

THE ANGUS ENERGY REPORT

http://www.angusenergy.com
e-mail pbaratz@angusenergy.com

July 14, 2010
Written by Philip J. Baratz, C.T.A.

Early prices		HEATING OIL (AUG)	GASOLINE-RBOB (AUG)	NATURAL GAS (AUG)	CRUDE OIL (AUG)
Crude – .25 lower	HIGH	2.0598	2.0917	4.487	77.37
Products –	LOW	1.9759	2.0138	4.334	74.25
Heat- 50 lower	SETTLE	2.0474	2.0821	4.354	77.15
Gasoline – 100 lower	CHANGE	.0561	.0541	-.034	2.2
Natural Gas - .02 higher	14 DAY RSI	51	52	40	54
	5 DAY MA	2.0097	2.0513	4.422	75.54
	9 DAY MA	1.9815	2.0293	4.550	74.49
	14 DAY MA	2.0214	2.0560	4.627	75.45

D.O.E. stats.... Crude stocks fell 5.06 mmbbls. Distillate stocks rose 2.94 mmbbls., Gasoline stocks rose 1.60 mmbbls. Refinery operations

were at 90.5% of capacity, up .70%. The sharp draw in crude oil stocks caught traders a little off guard, and turned a market that opened lower into one that saw a small rally – before fading towards unchanged on the day. Heating oil, which traded about 2 cents lower overnight, rallied to a small gain, but has retreated from those higher levels, as well. It is somewhat telling that after yesterday’s strong rally in oil prices, we are not seeing the expected sell-off that often comes from markets that are just drifting.

- Energy prices do not seem to know where they want to go, and remain quite content to follow the meanderings of the equity markets. After showing extreme weakness,

NYH Barge (est.)	NYMEX #2 Oil	NYMEX #2 Oil	Jan ‘11 futures		
7/7/10	1.9412	7/7/10	1.9787	7/7/10	2.1018
7/8/10	1.9678	7/8/10	2.0053	7/8/10	2.1349
7/9//10	2.0090	7/9//10	2.0257	7/9//10	2.1534
7/12/10	1.9613	7/12/10	1.9913	7/12/10	2.1216
7/13/10	2.0174	7/13/10	2.0474	7/13/10	2.1759

bordering on panic (in stocks), firm footing was found over the past two weeks, and we are seeing crude oil prices above \$75/barrel, trading today as high as \$77.15/barrel. Heating oil, recently down to about \$1.90/gallon, traded up to almost \$2.05/gallon today – and over \$2.20/gallon for some of the winter months. We are in the “slow season”, and without anything as far as storm activity, it is likely that we will remain in a trading range until news of some import takes prices strongly in one direction or the other.

-It’s interesting to see how happy people can get from one simple quarterly report from Intel. I guess, in today’s day and age, the chips sales really are the true indicator of economic health. Yesterday’s gains

of over a nickel per gallon, and 150 points in the Dow, showed as much. Depending upon how other “quarterly numbers” look, we might see continued optimism leading to increasing energy prices as the summer moves along.

-Interesting bedfellows. After all of the bad economic news out of Dubai

this past year, there is a report out indicating that Abu Dhabi might be making an investment in BP!!

- Perhaps just a drop in the bucket, but the IEA has raised their 2010 global demand figures – albeit by only 80,000 bpd.

-Happy Bastille Day!!

January 2011 heating oil futures – last 6 weeks.

