

## Highlights

- Tropical Storms
- Interest rates
- Deepwater drilling resumes

## Closing prices

Crude  
**Aug \$77.85** ↓

Heating Oil  
**July \$2.0684** ↓

RBOB  
**July \$2.0823** ↓

## Helpful Links

- [www.wfscorp.com](http://www.wfscorp.com)  
**World Fuel Services corporate site - The Choice for Complete Fuel Management**
- [www.eia.doe.gov](http://www.eia.doe.gov)  
**Official Energy Statistics from U.S. Government**
- [www.nymex.com](http://www.nymex.com)  
**New York Mercantile Exchange-current market and historical values**
- [www.ncdc.noaa.gov](http://www.ncdc.noaa.gov)  
**NOAA site for active weather updates and hurricane news**

## Contact Us

Deborah Neal  
 dneal@WFSCorp.com  
 (281) 556-2527

## Executive Summary

Market continues to be driven by economic data and the Fed's pledge to keep rates lower due to the slower recovery was renewed today. With oil inventories remaining high, the combination of weaker stock markets and overall fundamentals will continue to drive prices lower. Adding to supply for the longer term, deepwater drilling can now resume in the Gulf as an industry case challenging Obama's decision to suspend drilling has been settled in favor of the industry. However, we should not get too comfortable with this trend as we already have activity in both the Pacific and Atlantic in terms of tropical storms. We will keep a close watch on the disturbance in the Caribbean which could threaten the offshore production, imports/export activity, and could be a serious threat to the oil spill clean up.

## Fundamentals

Week ending 6/18/10	DOE Stocks	Weekly Change	2009	2009 Weekly Change	3 Yr Avg
Crude Oil	365,122	2,017	353,853	(3,868)	335,501
Gasoline	217,578	(762)	208,905	3,871	206,748
Distillates	156,919	297	152,103	2,077	130,657

Refinery utilizations were up 1.5% this week at 89.4%. IMPORTS – Were up for crude and gasoline, but down for distillates. Apparent demand for gasoline was down, while distillate was up.

## Geopolitical / Economic News

**GEOPOLITICAL** – Earlier this week, a federal judge overturned the Obama Administration's 6-month suspension of deep water drilling. President Obama has accepted General McChrystal's resignation as commander in Afghanistan following his recent controversial comments. General Petraeus has been asked to be his replacement.

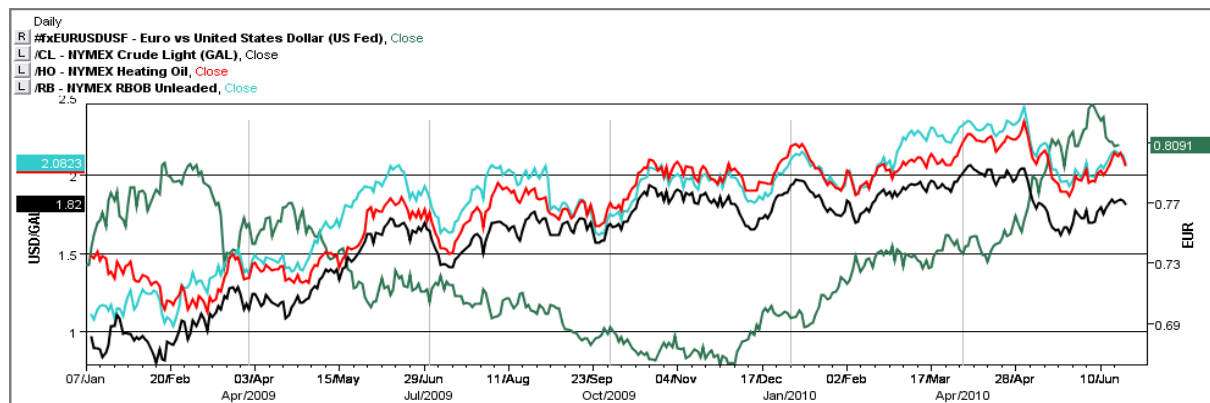
**ECONOMIC** – Federal Reserve retained low interest rates for an "extended period" stating that European debts may hurt growth in the states. Sales of new homes slide in US as the tax credits expire. Unemployment rates remain near a 26-year high.

## Weather

Pacific now has Hurricane Celia and Tropical Storm Darby south of the Gulf of Tehuantepec in southern Mexico. NHC is still giving the Atlantic storm currently in the Caribbean a 30% chance of strengthening in the next 48 hours into a cyclone. If a storm develops, possible tracks range from Louisiana to the south Texas and will not be more concrete until a storm center can be identified. Long term forecasts are calling for temperatures to challenge one of the hottest summers on record for most of the country through August. The West Coast, Pacific Northwest, and maybe the western Dakotas will see more normal temperatures. Tropical storms may be the only temperature relief in the Southeast this summer.

## Technical

Chart Source: MarketView



Heating Oil Futures: Resistance level 2.1750, Support level 2.0430

RBOB Futures: Resistance level 2.1920/2.2450, Support level 2.0300

Crude Oil Futures: Resistance level 79.10/80.70, Support level 75.65