
Energy Comments

Informa Economics' Energy Comments

...Now More Timely Than Ever.....

Beginning Tuesday, Mar. 25, instead of the usual morning publication,

Energy Comments will be published in a more timely, afternoon report!

Plus you will receive a futures data sheet first thing in the morning, detailing the prior day's market data.

These reports are in addition to the natural gas and petroleum flashes published after key EIA reports.

~ More Timely Information...More Value ~

INDEX

1. **EIA Petroleum Rpt: Crude Stocks Up Slightly; Gasoline, Distillates Down Last Wk**
 2. **EIA to Release Assessment of Lieberman/Warner Climate Bill in About 2 Wks**
 3. **Heating Oil Distributors Seek Federal Assistance**
 4. **New Study Shows 2007 US CO2 Production Increase Largest Since 1998**
 5. **Natural Gas Price Comments**
 6. **Canadian Natural Gas Prices**
 7. **Heating Oil Price Comments**
 8. **Gasoline Comments**
 9. **Crude Oil Price Comments**
 10. **Power Price Comments**
 11. **Weather Outlook**
-

1. EIA PETROLEUM REPORT: CRUDE STOCKS UP SLIGHTLY; GASOLINE, DISTILLATE STOCKS DECLINE IN LATEST WEEK. The DOE-Energy Information Administration (EIA) report released yesterday for the week ending Mar. 14 showed that crude oil stocks rose by 130,000 barrels in the latest week to 311.76 million barrels. This increase was well less than pre-report trade expectations that crude oil stocks would be up 2.3 million barrels. The slight week-over-week increase in crude oil stocks came as crude oil imports fell by 1.08 million bpd to 9.47 million bpd. Refinery utilization in the DOE-EIA data was down 1.15 percentage points to 83.84 percent of operable capacity. The American Petroleum Institute (API) report, however, showed a much larger increase in crude stocks of up 2.47 million barrels to 307.67 million—even though crude imports fell by 910,000 bpd to 9.51 million bpd. Refinery utilization in the API report was down 0.9 percentage point to 86.1 percent of operable capacity.

Gasoline stocks in the DOE-EIA report were down 3.45 million barrels from a week ago to 232.52 million. The decrease was despite the fact that gasoline imports rose by 156,000 bpd to 901,000 bpd but production slipped by 352,000 bpd to 8.678 million with refinery utilization down 1.15 percentage points in the DOE-EIA data. The API report, however, showed a smaller decrease in gasoline stocks of down 770,000 barrels to 218.53 million, with gasoline imports up 130,000 but production down 320,000 barrels to 9.05 million bpd.

Distillate stocks (including heating oil and diesel fuel) in the DOE-EIA report were down 2.91 million barrels from a week ago to 113.49 million. The decrease was despite the fact that distillate imports rose back to 294,000 bpd but distillate production slipped 80,000 bpd to 3.811 million. The API distillate data showed a smaller drop in distillate stocks of down 1.58 million barrels to 112.73 million in the week ending Mar. 14 with imports up 90,000 bpd but production down 250,000 bpd to 3.84 million barrels. For more information, see the *Heating Oil, Gasoline and Crude Oil Fundamental Indicators* sections as well as the table that follows.

DOE-EIA & API STOCKS, PRODUCTION, IMPORT COMPARISONS (in million bpd) Source: DOE & API

	DOE-EIA			API		
	03/14/08	03/07/08	Change	03/14/08	03/07/08	Change
Crude Oil Imports	9.47	10.55	-1.08	9.51	10.42	-0.91
Crude Oil Stocks	311.76	311.63	0.13	307.67	305.20	2.47
Input to Refineries	14.43	14.62	-0.20	15.01	15.17	-0.16
Operable Capacity	17.44	17.44	0.00	17.44	17.44	0.00
Pct Operated	83.84	84.99	-1.15	86.10	87.00	-0.90
Gasoline Production	8.68	9.03	-0.35	9.05	9.37	-0.32
Gasoline Stocks	232.52	235.97	-3.45	218.53	219.30	-0.77
Ref Gasoline Stocks	1.25	1.13	0.13	1.15	0.98	0.17
Gasoline Imports	0.90	0.75	0.16	0.43	0.30	0.13
Blend Comp Stocks	115.32	117.29	-1.97	107.03	108.14	-1.11
Distillate Production	3.81	3.89	-0.08	3.84	4.09	-0.25
Distillate Stocks	113.49	116.40	-2.91	112.73	114.30	-1.58
Distillate Imports	0.29	0.13	0.16	0.35	0.27	0.09
Residual Production	0.63	0.71	-0.08	0.64	0.71	-0.08
Residual Stocks	37.94	36.56	1.38	36.75	35.43	1.31

2. EIA TO RELEASE ASSESSMENT OF LIEBERMAN/WARNER CLIMATE BILL IN ABOUT TWO WEEKS. The Energy Information Administration (EIA) will release in "about two weeks" its assessment of climate legislation currently pending before the Senate, EIA Administrator Guy Caruso said. Joe Lieberman (I-Conn.) and John Warner (R-Virginia) are sponsors of the bill, which would set up a cap-and-trade program to limit greenhouse gas emissions from the electric power, natural gas and transportation fuel sectors. Given constraints on nuclear power plant construction, Caruso said the agency expects US natural gas demand and prices will go up, but he declined to say by how much.

The bill is scheduled to reach the Senate floor in June after Congress returns from its May recess, Senate Environment and Public Works Committee Chairwoman Barbara Boxer (D-Calif.), said on Mar. 12.

Meanwhile, Caruso acknowledged criticism of EIA's National Energy Modeling System, but said the agency "has to work within existing policy." Critics of the model, including the American Gas Association, Natural Gas Supply Association and Interstate Natural Gas Association of America, have said it assumes the United States will build 140 new nuclear plants by 2025. Caruso noted the United States has not built a new nuclear plant since 1977.

3. HEATING OIL DISTRIBUTORS SEEK FEDERAL ASSISTANCE. Home heating oil distributors are planning to ask for legislative and regulatory relief for themselves and their customers as a result of skyrocketing crude oil prices. The Petroleum Marketer's Association of America and related companies are working on an action plan and members are visiting their congressmen and senators in their home states and districts during the two-week congressional spring recess to directly plead their case.

According to the Energy Information Administration (EIA), the yearly average price for residential home heating oil was \$2.48 per gallon in 2006 and \$2.72 per gallon in 2007. It is projected to be at least \$3.33 per gallon in 2008. The residential price increased 9 percent in 2007 and will jump at least 22 percent for 2008, the EIA said.

Fuel suppliers have been calling on lawmakers and the Bush administration since January to take several actions. Chief among those options are releasing 2 million barrels from the Northeast Home Heating Oil Reserve, which the Energy Department has declined in the past unless there are actual supply shortages.

The groups also have called for regulatory relief and business loans from the Small Business Administration; restricting futures trading to participants who actually take deliveries; investigations into

market manipulation; stopping the fill of the Strategic Petroleum Reserve; stronger oversight of energy markets; and more money for low-income families for the current winter heating season.

4. NEW STUDY SHOWS 2007 US CO₂ PRODUCTION INCREASE LARGEST SINCE 1998. The US power sector's carbon dioxide (CO₂) production jumped 2.9 percent in 2007, compared with 2006, 5.9 percent compared with 2002's, and 11.7 percent compared with 1997's, according to a report issued by the Environmental Integrity Project (EIP). The jump is the largest single-year increase since 1998. The EIP only considered generation located within a state's borders and not power imports. (The EIP is a Washington, DC-based advocacy group formed by ex-Environmental Protection Agency staff.)

Ranking at the top in 2007, Texas produced 261.7 million tons of CO₂ followed by Ohio at 138.5 million tons. In 2006, Texas also ranked first at 256.1 million tons followed by Ohio again at 135.4 million tons. Florida came in third in both years at 134.5 million tons.

Despite recently turning away from coal generation as it pursues a carbon-cutting agenda, California's CO₂ emissions have increased from 23.6 million tons, ranking it the 33rd state in 1997, to 42.4 million tons in 2007, ranking it 25th. It also ranked fourth in terms of a one-year increase with 4.6 million tons, behind top-ranked Texas at 5.6 million tons.

Bill Sang, climate issues director for the Edison Electric Institute, said the increase reflected greater demand for power last year and a shortage of hydroelectric power that forced utilities to shift to fossil fuels. "We think as much as two-thirds of the [CO₂] increase was due to increased demand for electricity," said Sang, whose organization represents utilities that generate 70 percent of the electricity.

Melissa McHenry, spokeswoman for Ohio-based American Electric Power (AEP), which has 25 coal-burning power plants in nine states, said her company showed a 2.8 percent increase in CO₂ emission in 2007, but "we also saw a 3.6 percent increase in electricity demand." She said AEP is investing in wind generation and purchasing carbon "offsets" through a carbon exchange program.

5. NATURAL GAS PRICE COMMENTS. NYMEX natural gas futures settled lower yesterday amid spillover from the sharp losses in the petroleum futures. The weakness was despite firm cash markets as cold weather was expected to result in late-season heating demand in the Northeast and Midwest. NYMEX April natural gas futures settled down \$0.390 at \$9.024.

Fundamental Indicators: In front of today's Energy Information Administration (EIA) natural gas storage report for the week ending Mar. 14, expectations are for a withdrawal of 80 bcf. This will compare with the year-ago adjusted withdrawal of 21 bcf and the five-year average draw of 57 bcf.

The EIA natural gas storage report for the week ending Mar. 7 indicated natural gas stocks had declined by 86 bcf during the week. This was in line with pre-report expectations for a 85-bcf withdrawal and compares with the year-ago stocks withdrawal of 104 bcf and the five-year average withdrawal of 80 bcf. Net withdrawals occurred in all major regions. Working stocks of natural gas in underground storage stand at 1,398 bcf, with stocks 151 bcf (9.7 percent) below the year-ago level of 1,594 bcf but 57 bcf (4.3 percent) above the five-year average of 1,341 bcf.

If withdrawals over the next 3 weeks are near the five-year average of 33 bcf, natural gas stocks in underground storage would finish out the heating season at 1.3 tcf, or nearly 7 percent above the five-year average of 1.242 tcf and still higher than three out of the last five years.

