

The Oil Market Journal

1 July 2009

Published at 10:48:59

1. What's happening on the markets this morning ...

Today's Highlights:

- **MARKETS OPEN HIGHER**
- **API REPORTS LOWER CRUDE STOCKS**
- **EL NINO WEATHER PATTERN PREDICTED**

Diary:

- The US stock reports are due this afternoon at 3.30pm

ROTTERDAM Oil prices are posting gains this morning supported by rising equity markets and the API report. Last night the API reported a large fall in US crude stocks and as a result this has boosted prices. Attention is now turning to the DOE report which is due later this afternoon and is the more reliable of the two stock reports. The DOE report is also expected to show lower crude stocks but higher stocks of gasoline and distillate. Attention will also be on the demand data for signs of any improvement after the sharp fall in the demand figures in the report which was published last week.

Oil prices are also being boosted by equity markets which are up over 1 per cent this morning following the latest Euro zone economic data which was better than expected. The "big" economic data comes tomorrow with the "US non-farms payroll" data.

Our morning buy scores are 0/6 for kero / diesels and 3/6 for gasoline indicating that the short-term outlook for gasoline is slightly firmer.

LONDON Prices are also higher.

NEW YORK Prices are higher and the US Dollar is stronger.

We rate all products a hold ahead of the US stock reports. (Please note this rating is not for clients in the Republic of Ireland)

ROTTERDAM	Kero	Gas Oil	DERV _(ULSD)	Pre. Unleaded
Latest Price (\$/tonne)	620.08	570.00	588.25	664.00
Change	10.33	10.00	10.00	10.00
Previous Close	609.75	560.00	578.25	654.00

<u>LONDON</u>		
Latest	Change	% Change
Brent Crude		
70.62	1.32	1.87
Gas Oil		
567.00	10.00	1.76
US Dollar		Close
1.64325	-0.00360	1.64685
<u>NEW YORK</u>		
WTI Crude		
71.23	1.34	1.88
Heating Oil		
180.90	2.12	1.17
Gasoline		
193.30	3.05	1.58

2. Tomorrow's estimated change ...

(How the current movement would affect your buying price tomorrow morning for supplies the following day)

Current Movement in Pence Per Litre	0.57	0.58	0.58	0.59
Likely Change at Close	Little change			L' change
What action you should take now	Hold			Hold

3. Rotterdam Previous Change & Prices

(The change your supplier(s) should have given this morning for delivery or collection tomorrow)

ROTTERDAM	Kero	Gas Oil	ULSD UK 10ppm	Pre. Unl. (10ppm)		
Change (PPL)	-0.51	-0.53	-0.52	-0.62		
Yest. Close (inc duty)	29.62	39.16	83.87	84.16		
Prev. Close (inc duty)	30.13	39.69	84.39	84.78		
UK Duty Rates	0.00	10.42	54.19	54.19		

Comment on previous day:

Prices fell sharply in late trading following the US consumer confidence data.

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