



THIS WEEK IN ENERGY

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No Clear Direction - Matt Beaudry

With a big bag of mixed data this week both the energy complex and the equity markets ended the week in virtual stalemate as trading was done on both ends of the current ranges they ended near where they started the week. As earnings reports continued to trickle in mostly on the positive side it was balanced by continued worries of future economic stability in the U.S. and the Globe. While the dollar sank 1.27% usually supporting oil prices there was a bearish EIA (Energy Information Admin) inventory report with crude building 7.3mm bbls and modest builds of products. Also, the IEA (International Energy Agency) again revised global demand growth lower by about 1.2mm bbl/day. More positive economic news from the E.U. was countered by less than expected GDP growth in the U.S. Also today, an uptick in the Purchasing Managers Index was countered by a decrease in Consumer Confidence. And earlier in the week June new home sales were shown to be up 24% from the previous month but overall home sales were down 16.7% year over year, the second lowest volume on record since records have been kept starting in 1963. Even with a late session rally today the energy complex ended lower with crude losing .03 for the week, heating oil down .0073, and RBOB down .012. In all, be ready for a break out on the markets soon, and the longer we trade in this sideways pattern the stronger the breakout is likely to be. Though the question still remains which direction the breakout will be. The dollar has hit a bit of minor support and the equity markets continue to test their resistance levels. Have a Great Weekend!!!!

Matt Beaudry

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Please feel free to call me anytime with questions regarding this newsletter, propane contracts, fuel deliveries, or lubricants. (763) 242-6691

Did Deflation Fears Help Rally The Oil Market?

By Phil Flynn, PFGBest.com

Did Deflation fears help rally the oil market? Oil prices popped as the dollar index dropped hitting the lowest level since last April. The market seems convinced that the Euro zones problems are behind us so it appears that the carry commodity trade is back in play but could we see more problems up ahead? Of course while the dollar has been trending lower and the Euro higher is this a sign that we are headed for a bout of commodity price inflation or are the markets more worried about deflation? Yesterday the markets heard some very provocative comments from Federal Reserve Bank of St. Louis President James Bullard who said that the US is closer to a Japanese-style (deflation) than at any time in recent history. Mr. Bullard said that in his opinion the Fed should get ready to expand the quantitative easing program should the economy start to slow and send a clear signal to the markets that rates will remain near zero. This kind of talk of course is bullish for commodities. As I have said from the first day that the Fed went to quantitative easing that the Fed just printed a floor under commodities. By creating inflation and money out of thin air the Fed changed not only the underlying value of a depreciated dollar but its entire price structure in regards to other commodities. If the Fed chooses they can create commodity price inflation and they hope some demand as they try to inspire...[Click Here for More Details](#)

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New Refined Fuel Truck

No Clear Direction

"...as trading was done on both ends of the current ranges they ended near where they started..."

New home sales rebound 24%

By Hibah Yousuf, staff reporter

NEW YORK (CNMoney.com) -- New home sales rebounded in June from the record low hit the previous month but remained sluggish. New home sales increased 23.6% to a seasonally adjusted annual rate of 330,000 last month, up from a downwardly revised 267,000 in May, the Commerce Department reported Monday. Sales year-over-year fell 16.7%. The June sales pace is the second slowest ever on record since the Commerce Department began tracking the data in 1963.

But it was slightly better than the annual rate of 310,000 economists were expecting, according to a consensus survey by Briefing.com.

"While the increased rate was positive, it's a bit of a head fake based on the decline we had with May's lower revision," said Anika Khan...

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GDP slows in second quarter to 2.4% rate

New data show deeper recession, slower recovery

By Greg Robb, MarketWatch

WASHINGTON (MarketWatch) -- The U.S. economy lost momentum in the second quarter, according to figures released Friday, which may raise concerns of an extended soft patch if not an outright contraction.

Real gross domestic product -- the inflation-adjusted, seasonally adjusted value of all goods and services produced in the U.S. -- rose at a 2.4% annualized rate in the second quarter, well below the average 4.4% increase over the past six months.

The 2.4% increase in GDP was close to the 2.5% expansion expected by economists surveyed by MarketWatch. However, the rate of expansion in the first quarter was revised up to a 3.7% rise compared with the prior estimate of a 2.7% increase. Read full government release.

Economists say the growth was fairly strong in April and May but hit a rough patch in June. So the economy is going into the second half with little momentum.

"The post-recession rebound is history," said Bart van Ark, chief economist at the Conference Board.