Fundamental Outlook: With only three weeks left until Apr. 1, the stocks draw down from underground storage has topped the five-year average during 10 of the 19 weeks thus far in the withdrawal season—or over half of the time. This has tightened significantly the natural gas stocks situation—even considering the fact that we started out the heating season at a record 3.55-tcf level. This keeps our outlook bullish toward natural gas futures—chiefly due to this winter's large withdrawals and the potential that we still

could see another spurt or two of cold conditions that keep heating demand running at a good clip. The price gains in natural gas will be furthered by high petroleum prices and any additional nuclear power generation outages that will add to the natural gas usage in its place. At the time of this writing, nuclear capacity off line had risen to 18 percent of the total nuclear power capacity, with the potential that this could increase further if a number of the more cost-effective nuclear units shut for refueling—with natural gas filling the gap in its place. Together, this means a less bearish price outlook for the rest of 2008.

Technical Indicators: April futures:

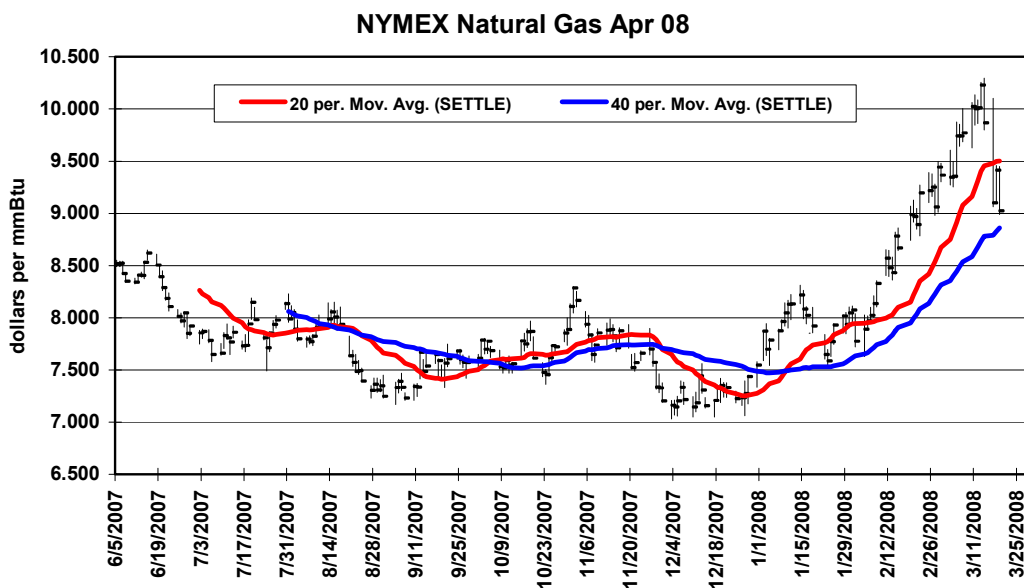
20-day mvg avg: Higher at \$9.502

40-day mvg avg: Higher at \$8.860

Support: \$8.650 then \$8.275 to Feb. 4 low of \$7.630

Resistance: Mar. 14 high of \$10.294 to \$11.085

NYMEX Natural Gas Futures Close: Mar. 19, 2008						
Dollars per mmBtu						
Contract	High	Low	Close	Previous Close	Change	Est. Volume
Apr 08	9.450	8.977	9.024	9.414	-0.390	78,886
May 08	9.540	9.067	9.112	9.504	-0.392	32,824
Jun 08	9.600	9.145	9.195	9.580	-0.385	11,215
Jul 08	9.611	9.250	9.296	9.679	-0.383	6,285
Aug 08	9.742	9.348	9.355	9.737	-0.382	4,093
Sep 08	9.708	9.351	9.361	9.741	-0.380	1,892
Oct 08	9.769	9.379	9.427	9.806	-0.379	6,143
Nov 08	9.956	9.658	9.672	10.036	-0.364	2,607
Dec 08	10.238	10.030	10.012	10.356	-0.344	4,304
Jan 09	10.448	10.150	10.222	10.561	-0.339	7,008
Feb 09	10.384	10.230	10.187	10.521	-0.334	1,242
Mar 09	10.300	9.882	9.952	10.286	-0.334	6,625



Cash Natural Gas: The cash natural gas markets were mixed Wednesday with most trading hubs higher on cooler weather that is expected to buoy demand. The gains in these markets were despite the weakness in the futures market. In other news, power production in the continental US was up 3.4 percent to 72,894 gigawatt hours in the week ending Mar. 15, according to data from the Edison Electric Institute. Spot gas at the Henry Hub, the benchmark supply point in Louisiana, was up 1 cent to \$9.11 per mmBtu. The Henry Hub is above the year-ago level of \$6.70 and above the price two years ago of \$7.00.

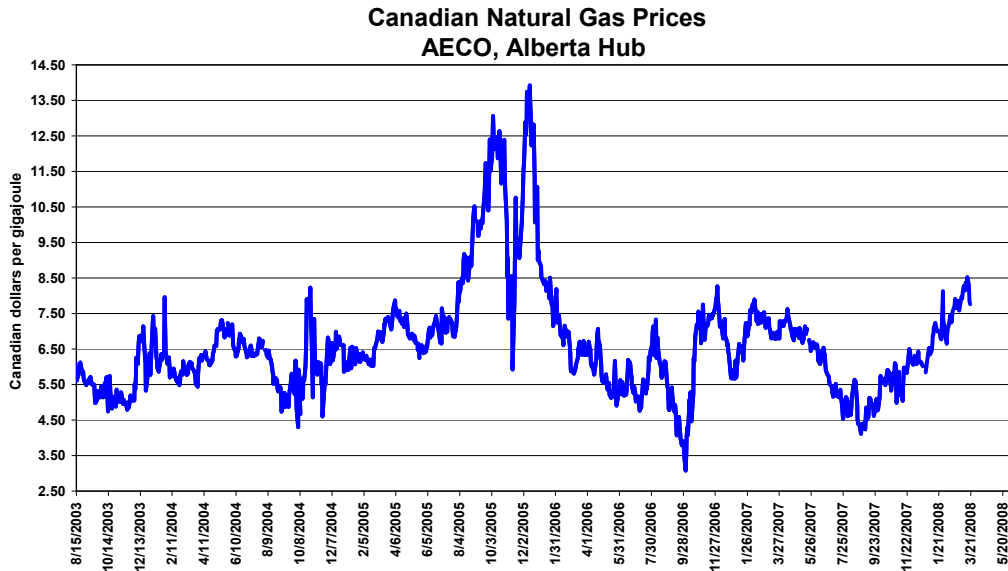
Temperatures in the New York City and Chicago areas are expected to stay below normal well into next week with day-time highs in the mid to upper 40s. The New York Citygate was up 6 cents at \$9.98 while the Chicago Citygate was up 4 cents at \$9.26. The Henry Hub, New York Citygate, other prices and recent history are detailed in the following table.

PHYSICAL NATURAL GAS PRICES (US\$/mmBtu)									
		03/11	03/12	03/13	03/14	03/17	03/18	03/19	Change
US	Henry Hub (La)	9.85	9.69	9.74	9.84	9.59	9.10	9.11	0.01
	New York Citygate	10.62	10.44	10.43	10.69	10.50	9.92	9.98	0.06
	Chicago Citygate	9.93	9.89	9.96	10.06	9.65	9.22	9.26	0.04
	Panhandle (MidC)	8.74	8.49	8.57	8.61	8.49	8.16	8.15	-0.01
	Northern Dem (MN)	9.16	8.92	9.07	9.16	8.95	8.62	8.59	-0.03
	So. Cal. Border	9.36	9.16	8.86	8.90	9.00	8.65	8.59	-0.06
	Katy Hub (E TX)	9.55	9.34	9.43	9.57	9.23	8.72	8.79	0.07
	Waha (W TX)	9.10	8.50	8.77	8.72	8.80	8.35	8.40	0.05
	CNG So. (Appl.)	10.15	10.18	10.22	10.45	9.95	9.58	9.63	0.05
Colombia (Appl.)	10.25	10.24	10.31	10.48	10.04	9.66	9.64	-0.02	
CANADA	AECO, Alberta	8.45	8.41	8.46	8.62	8.40	7.91	7.68	-0.23
	Niagara, Ontario	10.35	10.36	10.42	10.56	10.12	9.69	9.70	0.01
	Sumas, B.C.	9.09	9.12	9.18	9.34	8.99	8.74	8.30	-0.44
11-Market Avg.		9.58	9.44	9.49	9.62	9.36	8.95	8.91	-0.04

6. CANADIAN NATURAL GAS PRICES. Canadian natural gas cash prices were lower again Wednesday, falling for the third consecutive session on spillover from the weakness in the petroleum and natural gas futures market. Spot gas at the AECO storage hub in southeastern Alberta was down 7 Canadian cents at C\$7.76 per gigajoule (\$1.00 US = \$1.01 Canadian).

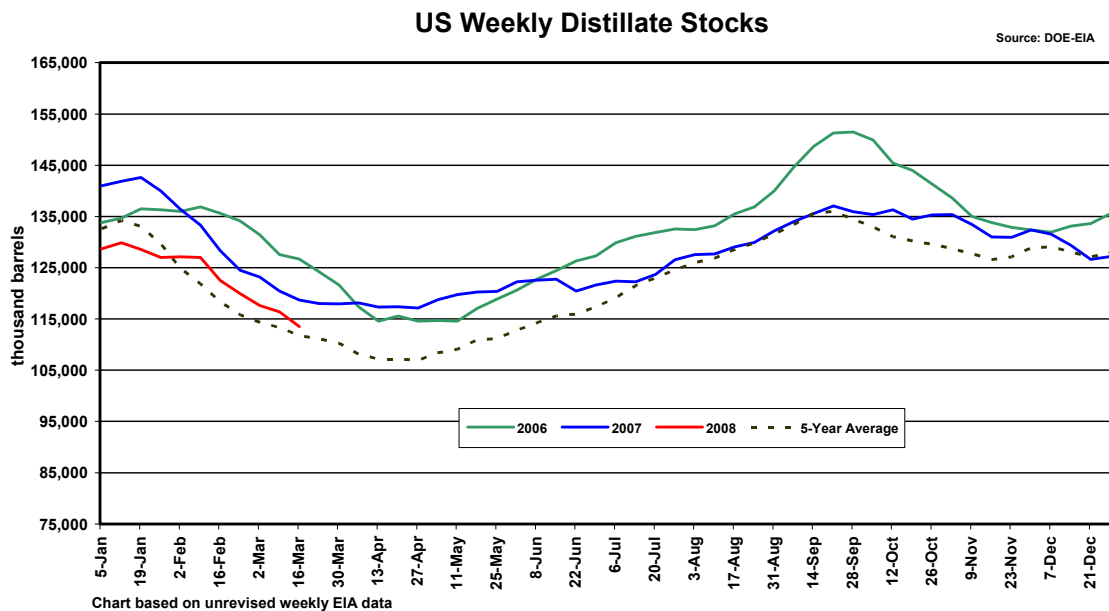
Deliveries into the TransCanada Corp network were 10.8 bcf on Wednesday, according to TransCanada. Linepack on the system was 15.0 bcf, about 475 million cubic feet above the operator's target. A net 319 million cubic feet was withdrawn from storage.

