

THE ANGUS ENERGY REPORT

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July 21, 2010
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Post-inventory report		HEATING OIL (AUG)	GASOLINE-RBOB (AUG)	NATURAL GAS (AUG)	CRUDE OIL (SEP)
Crude – .75 lower	HIGH	2.0372	2.0867	4.617	77.90
Products –	LOW	1.9952	2.0451	4.466	76.00
Heat- 250 lower	SETTLE	2.0247	2.0786	4.590	77.58
Gasoline – 50 lower	CHANGE	.0077	.0196	.08	.68
Natural Gas - .075 lower					
	14 DAY RSI	49	52	50	53
	5 DAY MA	2.0215	2.0627	4.502	77.06
	9 DAY MA	2.0197	2.0605	4.450	76.78
	14 DAY MA	1.9958	2.0412	4.533	75.74

D.O.E. stats.... Crude stocks rose .36 mmbbls. Distillate stocks rose 3.94 mmbbls., Gasoline stocks rose 1.12 mmbbls. Refinery operations

were at 91.5% of capacity, up 1.00%. Most were expecting a draw in crude supplies, so although the build was small, it did catch traders off guard. Heating oil's build, too, was more than expected, and prices just started drifting lower from there. No sense of panic-selling, just pushing prices (lower) more towards where traders think they "should be".

- After trading higher in the early part of the trading session, prices hit a wall as the inventory reports were released. Kudos to MF Global for looking for us to trade higher (we did), but to run into strong resistance (in Crude oil) at \$78.55 (the high of the day was \$78.57!). Since the release of the report, heating oil – up 2 cents in the early going – has seen a

NYH Barge (est.)		NYMEX #2 Oil		NYMEX #2 Oil	Jan '11 futures
7/14/10	2.0061	7/14/10	2.0361	7/14/10	2.1644
7/15/10	1.9983	7/15/10	2.0183	7/15/10	2.1476
7/16/10	1.9838	7/16/10	2.0113	7/16/10	2.1369
7/19/10	1.9895	7/19/10	2.0170	7/19/10	2.1449
7/20/10	2.0024	7/20/10	2.0247	7/20/10	2.1552

5 cent reversal, and is down about 3 cents on the day.

-The only certainty is uncertainty.

Oil prices really don't seem to have any idea where they want to go. It is the usual suspects that drive prices higher on "up days", and the regular set of issues that moves prices lower on "down days". This afternoon's combination of a strong dollar, and weak equity (stock) prices, are having the latter effect. Crude oil DID move up towards \$79.00/bbl. this morning (within striking distance of the psychologically important \$80.00/bbl. level), as the September futures contract took its place as the "prompt" futures month. Over all, heating oil is remaining mired in it's 2-month long 20-cent per gallon trading range. January (2011) futures

have moved up towards \$2.20/gallon a few times this month, and moved down towards \$2.00/gallon, but each time there seems to be some consensus on direction, an opposing opinion pushes the market in the other direction. If nothing else, this is helping to clarify the notion that if you can't predict where prices will be in the next week, how can you possibly predict where they will be in

the winter (yes, subliminal pitch for offering capped, not fixed, prices!)? **-Warmer temperatures** have been keeping support in the coal futures markets, and have analysts looking for smaller than "normal" builds in natural gas inventories, as reported tomorrow. However, even with that anticipation, nat gas followed the rest of the energy complex lower today.

January heating oil futures.

