



Daily Energy Wire
Thursday, April 15, 2010

Petroleum

Commodity	Last	Net Change
Dated Brent Spot	86.57	+0.83, 0.96 %
WTI Cushing Spot	85.51	-0.33, 0.38%

Natural Gas

Commodity	Last	Net Change
Henry Hub Spot	4.16	+0.01, 0.24%
New York City Gate Spot	4.51	UNCH

U.S. petroleum inventory data

Commodity	Stock	Change	EST.
Natural gas	1,756 bcf	+87 bcf	+77 bcf

- ◆ **Nymex** crude oil closed below \$86 a barrel, traded between \$85-86. Crude oil fell after poor U.S. economic data this morning.
- ◆ The dollar closed a little higher gaining about 0.4% and the Dow Jones also closed higher gaining about 25 points for the day.
- ◆ **U.S.** Labor Department released data showing initial jobless claims rose by 24K to 484K, the second consecutive increase. Continuing jobless claims also rose by 73K to 4.639 mln. The Labor Department warns that next week's report may be affected due to 1Q reclassifications.
- ◆ **U.S.** industrial production rose to 0.1% in March, less than expectations due to weather. Factory production rose to 0.9%, utilities output fell 6.4% and mining production rose to 2.3%.
- ◆ **China's** 1Q GDP expanded to 11.9% annualized, higher than expectations and the fastest pace since 2007. China also released other data showing retail sales up 18% compared to last year, factory output rose to 18.1%, and urban investments rose to 26.4% in 1Q.
- ◆ **China** – Chinese refiners processed 34.56 mmt of crude or 18% higher compared to last year for the month of March. Record level was set in December at 34.6 mmt.
- ◆ **Iceland** –an ash cloud from a volcano eruption caused airports across northern Europe to ground flights, making the biggest air flight disruptions since 9/11. Flights will be grounded til mid-day tomorrow.
- ◆ **Gabon, Africa** - oil union workers begins its strike today over labor regulations and foreign workers. Union workers have cut about 60% of crude production or about 250K bpd.
- ◆ **OPEC's** oil export will increase by 200K bpd or 0.9% in 4 weeks ending on May 1st according to the Oil Movement. Exports will rise to an average of 23.40 mln bpd from 23.20 mln bpd from its last report.
- ◆ A reminder, Nymex's May crude futures contract expires on Tuesday.

Crude Oil:

Commodity	Mo.	Settlement	Net Change	Est. Volume	Open Interest
Crude Oil	May	85.51	-0.33	242,768	114,458
Crude Oil	Jun.	86.75	+0.02	237,321	340,763
Crude Oil	Jul.	88.07	+0.36	100,364	166,354

Wednesday – April 14, 2010 Vol and OI breakdown

Pit Volume 17,461

PNT Volume: 43,681

Globex Volume: 1,091,862

Open Interest: 1,432,028 +39,705

***PNT Volume (Privately Negotiated Trades) – Total ex-pit volume transactions including EFP's, EFS's, Blocks, CPC trades, etc.

Crude oil closed 33 cents lower losing about 0.4% after option expiration. Crude fell from 17-month highs after concerns over U.S. economic recovery. Support level will stay at \$80 and resistance will also stay at \$89.50. Price action has been choppy showing short-term reaction on inventory and monthly reports. Indicators have stabilized for the moment bouncing off overbought levels. If trading crude, watch outside influences for market direction and look to roll May positions into the June contract.



Reformulated Unleaded Gasoline

Commodity	Mo.	Settlement	Net Change	Est. Volume	Open Interest
RBOB	May	2.3262	-.0065	31,966	79,004
RBOB	Jun.	2.3393	-.0026	29,527	89,918
RBOB	Jul.	2.3490	+.0018	11,475	50,018

Wednesday – April 14, 2010 Vol and OI breakdown

Pit Volume: 2

Globex Volume: 123,034

PNT Volume: 12,864

Open Interest: 329,193 +5,724

***PNT Volume (Privately Negotiated Trades) – Total ex-pit volume transactions including EFP's, EFS's, Blocks, CPC trades, etc.

RBOB closed lower losing about 0.3%. RBOB fell along with crude after the dollar rose against the euro, snapping a 5-day losing streak. Support level will stay at 2.27 and resistance will also stay at 2.37. Chart below has stabilized for the moment while struggling to extend above April highs. The U.S. driving season is right around the corner; market may find support as we get closer. If trading RBOB, let the market come to your price and don't buy on strength or sell on weakness.



Heating Oil:

Commodity	Mo.	Settlement	Net Change	Est. Volume	Open Interest
Heating Oil	May	2.2523	+.0102	34,901	71,194
Heating Oil	Jun.	2.2739	+.0123	29,306	65,266
Heating Oil	Jul.	2.2964	+.0140	9,879	31,884

Wednesday – April 14, 2010 Vol and OI breakdown

Pit Volume: 433

PNT Volume: 16,046

Globex Volume: 116,633

Open Interest: 304,284 +5,771

***PNT Volume (Privately Negotiated Trades) – Total ex-pit volume transactions including EFP's, EFS's, Blocks, CPC trades, etc.

Heating Oil gained about 0.5% in today's trade. 6-10 day weather forecast remains above normal temperatures for most of the U.S. Support level will move to 2.20 and resistance will also move to 2.30. Heating oil remains positive, but losing some momentum on supply/demand concerns. Indicators are also bullish, but trading near overbought levels. If trading HO, trade small and tighter risk controls.



Natural Gas

Commodity	Mo.	Settlement	Net Change	Est. Volume	Open Interest
Natural Gas	May	3.985	-.214	136,824	133,803
Natural Gas	Jun.	4.074	-.221	70,628	92,086
Natural Gas	Jul.	4.190	-.229	36,539	138,703

Wednesday – April 14, 2010 Vol and OI breakdown

Pit Volume: 3,209

PNT Volume: 27,479

Globex Volume: 348,893

Open Interest: 861,029 -7,339

***PNT Volume (Privately Negotiated Trades) – Total ex-pit volume transactions including EFP's, EFS's, Blocks, CPC trades, etc.

Natural Gas lost over 5% today. Nat gas fell after EIA reports a **+87 bcf** build in nat gas stock, bigger than expected. Resistance will stay at 4.25 and support will also stay at 3.75. Chart patterns have been choppy for the last week and indicators remaining a bit positive. Many analysts forecast that prices will trade between \$3.75 and \$4.30 from now til June when hurricane season plays a factor. Best opportunity here is to stay away until a trend is defined.



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