Canadian export prices were mixed with natural gas at the Niagara hub, shipped mostly to the Northeast US, up 1 cent at \$9.70 and gas at Huntingdon-Sumas in western Canada for shipment into Pacific Northwest and California was down 44 cents at \$8.30.

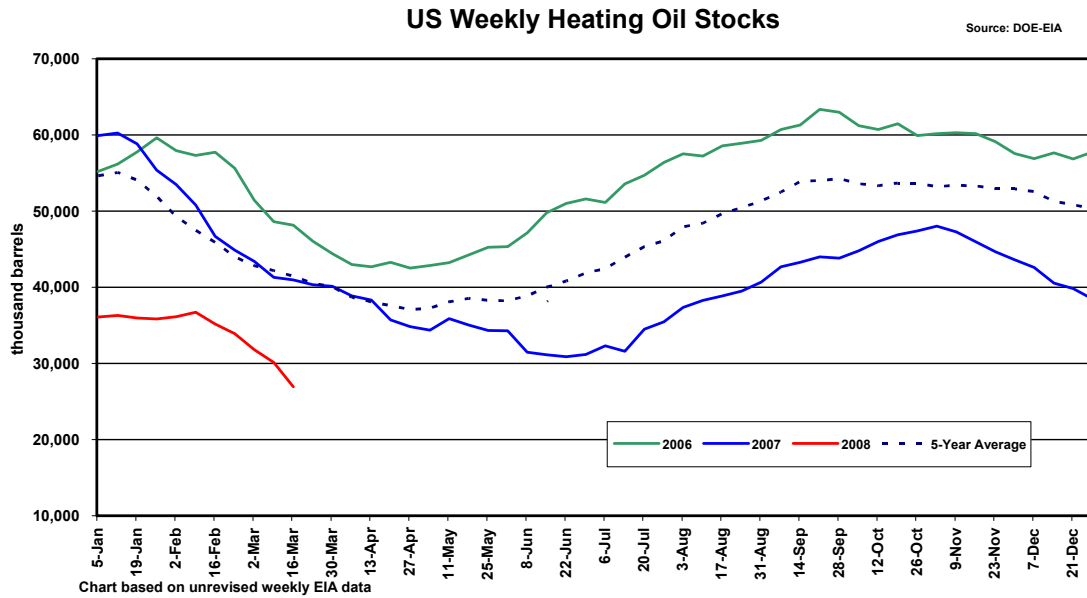


7. HEATING OIL PRICE COMMENTS. NYMEX heating oil futures settled lower yesterday, mostly amid profit taking as ideas are that the slow down in the US economy will crimp petroleum and petroleum product demand. However, weakness was tempered by the larger-than-expected decline in distillate stocks in the latest week as well as forecasts for a return to cold weather in the key consuming region of the Northeast. NYMEX April heating oil futures settled down \$0.1212 at \$3.0167.

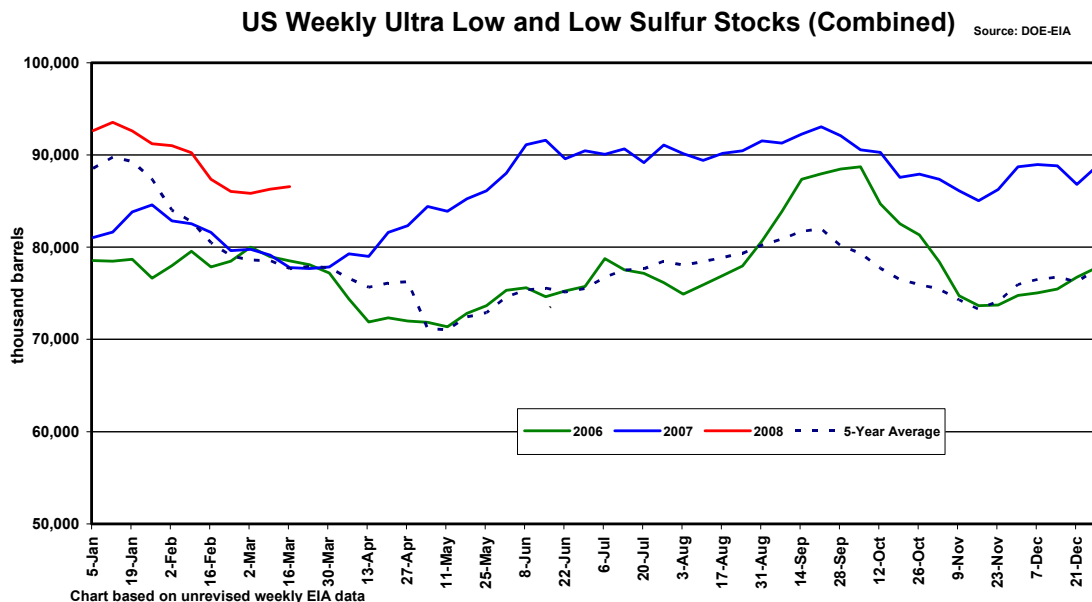
Fundamental Indicators: The Energy Information Administration (EIA) report for the week ending Mar. 14 showed total distillate stocks were down 2.91 million barrels from the previous week to 113.49 million. That was well more than pre-report trade expectations for distillate stocks to be down 1.5 million. Distillate stocks on Mar. 14 are now 8.2 million below a year ago (when compared with monthly data that is *not* depicted in the following chart) but are 1.7 million *above* the five-year average. Distillate stocks are still in the lower half of the average range for this time of year (see following chart that compares weekly data).



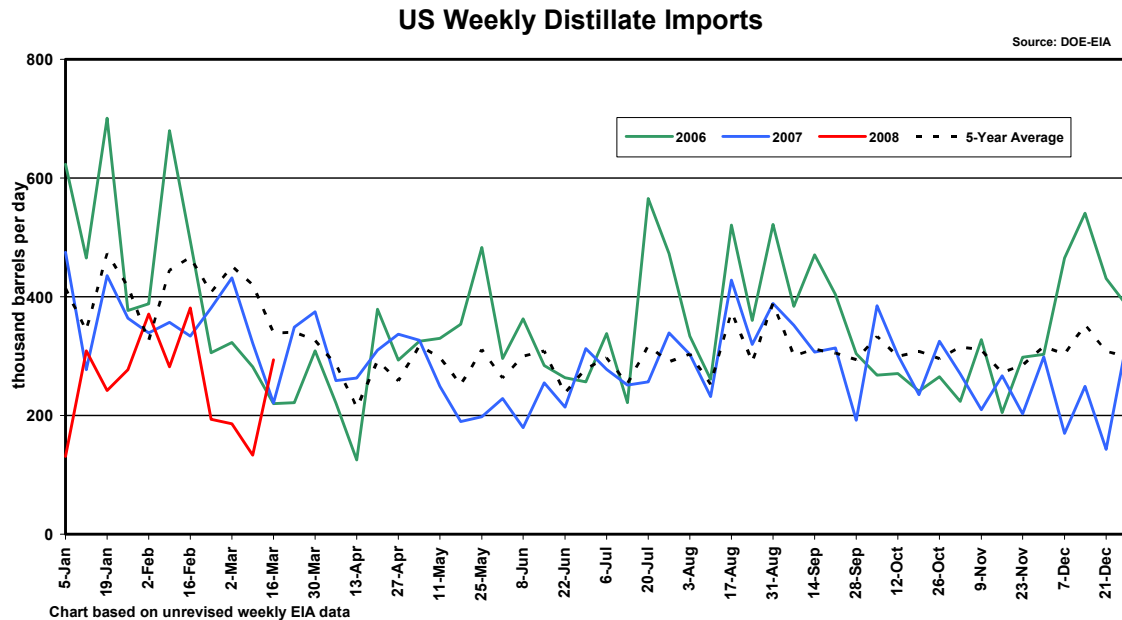
Out of the total, high sulfur distillate (heating oil) stocks fell by 3.2 million barrels from a week ago to 26.9 million. When using monthly EIA data to compare with a year ago, heating oil stocks are now 14.0 million below a year ago and 14.5 million below the five-year average (see following chart showing comparisons with weekly data that does not reflect comparisons with monthly data). Keep in mind that while the absolute level of heating oil stocks appears low by historical standards, that classification of distillate fuels includes off-road diesel with sulfur content of 500 or more ppm. With the requirement for reduced sulfur content of many of those diesel fuels, the diesel fuel stocks for many off-road uses now appear in the diesel fuel stocks data instead of heating oil. Thus, while data shows heating oil stocks are 14.0 million *below* the five-year average, diesel fuel stocks are 8.9 million *above* the five-year average.



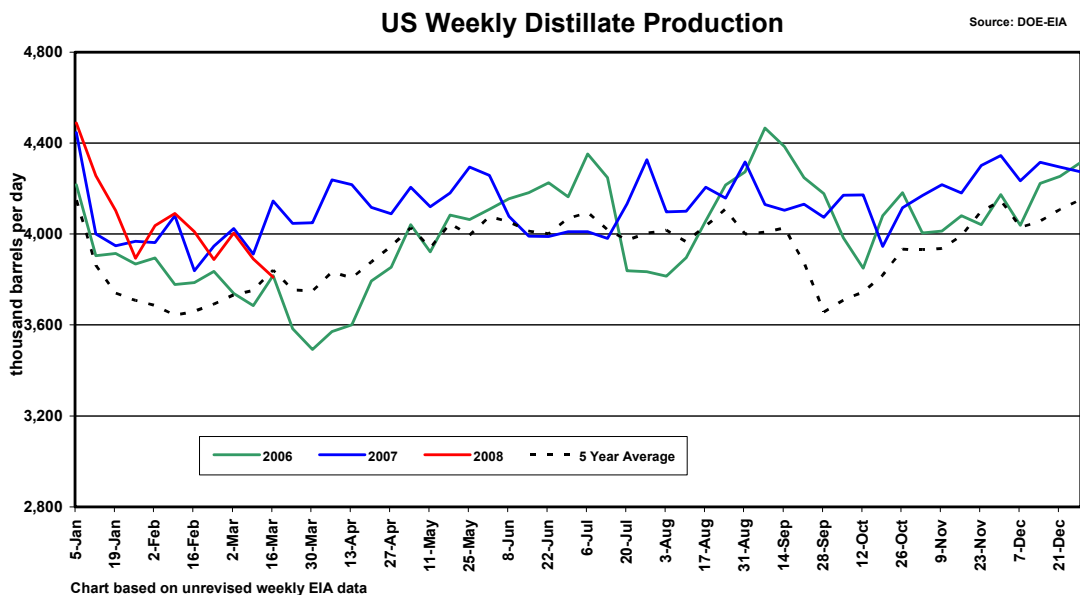
Ultra low sulfur (0-15 ppm) diesel stocks at 67.2 million barrels are unchanged from the week prior while low sulfur (15-500 ppm) diesel stocks were up 300,000 barrels a week ago to 19.4 million. Overall, diesel fuel stocks still are at levels that are significantly above historic levels for this time of year.



