

September 2010



The Market



Broken record or as good as. Yes I'm still bearish. Here are just a few examples of why the stubborn bearishness continues on U.S. soil. We have the highest total inventories of petroleum since records were kept back in the 1970's. If the normal tools that I have used in the past to somewhat accurately predict the energy prices; crude would be sub \$50, certainly not the \$70's we are currently seeing. Surely the scenario is dramatically different than the 70's, 80's & 90's in the fact that oil is now a global commodity. With the explosion of China and Indonesia's economy it now takes 88 million barrels per day to satisfy the global appetite for oil, where back in 1982 when First Fuel Bank was founded global demand was less than 70 million barrels a day. That in itself is big, now factor in fear, panic, greed & speculative trading and you literally have an unpredictable mess to say the least. Fundamentally the facts have to win out. I firmly believe that many energy speculators think oil is an investment asset that will give them a handsome return in an inflammatory market, but inflation has not been the problem however, deflation might. That's the reason oil could get back to normal as a commodity that is driven by supply & demand.

Are we out of the woods yet? Who knows, simply due to the fact that in order to know that you would have to be a sociologist, it's all human emotions not supply & demand. In a nutshell, still bearish energy but be mindful of weather. With no acts of God or war I believe better prices are ahead.

As always, thank you for your support.

U.S. Inventory Stats As of September 1st, 2010
9:30 a.m. Central Standard Time
(1 U.S. Barrel = 42 gallons)

<i>Over/Short from Last Year</i>	<i>Value from Last Year</i>
Crude + 18.3 million Barrels	+ \$.0621 / barrel
Gasoline + 20.3 million Barrels	+ \$ 0.1108/ gallon
Diesel + 11.6 million Barrels	+ \$0.2961 / gallon

**Inventory Stats Will Be Upgraded Weekly (Wednesday)
Unless a Holiday then 1 day later (Thursday)

9-3-10
Closing

Crude
Price per
Barrel

\$74.09



Closing Crude Prices

(New York Mercantile)

8-09-10	\$81.48 / Barrel	+\$0.78
8-10-10	\$80.25 / Barrel	-\$1.23
8-11-10	\$78.02 / Barrel	-\$2.23
8-12-10	\$75.74 / Barrel	-\$2.28
8-13-10	\$75.39 / Barrel	-\$0.35
8-16-10	\$75.24 / Barrel	-\$0.15
8-17-10	\$75.77 / Barrel	+\$0.53
8-18-10	\$75.42 / Barrel	-\$0.35
8-19-10	\$74.43 / Barrel	-\$0.99
8-20-10	\$73.46 / Barrel	-\$0.97
8-23-10	\$73.10 / Barrel	-\$0.72
8-24-10	\$71.63 / Barrel	-\$1.47
8-25-10	\$72.52 / Barrel	+\$0.89
8-26-10	\$73.36 / Barrel	+\$0.84
8-27-10	\$75.17 / Barrel	+\$1.81
8-30-10	\$74.70 / Barrel	-\$0.47
8-31-10	\$71.92 / Barrel	-\$2.78
9-01-10	\$73.91 / Barrel	+\$1.99
9-02-10	\$75.02 / Barrel	+\$1.11
9-03-10	\$74.60 / Barrel	-\$0.42
9-07-10	\$74.09 / Barrel	-\$0.51