

THE ANGUS ENERGY REPORT

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June 23, 2010
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Intra-day prices		HEATING OIL (JULY)	GASOLINE-RBOB (JULY)	NATURAL GAS (JULY)	CRUDE OIL (AUG)
Crude – 1.25 lower Products – Heat- 350 lower Gasoline – 400 higher Natural Gas - .10 higher	HIGH	2.1475	2.1555	4.888	78.90
	LOW	2.1054	2.1223	4.691	77.33
	SETTLE	2.1129	2.1335	4.756	77.85
	CHANGE	-.033	-.0093	-.117	-.76
	14 DAY RSI	56	55	52	52
	5 DAY MA	2.1290	2.1466	4.953	78.30
	9 DAY MA	2.0864	2.1168	4.932	77.52
	14 DAY MA	2.0513	2.0822	4.877	76.27

D.O.E. stats.... Crude stocks rose 2.02 mmbbls. Distillate stocks rose .30 mmbbls., Gasoline stocks fell .76 mmbbls. Refinery operations were at 89.4% of capacity, up 1.50%. Although it isn't clear how much impact weekly inventory reports are having on energy prices, this weeks' build in crude oil inventories was not expected. Most likely the build just helped push the short-term bearish sentiment a little further in that direction. Although at this time of year, there are not that many true fundamental changes that normally effect the markets, there is a nice set of newsworthy items that traders and suppliers are watching.

-Goldman Sachs' prediction that oil prices over the next three months doesn't seem to have the same impact in the marketplace as their \$100+/bbl. predictions had just 2 years ago, but they still feel that we may well be

NYH Barge (est.)		NYMEX #2 Oil		NYMEX #2 Oil	Jan '11 futures
6/16/10	2.0976	6/16/10	2.1101	6/16/10	2.2421
6/17/10	2.1362	6/17/10	2.1474	6/17/10	2.2673
6/18/10	2.1177	6/18/10	2.1289	6/18/10	2.2538
6/21/10	2.1372	6/21/10	2.1459	6/21/10	2.2732
6/22/10	2.1042	6/22/10	2.1129	6/22/10	2.2512

heading up towards \$90 over the summer.

-Change in hurricane/storm forecasts. WSI raised their forecast for hurricanes for this years' hurricane season to 11 (from 10), with the prediction that 5 of them will be "major" hurricanes. Losing production for any length of time would not be real helpful to those of us who want stable (and lower) oil prices.

-Prices are at a bit of a cross-roads, after rallying through late last week. It seems that the rally was founded upon signs of an improving economy, and a general belief that the May weakness was overstated. Now, the size of the jump in prices has traders wondering whether it is sustainable.

-In typical oil-trading fashion, yesterday's early report of changes in the support of the Chinese Yuan – according to all, a sign that Chinese demand would increase – was met with a quick jump in prices, only to succumb to a sell-off that continued into today.

-Drilling moratorium overturned. After a judge ruled that the planned

(and seemingly somewhat illogical and politically motivated) 6-month drilling moratorium in the Gulf was not to be, the White House announced plans to appeal the ruling.

-For those who haven't heard, today is a holiday in Washington. It is a new holiday that arrives every 5-days, and is affectionately known as "*Strasmus*"!!

July heating oil futures.