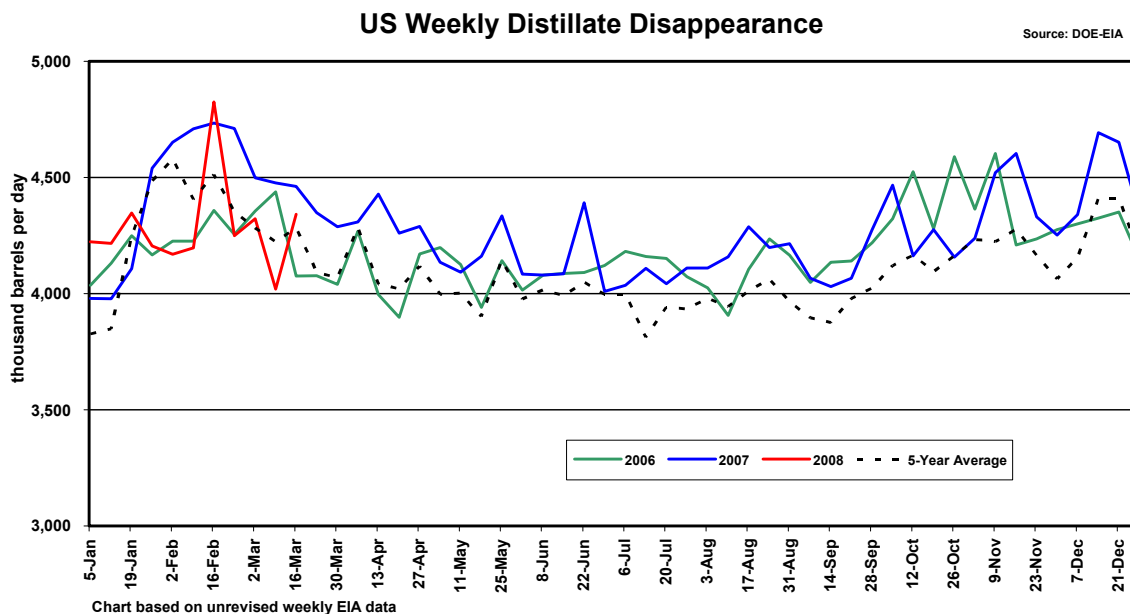
Distillate imports for the week ended Mar. 14 rose by 161,000 bpd to 294,000 (see following chart of weekly distillate imports with comparisons with weekly data).



With refinery utilization down 1.15 percentage points to 83.84 percent of operable capacity in the latest week, distillate production fell in the week ending Mar. 14. US distillate production was down 80,000 bpd to average 3.811 million bpd (see following chart that shows comparisons with weekly EIA data). Out of the total, heating oil production was up 93,000 bpd to 418,000 bpd, ultra low-sulfur diesel (less than 15 ppm) production was up 139,000 to 2.923 million bpd, while low sulfur diesel fuel (15 to 500 ppm sulfur) production was down 126,000 bpd from the previous week to 470,000 bpd.



Distillate disappearance in the week ended Mar. 14 was up 322,000 to 4.342 million bpd. Over the last four weeks, distillate disappearance has averaged 4.2 million bpd, down 5.4 percent from a year ago.



Fundamental Outlook: Distillate stocks slipped further in the latest week amid another drop in production and a boost in disappearance. If we further declines in distillate stocks and a return to cold weather, particularly in the US Northeast—the world's largest consuming region of heating oil—this will provide strength to the heating oil market. These gains will be furthered if crude oil trades with strength and we continue to see large exports of diesel fuel to Europe, which is experiencing tightness in the middle distillate markets (heating oil, diesel, jet fuel) amid low stocks and extensive refinery maintenance.

Technical Indicators: April futures:

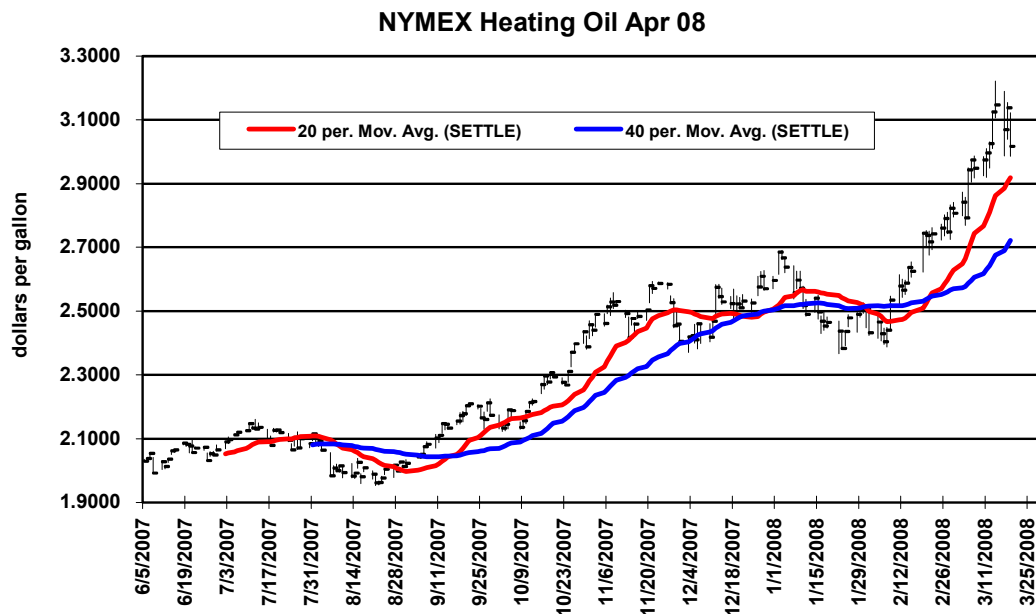
20-day mvg avg: Higher at \$2.9185

40-day mvg avg: Higher at \$2.7215

Support: \$2.9035 to \$2.8050 then \$2.7065 to Feb. 7 low of \$2.3880

Resistance: Mar. 14 high of \$3.2220 to \$3.3410

NYMEX Heating Oil Futures Close: Mar. 19, 2008						
Dollars per Gallon						
Contract	High	Low	Close	Previous Close	Change	Est. Volume
Apr 08	3.1220	2.9859	3.0167	3.1379	-0.1212	26,411
May 08	3.0563	2.9261	2.9465	3.0645	-0.1180	31,297
Jun 08	3.0073	2.8875	2.9010	3.0155	-0.1145	13,040
Jul 08	2.9981	2.8806	2.8960	3.0105	-0.1145	3,488
Aug 08	2.9780	2.8900	2.8985	3.0110	-0.1125	1,934
Sep 08	2.9850	2.8900	2.9040	3.0150	-0.1110	1,069
Oct 08	2.9605	2.9130	2.9115	3.0210	-0.1095	633
Nov 08	2.9882	2.9150	2.9225	3.0320	-0.1095	440
Dec 08	3.0031	2.9150	2.9335	3.0430	-0.1095	3,157
Jan 09	2.9950	2.9375	2.9365	3.0460	-0.1095	883
Feb 09	3.0020	2.9300	2.9190	3.0275	-0.1085	38
Mar 09	2.8925	2.8900	2.8795	2.9875	-0.1080	27

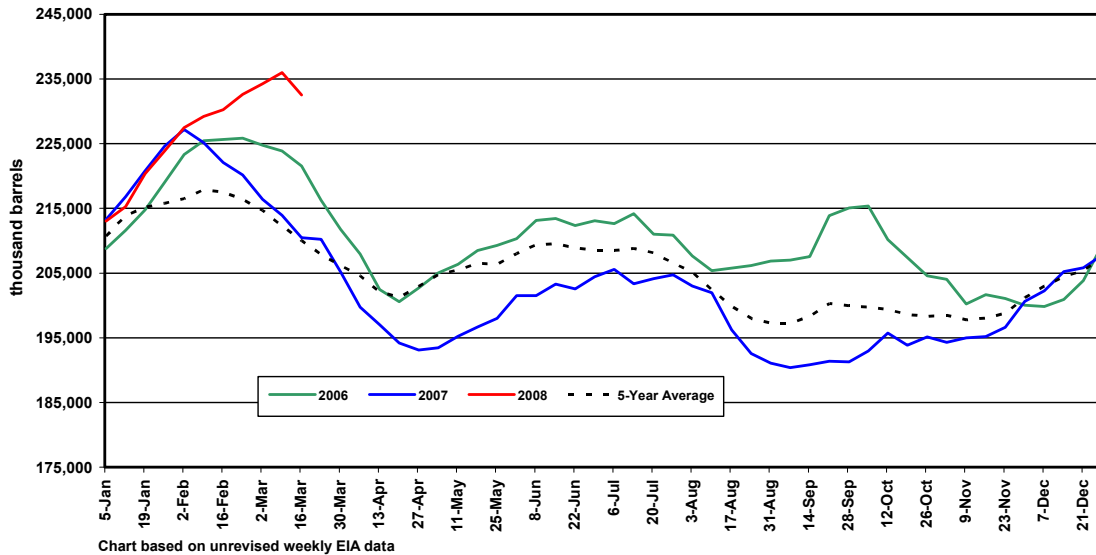


8. GASOLINE PRICE COMMENTS. NYMEX RBOB gasoline futures settled lower yesterday, with pressure from profit taking. Weakness was tied to ideas that a slow down in the US economy will mean reduced demand for petroleum and petroleum products. Some verified this viewpoint with the Energy Information Administration (EIA) data that showed gasoline demand slipping in the latest week and the four-week average gasoline disappearance now running slightly below the year-ago level. However, weakness was tempered by the larger-than-expected decline in gasoline inventories as production fell (with refinery utilization down significantly) and imports staying below the key 1-million-bpd level. NYMEX April RBOB futures settled down \$0.0997 at \$2.5603.

