

THE ANGUS ENERGY REPORT

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Intra-day prices		HEATING OIL (JUNE)	GASOLINE-RBOB (JUNE)	NATURAL GAS (JUNE)	CRUDE OIL (JUNE)
Crude – 2.00 lower Products – Heat- 400 lower Gasoline – 500 higher Natural Gas - .10 lower	HIGH	2.2637	2.3240	4.040	82.83
	LOW	2.1710	2.2130	3.925	79.15
	SETTLE	2.1845	2.2204	3.991	79.97
	CHANGE	-.075	-.1018	-.022	-2.77
	14 DAY RSI	44	40	42	38
	5 DAY MA	2.2766	2.3468	3.981	84.04
	9 DAY MA	2.2701	2.3444	4.140	83.91
	14 DAY MA	2.2520	2.3258	4.124	83.87

D.O.E. stats.... Crude stocks rose 2.76 mmbls. Distillate stocks rose .58 mmbls., Gasoline stocks rose 1.26 mmbls. Refinery operations were at 89.6% of capacity, up .64%. The builds were not the cause of any of the movements in the market, but might have taken a little bit out of the sails of the “kill the speculator” crowd. The continued weakness in foreign currencies (and growing strength of the US dollar) has superseded all else that is going on in the energy complex. Hopefully no one will suggest putting restrictions on how strong (or weak) the U.S. Dollar is allowed to get!

- The good/great news this week – since the opening of trading on Tuesday is that fears of a domino effect from the “Greek Tragedy” that is going on may cause an implosion of other European currencies and governments (no, weak European governments and currencies are not good news – except when it comes to oil prices falling). While this is going on, the US Dollar has gained in strength by more than 15% in value vs. the Euro since late in 2009, and is now at the strongest level in over a year. Equity markets are taking it on the chin – not good news if you were starting to believe (again) that you would ever be able to afford to retire – but the strong dollar and

NYH Barge (est.)		NYMEX #2 Oil		NYMEX #2 Oil		Jan '11 futures
4/29/10	2.2362	4/29/10	2.2512	4/29/10	2.4559	
4/30/10	2.2773	4/30/10	2.2885	4/30/10	2.4851	
5/3/10	2.3126	5/3/10	2.3451	5/3/10	2.5166	
5/4/10	2.2283	5/4/10	2.2595	5/4/10	2.4358	
5/5/10	2.1578	5/5/10	2.1845	5/5/10	2.3688	

economic uncertainties are certainly helping to lower energy prices.

- The reality, however, is that even though we are all happy (or should be) about the fact that prices have fallen about 20-cents per gallon since the close of business on Monday, those who are happy to “have waited out the storm” need to bear in mind that we are seeing this 20-cent drop only after seeing a 45-cent increase in prices since the lows in February. So, good news, short-term, but still far from the lows that we saw. What we could use right now is a little stability, so that we can stop staring at “the screen” and the news networks, worrying about what the next bit of unwelcome news might be.

- For those who are wondering, options premiums have not really fallen in step with the recent declines in prices. From a traders’ perspective, that indicates increased volatility, or the trading view that the swings are back, and will be with us for a while. Hopefully those who are “short” are taking the necessary steps to use this decline to balance their books and plan for what their hedging needs are.