"We don't foresee a double dip," he continued, "but we do expect growth to slow even more markedly" -- to what he pegged as a 1.6% annualized rate... [Click Here for More Details](#)

THIS WEEK'S FEATURE -MAXTRON® MT SAE 50 Full Synthetic Manual Transmission

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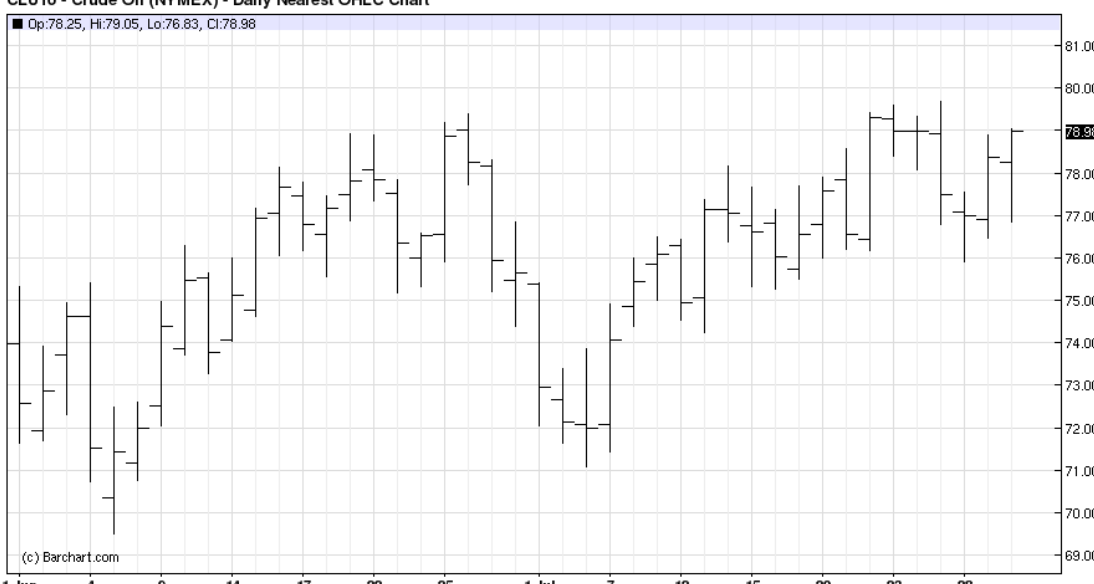
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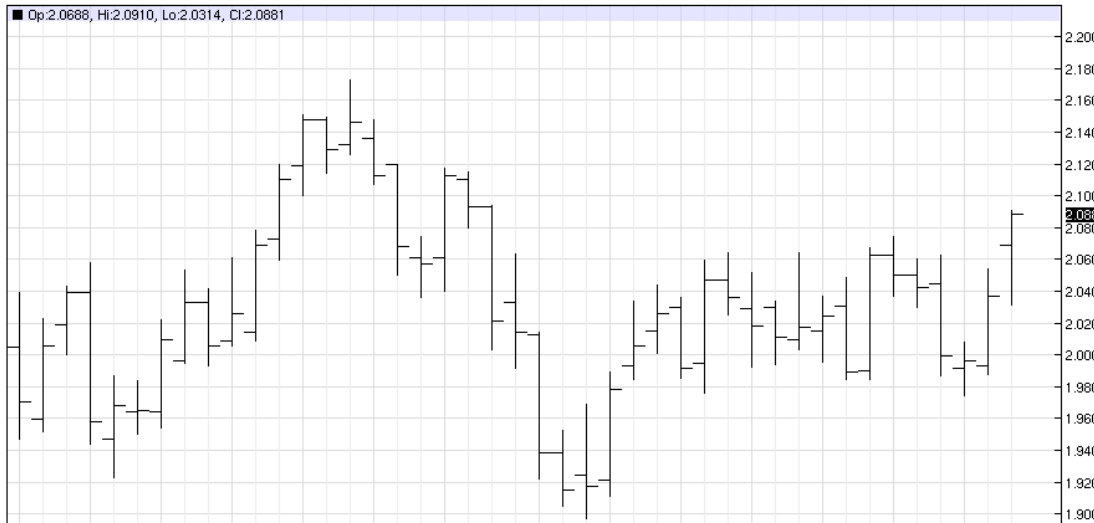
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CLU10 - Crude Oil (NYMEX) - Daily Nearest OHLC Chart



HOU10 - Heating Oil (NYMEX) - Daily Nearest OHLC Chart



\$DXY - Dollar Index (INDEX) - Daily OHLC Chart