Fundamental Indicators: The Energy Information Administration (EIA) report for the week ending Mar. 14 showed gasoline stocks fell by 3.447 million barrels to 232.52 million—bringing to an end the 18 weeks of consecutive builds. This week's decrease was counter to pre-report expectations that stocks would be up 400,000 barrels. Both finished gasoline inventories and blending components declined in the latest week. When this week's data is compared with monthly EIA data, gasoline stocks are 23.3 million *above* a year ago (monthly data that is not depicted in the following chart) and are 22.5 million *above* the five-year average. Gasoline stocks are still above the upper limit of the average range the last five years (see chart that compares with weekly data).

US Weekly Total Gasoline Stocks

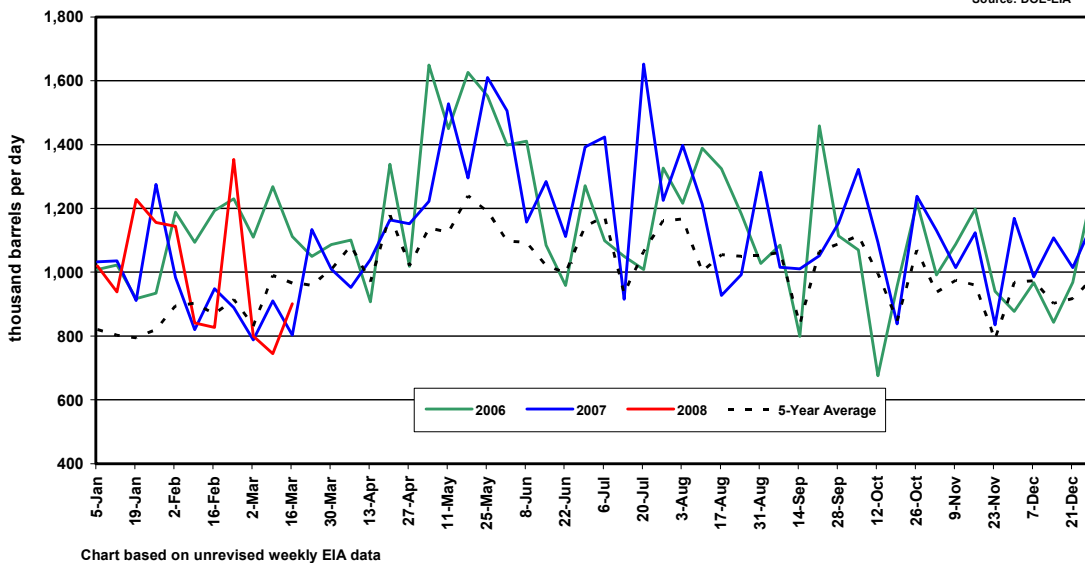
Source: DOE-EIA



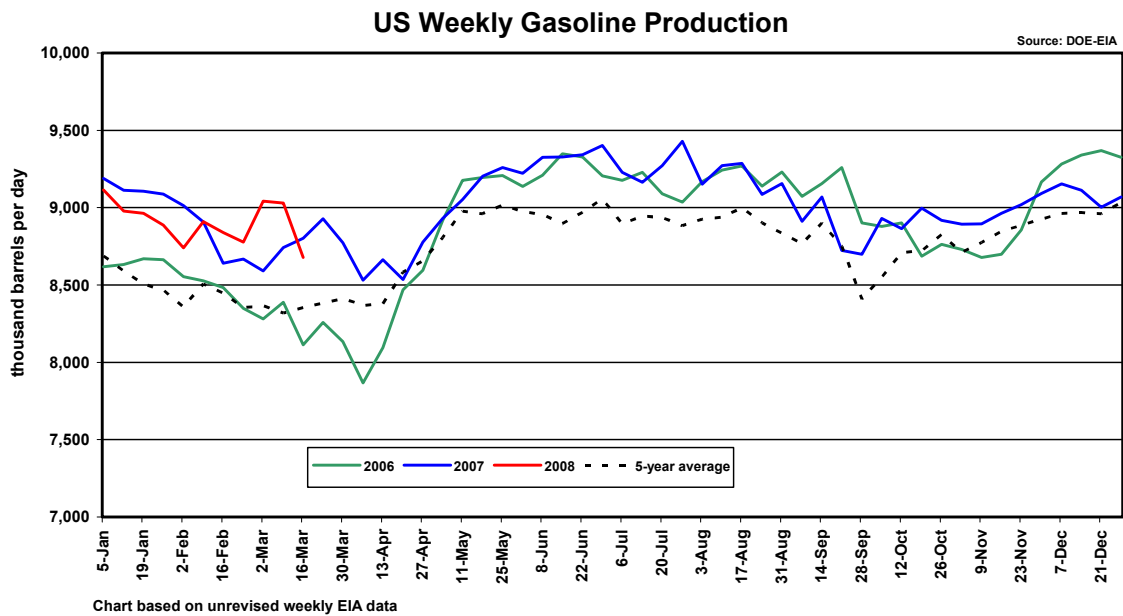
The decrease in gasoline stocks in the latest week was despite the fact that gasoline imports rose. Gasoline imports (including finished gasoline and gasoline blending components) were up 156,000 bpd to at 901,000 bpd. However, imports remain below the key 1-million-bpd level. Imports of gasoline blending components were up 203,000 barrels but conventional finished gasoline imports were down 47,000 bpd.

US Weekly Gasoline Imports

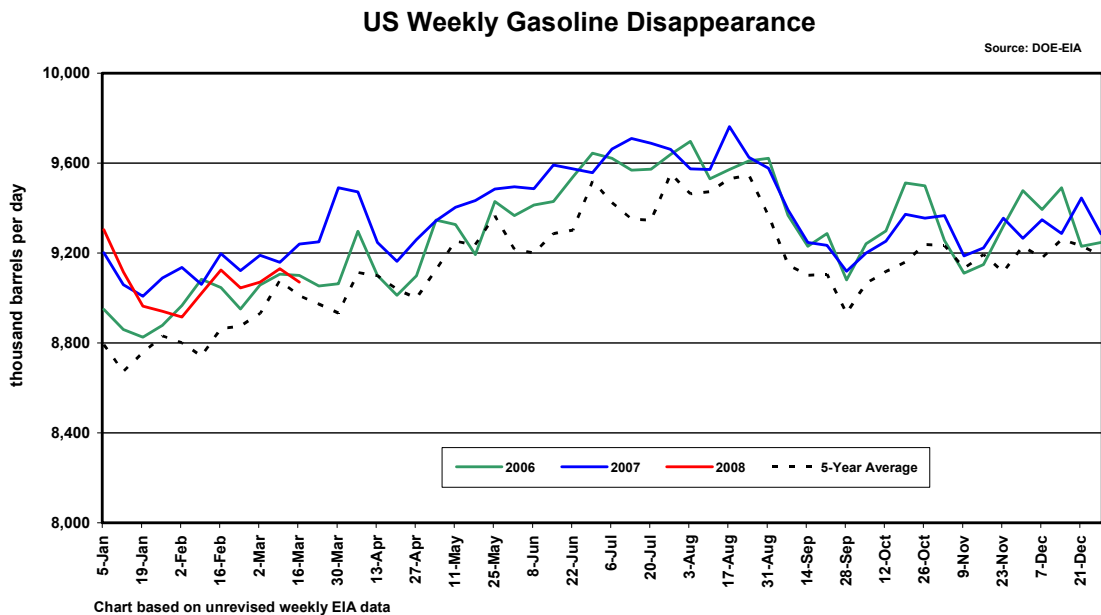
Source: DOE-EIA



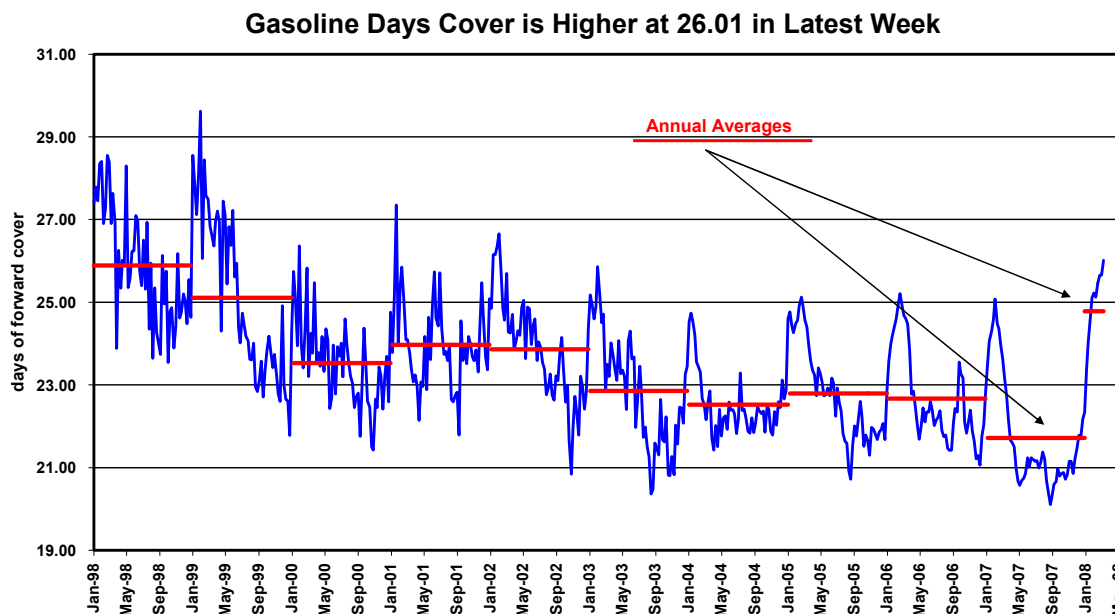
With refinery utilization down 1.15 percentage points to 83.84 percent of operable capacity, gasoline production slipped, too, in the latest week. Gasoline production declined by 352,000 bpd to 8.678 million bpd (see following chart showing comparisons with weekly data).



Disappearance of gasoline (i.e., deliveries to distributors that are used as a gauge of consumer demand) nudged slightly lower in the latest week. For the week ending Mar. 14, gasoline disappearance was down 60,000 bpd to 9.071 million bpd. Over the last four weeks, gasoline disappearance has averaged about 9.1 million bpd, which is 0.1 percent below the same four-week period last year (see following chart that compares weekly data).



In the most recent week, gasoline days cover rose another 0.36 to 26.01 days forward cover—still at the highest level in six years (since Feb. 8, 2002, when days cover was 26.66). Recall that an estimate of gasoline days of forward cover is the week *prior's* gasoline stocks divided by the latest week's disappearance.



Fundamental Outlook: We may be in the beginnings of the seasonal decline in gasoline stocks. After boosting stocks to the highest level in 15 years, gasoline inventories may now be starting their seasonal decline. The same may be said for gasoline days cover. Though gasoline days cover topped 26 in the latest week, if we see stocks seasonally decline from here—even if demand is relatively unchanged—this would push days cover lower. If the slow down in the US economy does not significantly impact gasoline demand, and if crude oil remains firm, this would be expected to be supportive to gasoline prices, particularly as we move toward the summer driving season.

