energy prices (unfortunately, aside from Natural Gas) are much closer to their recent highs than their recent lows.

**- Although the temperatures** in South Florida are still in the 40’s and the spate of snowstorms is making it look like this winter may last forever, we are now in March, and the heating season will be winding to a close in the next month or two. Along with the end of one heating season is always the beginning of the planning for the next heating season. Given the price ranges over the past few years, and the fact that in any year, the “best” program is only known afterwards, price

caps continue to provide consistent returns to both profitability and loyalty. If your program is not set up, or is not underway, it is probably time for you to schedule time to get your program set. If you need help, contact us.

**-OPEC's ministers are meeting in 5 weeks.**

Nothing new from the ministers as to what can be expected, but the higher prices remain, the more likely that OPEC will stay pay on their production quotas.

Eurodollar value vs. the US Dollar (past 4 months)



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