

THE ANGUS ENERGY REPORT

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Post Inventory prices		HEATING OIL (MAY)	GASOLINE-RBOB (MAY)	NATURAL GAS (MAY)	CRUDE OIL (MAY)
Crude – .15 higher Products – Heat- 200 higher Gasoline – 50 higher Natural Gas - .05 higher	HIGH	2.1925	2.3016	3.993	83.65
	LOW	2.1620	2.2557	3.879	81.51
	SETTLE	2.1802	2.2809	3.975	83.45
	CHANGE	.0234	.0265	.031	2.00
	14 DAY RSI	51	51	42	51
	5 DAY MA	2.2097	2.2942	4.028	83.90
	9 DAY MA	2.2151	2.2960	4.032	84.24
	14 DAY MA	2.2222	2.3077	4.045	84.73

D.O.E. stats.... Crude stocks rose 1.89 mmbbls. Distillate stocks rose 2.10 mmbbls., gasoline stocks rose 3.59 mmbbls. Refinery operations were at 85.9% of capacity, up .34%.

Interesting divergence between the API and DOE stats. After the release of the API stats last night, showing draws in crude, heating oil and gasoline (.7, 1.7 & 3.1 mmbbls., respectively), the market was taken – a bit – by surprise to see the builds as reported by the DOE. Prices moved from up a few cents in products to unchanged, and from up a little in crude oil to down almost a dollar (remember that the expiring May futures contract gained \$2.00 per barrel yesterday, so any negative news was bound to take crude – June – lower). However, after reassessing all of the numbers, energy prices are now back up (slightly) on the day.

-After continuing the rally that started in February, that saw heating oil prices gain almost 40 cents/gallon, the news that Goldman Sachs was in trouble, hit the energy complex (correlation between the two? Since when do we need correlation between events to move oil prices!?) – and

NYH Barge (est.)		NYMEX #2 Oil		NYMEX #2 Oil	Jan '11 futures
4/14/10	2.2184	4/14/10	2.2421	4/14/10	2.4232
4/15/10	2.2286	4/15/10	2.2523	4/15/10	2.4439
4/16/10	2.1894	4/16/10	2.2169	4/16/10	2.4148
4/19/10	2.1293	4/19/10	2.1568	4/19/10	2.3672
4/20/10	2.1515	4/20/10	2.1802	4/20/10	2.3813

the equity markets – this past Friday, and prices moved lower into the weekend, and again on Monday. Although today prices traded as much as 7 cents per gallon higher than Monday's lows, it does seem that some of the steam has been taken out of the recent bull-run. Traders have been liquidating some long positions, and are now assessing the likelihood of either a continued consolidation of prices, or whether we are going to see oil (crude, in this case) continue it's march up towards \$100/bbl.

-REAL NEWS!! Yes, that does happen sometimes, and the effect can actually move oil prices. Last week's volcanic eruption in Iceland, and the grounding of thousands of flights by airlines, has pressured the energy markets as demand for jet fuel has plummeted. Lost flights cannot really be made up with "extra" flights, so that unused jet fuel will be a market reality for a while.

-Greece feeling left out? With the recent “news”, the financial woes related to the need for a financial bailout in Greece have stayed on the front-page, but not as the top story. Although there does seem to be a deal that will be struck soon, the dollar continues to gain in strength against the Euro (near its highs). If/when a deal is officially announced, the Euro may gain in strength, which MAY have a supporting effect on energy prices.

-Not that long-term weather predictions are a good way for oil dealers to use to try to earn a living, but yesterday’s update from private forecaster, WSI, calling for an increase in tropical activity has some traders “taking pause” as they look at the longer-term oil and natural gas markets.

-Earth Day? I have been happily telling all of my Floridian friends that the reason that our kids are being asked to wear green tops to school tomorrow is to celebrate the Jets signing of Jason Taylor!

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