Technical Indicators: April futures:

20-day mvg avg: Lower at \$2.6599

40-day mvg avg: Higher at \$2.5901

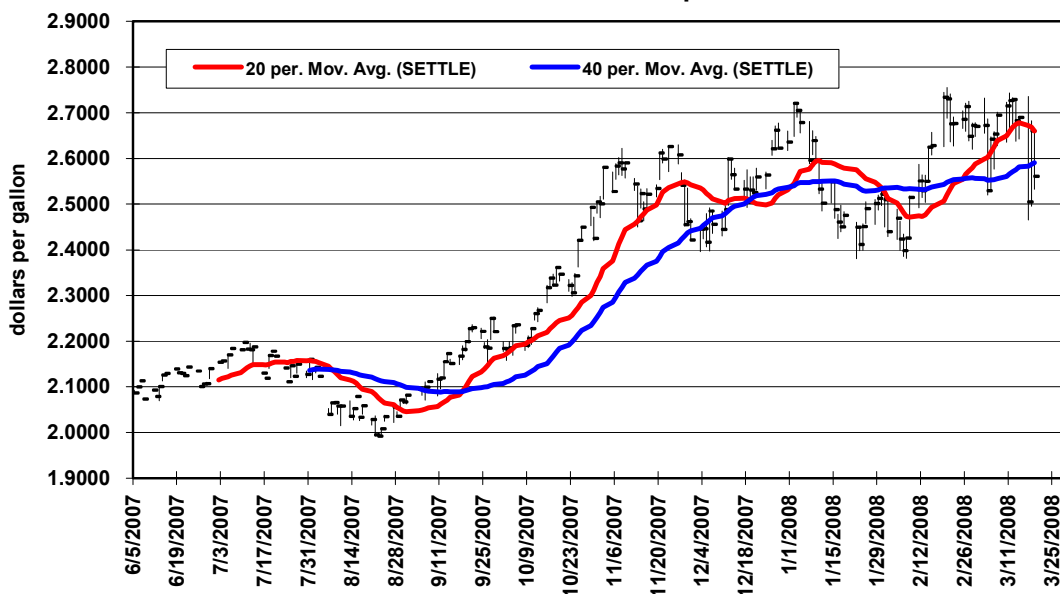
Support: \$2.4640 to near \$2.3800 to \$2.2835

Resistance: Feb. 20 high of \$2.7556 then \$2.8525 to \$2.8930 then \$2.9330

NYMEX Reformulated Gasoline Blendstock for Oxygen Blending (RBOB) Futures Close: Mar. 19, 2008 Dollars per Gallon						
Contract	High	Low	Close	Previous Close	Change	Est. Volume
Apr 08	2.6563	2.5326	2.5603	2.6600	-0.0997	30,864
May 08	2.6743	2.5515	2.5755	2.6764	-0.1009	40,425
Jun 08	2.6772	2.5604	2.5830	2.6869	-0.1039	16,166
Jul 08	2.6766	2.5692	2.5820	2.6884	-0.1064	5,760
Aug 08	2.6350	2.5600	2.5720	2.6809	-0.1089	6,015
Sep 08	2.6324	2.5375	2.5520	2.6659	-0.1139	5,913
Oct 08	2.4797	2.4500	2.4340	2.5539	-0.1199	3,666
Nov 08	2.4597	2.4126	2.4150	2.5369	-0.1219	2,038
Dec 08	2.4703	2.3902	2.4085	2.5344	-0.1259	2,293
Jan 09	2.4625	2.4180	2.4215	2.5479	-0.1264	159
Feb 09	0.0000	0.0000	2.4455	2.5719	-0.1264	0

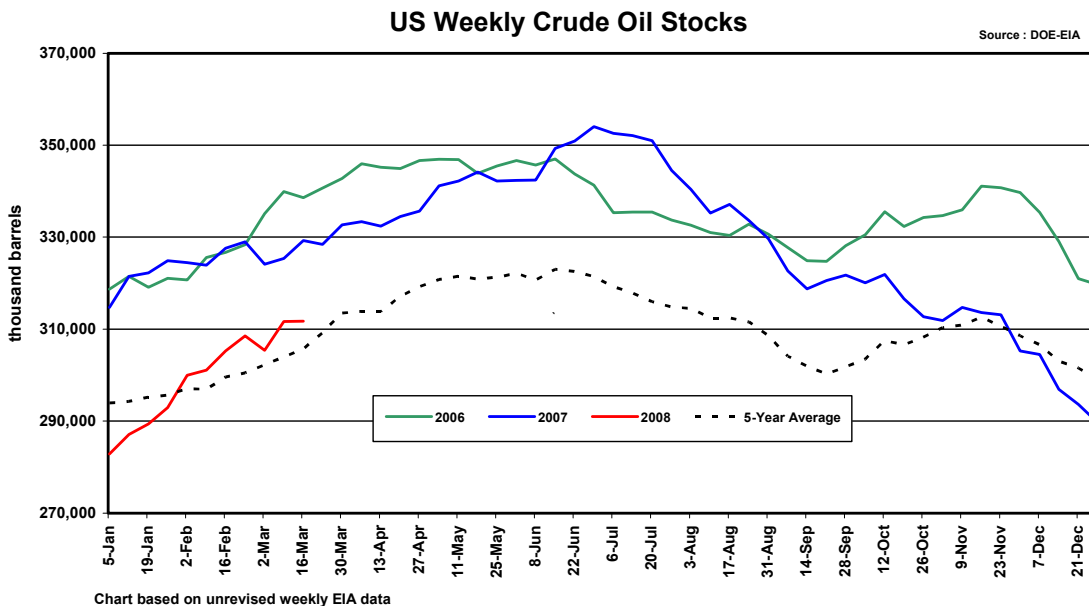
NYMEX Reformulated Gasoline Blendstock for Oxygen Blending (RBOB) Futures Close: Mar. 19, 2008 Dollars per Gallon						
Contract	High	Low	Close	Previous Close	Change	Est. Volume
Mar 09	0.0000	0.0000	2.4750	2.6014	-0.1264	0

NYMEX RBOB Gasoline Apr 08

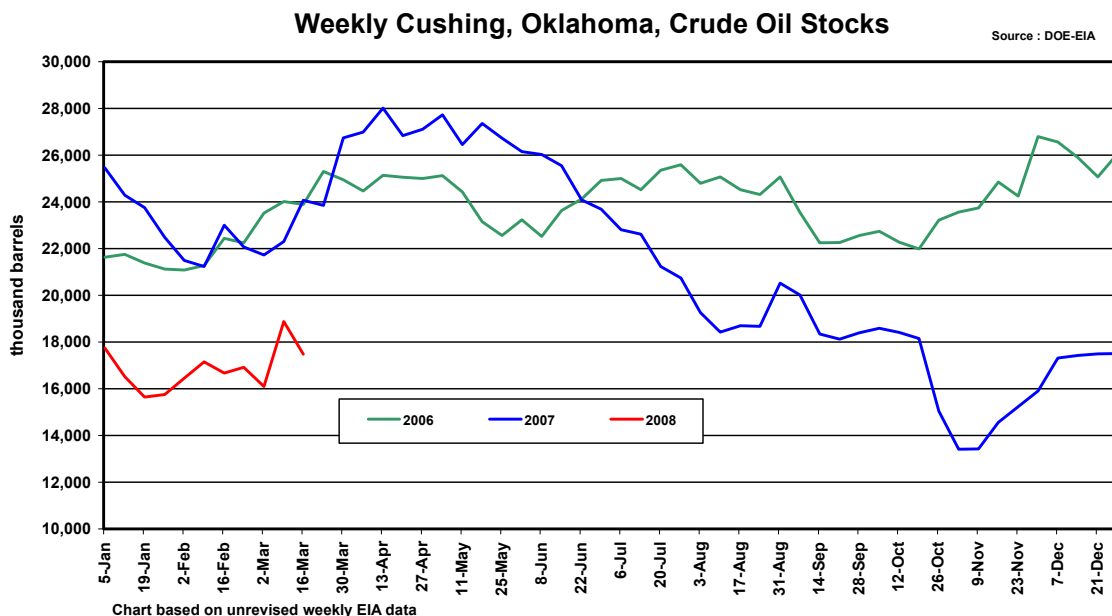


9. CRUDE OIL PRICE COMMENTS. NYMEX crude oil futures settled sharply lower Wednesday. Pressure stemmed from ideas that a slow down in the US economy will crimp demand for petroleum and petroleum-based products. The weakness was despite the Energy Information Administration (EIA) report that showed larger-than-expected declines in the main petroleum products and a smaller-than-expected uptick in crude oil inventories. However, the EIA data also showed that demand, particularly for gasoline, slipped in the latest week with the four-week average now averaging slightly below the year-ago level. NYMEX April crude oil futures, that expired yesterday, settled down \$4.94 at \$104.48. NYMEX May crude oil futures settled down \$5.96 at \$102.54.

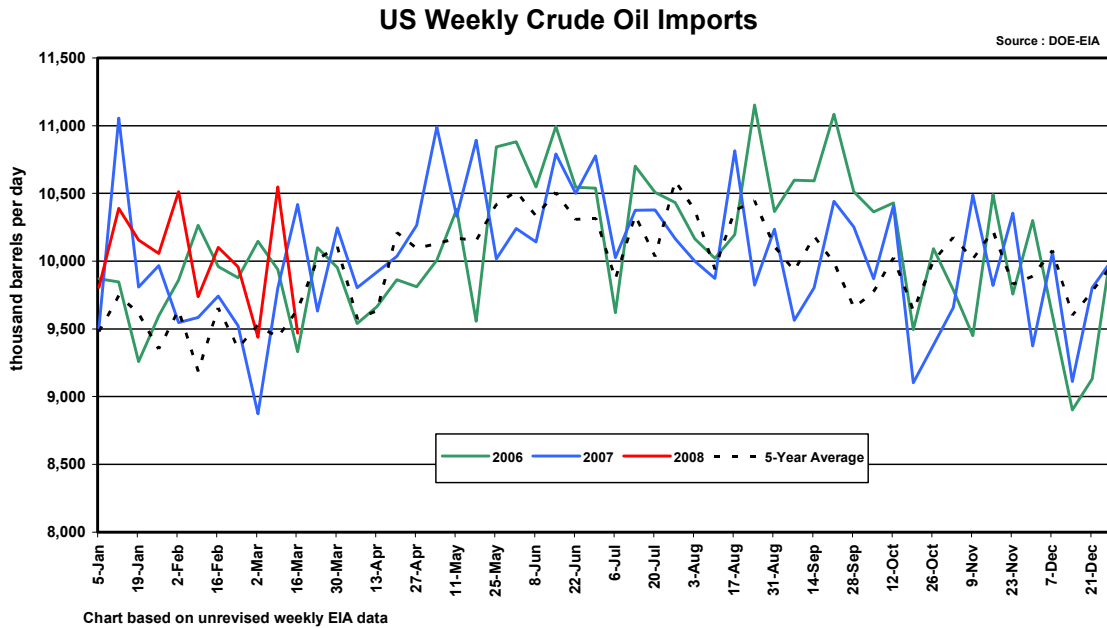
Fundamental Indicators: The Energy Information Administration (EIA) report for the week ending Mar. 14 showed US commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) rose by just 133,000 barrels in the latest week. The increase was well below pre-report expectations for crude oil stocks to be up 2.3 million barrels. Crude inventories now stand at 311.76 million barrels—which puts stocks still in the middle of the average range for this time of year. Crude oil stocks are now 12 million barrels *below* the year-ago level (when compared with the monthly data that is not depicted in the following chart) but are 6 million barrels *above* the five-year average.



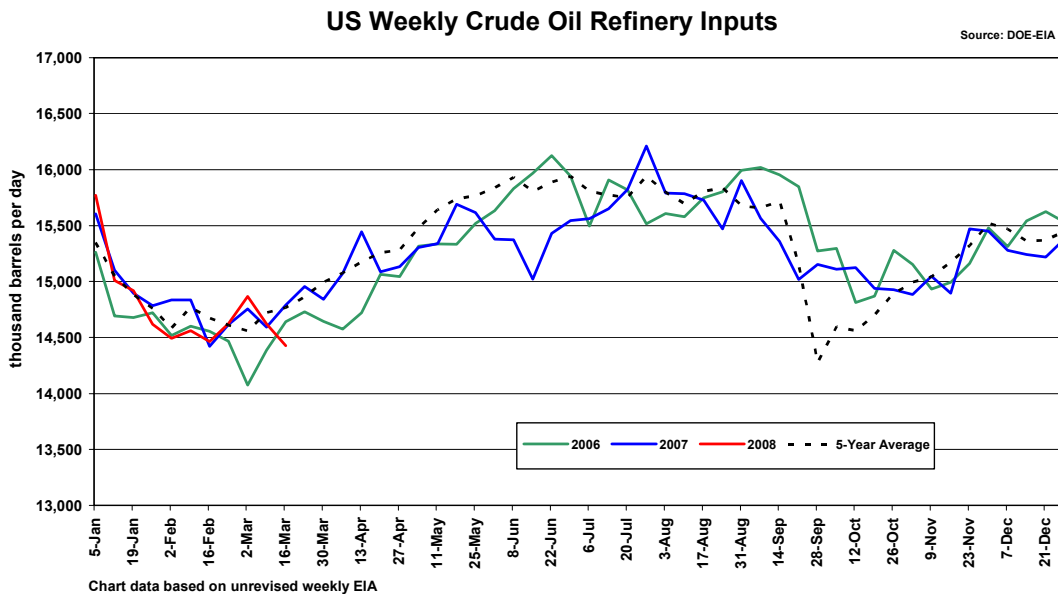
Stocks at Cushing, Okla., the delivery point for NYMEX-traded West Texas Intermediate crude, were down 1.4 million barrels from the previous week to 17.5 million, keeping stocks at Cushing still well below the level seen at this time of year during the last two seasons.



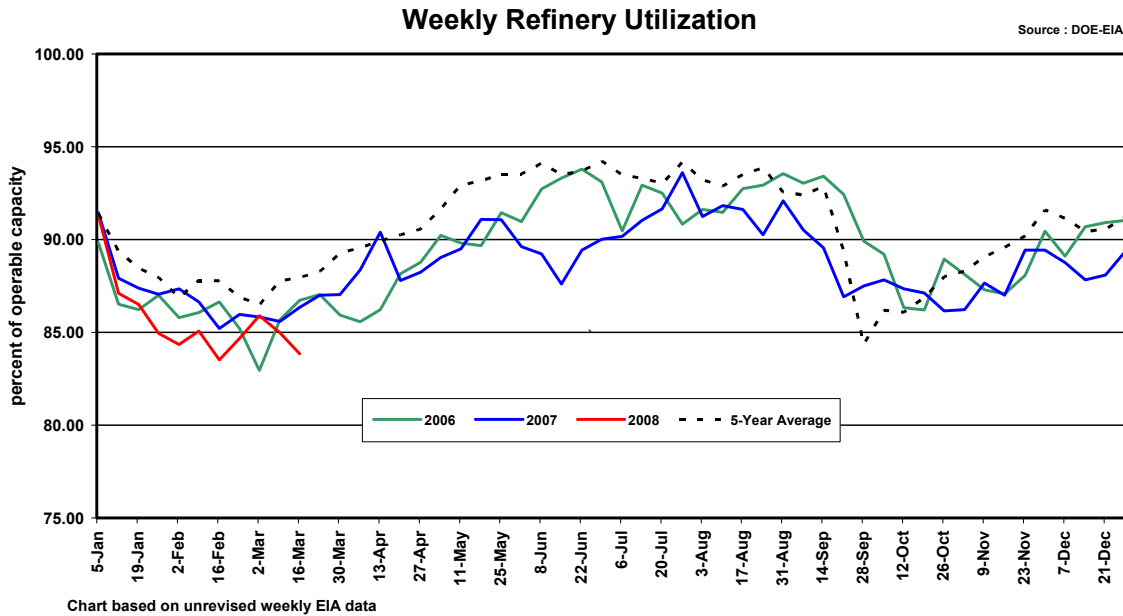
The slight week-over-week increase in crude stocks came as crude imports fell significantly in the latest week. Crude oil imports saw a week-over-week decrease of 1.08 million bpd from the previous week to 9.468 million bpd (see following chart showing comparisons with weekly data). Over the last four weeks, crude oil imports have averaged nearly 9.9 million bpd (up 209,000 bpd from the same four-week period a year ago).



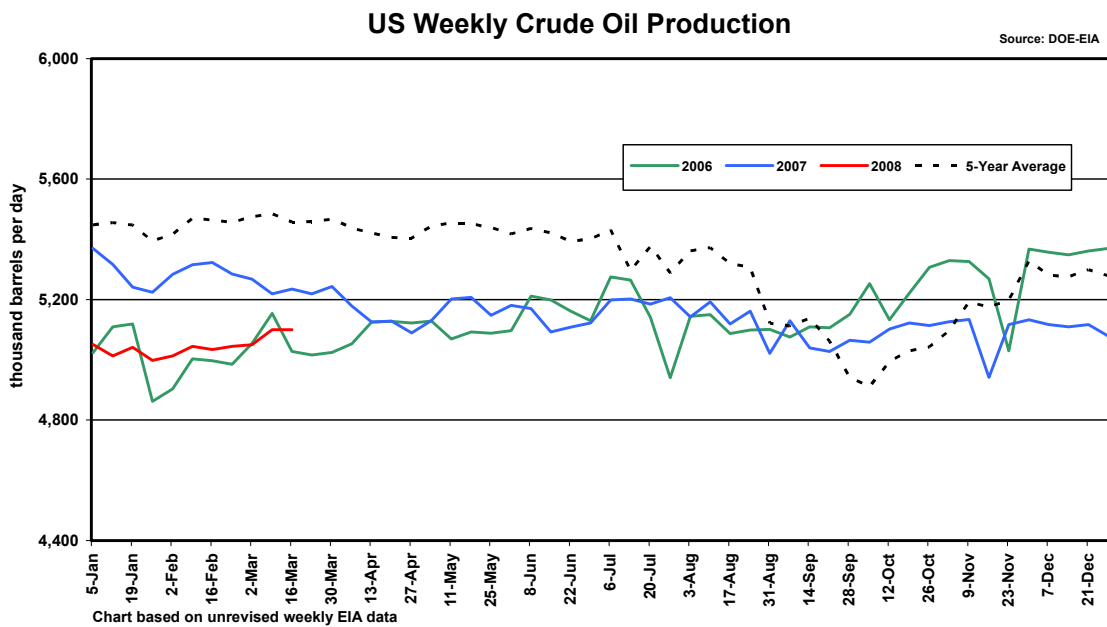
The EIA also reported that US crude oil refinery inputs averaged 14.4 million bpd during the week ending Mar. 14, down 195,000 bpd from the week prior's average. (The amount of crude oil refinery inputs is the amount of total crude oil [domestic plus foreign] inputs that have been put into crude oil distillation units and other refinery processing units [cokers, etc.])



The EIA reported that refinery utilization of operable capacity in the week ending Mar. 14 was down 1.15 percentage points to 83.84 percent. Refinery utilization is now 2.5 percentage points below the year-ago level of 86.34 and 4.11 percentage points below the five-year average level of 87.95.



Crude oil production for the week ended Mar. 14 was unchanged at 5.100 million (see following chart that shows comparisons with weekly data).



Fundamental Outlook: With crude oil continuing to see week-over-week improvements in US stock levels, world crude supplies roughly in balance, world supply security risks ebbing and negative sentiment toward the US economy, this would be expected to be bearish crude oil futures. Even though we believe crude oil may take a small downside adjustment in the second quarter as global demand softens seasonally, moving into the last half of the year, demand will increase seasonally and that will provide renewed support for crude prices unless world supplies advance at a faster pace.

Technical Indicators: May futures:

20-day mvg avg: Higher at \$103.42

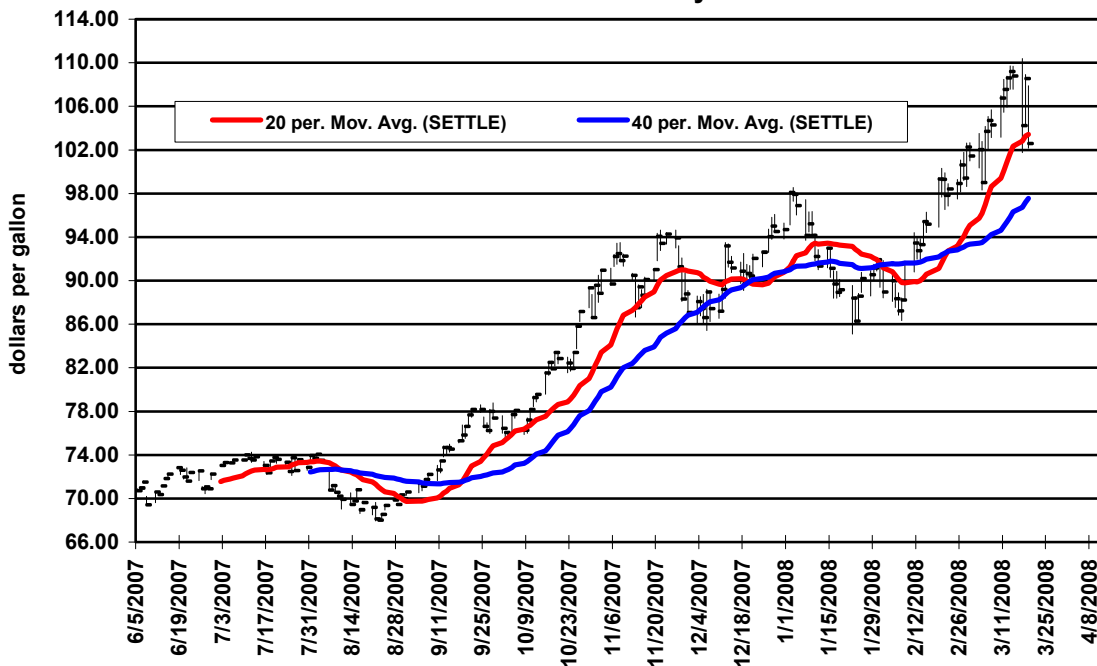
40-day mvg avg: Higher at \$97.53

Support: \$95.50 to Feb. 7 low of \$86.33

Resistance: Mar. 17 high of \$110.35 to \$112.00 then \$118.85

NYMEX Crude Oil Futures Close: Mar. 19, 2008						
Dollars per Barrel						
Contract	High	Low	Close	Previous Close	Change	Est. Volume
Apr 08	108.98	102.95	104.48	109.42	-4.94	55,597
May 08	107.89	101.79	102.54	108.50	-5.96	386,956
Jun 08	106.64	100.83	101.63	107.35	-5.72	125,348
Jul 08	105.50	100.32	100.79	106.39	-5.60	31,577
Aug 08	104.85	99.50	100.10	105.65	-5.55	12,742
Sep 08	103.99	99.20	99.57	105.09	-5.52	9,277
Oct 08	102.00	99.05	99.15	104.63	-5.48	5,564
Nov 08	102.53	98.83	98.78	104.21	-5.43	2,384
Dec 08	103.00	98.19	98.45	103.83	-5.38	26,094
Jan 09	102.68	102.28	98.10	103.43	-5.33	268
Feb 09	0.00	0.00	97.77	103.06	-5.29	363
Mar 09	0.00	0.00	97.47	102.73	-5.26	491

NYMEX Crude Oil May 08



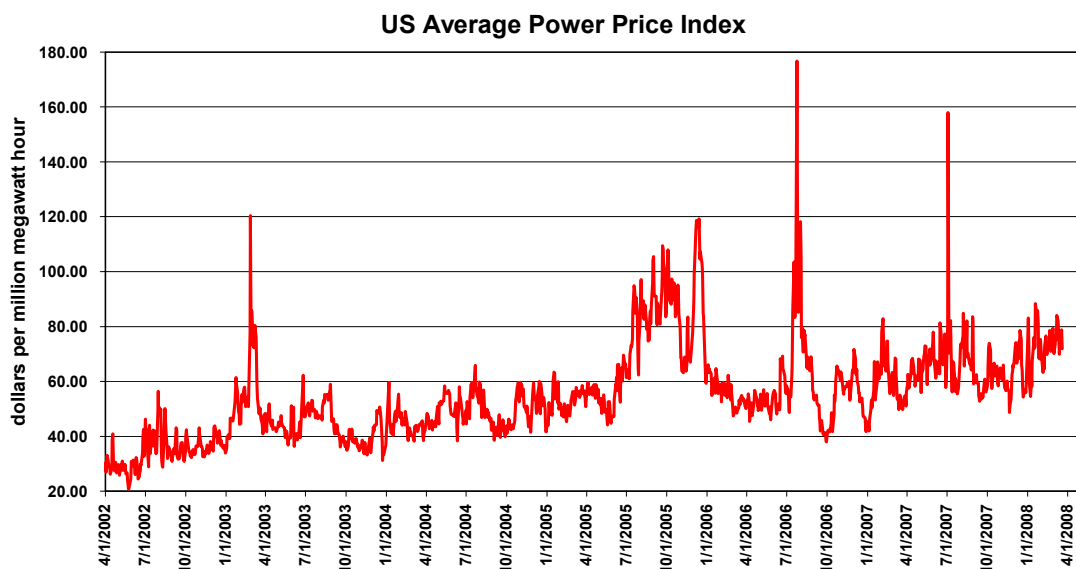
10. POWER PRICE COMMENTS.

NYMEX PJM Electricity Futures Close: Mar. 19, 2008					
Dollars per MWh					
Contract	High	Low	Close	Previous Close	Change
Apr 08	83.50	83.50	83.50	85.42	-1.92
May 08	82.92	82.92	82.92	85.83	-2.91
Jun 08	92.27	92.27	92.27	96.08	-3.81
Jul 08	115.33	115.33	115.33	119.92	-4.59
Aug 08	115.33	115.33	115.33	119.92	-4.59
Sep 08	85.67	85.67	85.67	89.33	-3.66
Oct 08	81.50	81.50	81.50	83.50	-2.00
Nov 08	78.00	78.00	78.00	79.50	-1.50
Dec 08	84.00	84.00	84.00	87.50	-3.50
Jan 09	92.13	92.13	92.13	95.13	-3.00
Feb 09	92.13	92.13	92.13	95.13	-3.00
Mar 09	88.00	88.00	88.00	91.00	-3.00

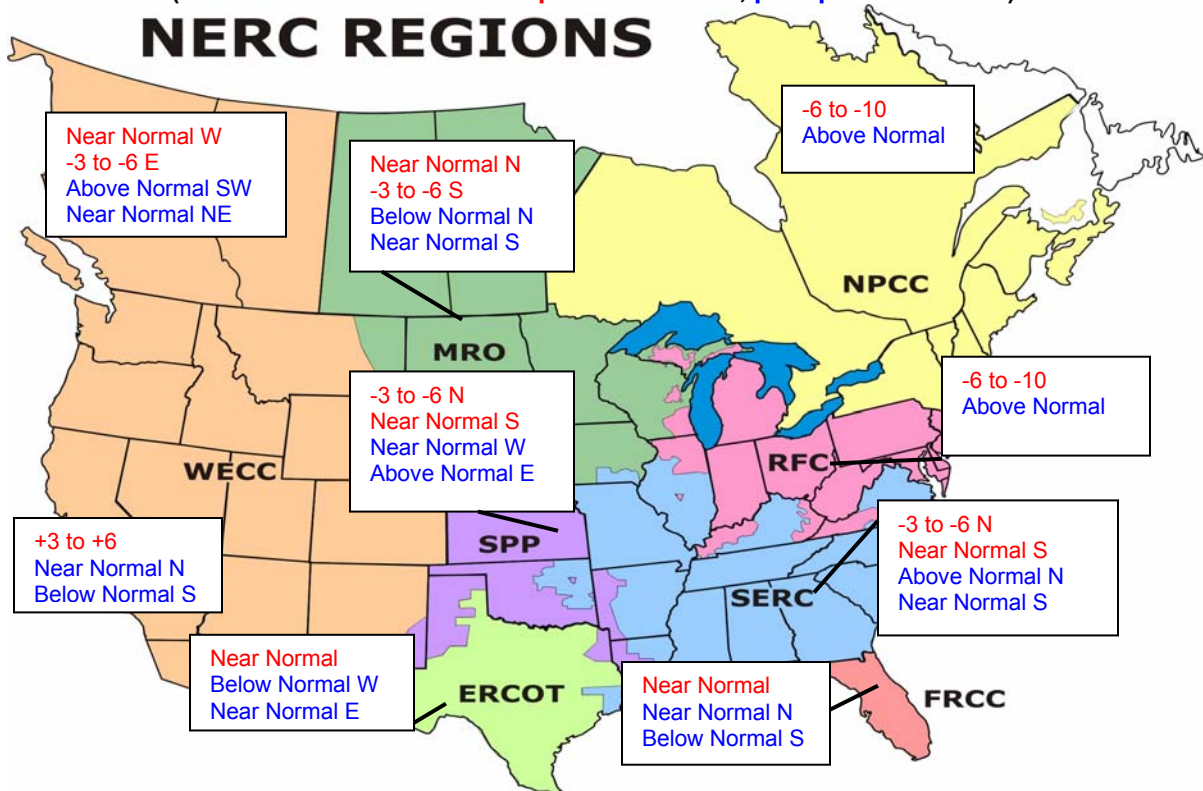
The US average cash power price was lower Wednesday with weakness across all regions (see following table for details). In the East, the Nee pool was down \$0.64 at \$82.72 and the PJM West was down \$1.43 at \$78.50. In the Midwest, the Cinergy was up \$2.72 at \$75.32, but the ERCOT was down \$42.20 at \$23.53. In the West, the largest decrease was the NP-15, down \$18.87 at \$82.04. In the Pacific Northwest, the Mid-C was down \$0.28 at \$75.20.

Cash Power Quotes (dollars per MWh)							
For delivery the following day							
Region	03/12	03/13	03/14	03/17	03/18	03/19	Change
East	83.17	78.81	89.64	80.28	81.65	80.61	-1.04
Midwest	62.07	58.90	65.54	64.69	71.19	63.88	-7.31
West	80.44	76.26	82.68	83.11	84.15	75.63	-8.52
US	73.79	69.97	77.16	75.59	78.78	71.88	-6.90

Individual power prices are sourced from the Intercontinental Exchange daily indices



11. THE 6- TO 10-DAY NERC ENERGY REGION WEATHER OUTLOOK: MAR. 25 TO MAR. 29.
The forecast keeps temps near normal across the South, below normal in Midwest and East.
(deviations from normal: temperatures in red, precipitation in blue)



The NERC region weather comments are provided by Informa via special arrangement with WeatherMarkets.com and may not be consistent with in-house weather commentary in other Informa services using different boundaries.

This copyrighted material is intended for the use of clients of Informa Economics, Inc., only and may not be reproduced or electronically transmitted to other companies or individuals, whole or in part, without the prior written permission of Informa Economics, Inc. The information contained herein is believed to be reliable and the views expressed within this document reflect judgments at this time and are subject to change without notice. Informa Economics, Inc. does not guarantee that the information contained herein is accurate or complete and it should not be relied upon as such.