

DAILY ENERGY MARKET COMMENTARY 4/30/2008

Petroleum

Crude oil futures closed slightly higher Wednesday, as the market fretted over declining U.S. product inventories and production problems overseas. Light, sweet crude for June delivery settled 23 cents, or 0.2%, higher at \$118.30 a barrel on the New York Mercantile Exchange. June Brent crude traded at \$116.42 a barrel, up 47 cents. May reformulated gasoline blendstock, or RBOB, futures hit an intraday record for the eighth-straight session, settling at \$3.0507 a gallon, up 3.43 cents, or 1.1%, the biggest percentage gain in the energy complex Wednesday. May heating oil also settled at a record of \$3.3250 a gallon, up 81 points, or 0.2%. The need for heating oil is lessening as warmer temperatures arrive in the primary U.S. Northeast market, but strong demand globally has kept prices high later in the year than normal. *[Greg Meyer, Dow Jones Newswires]*

NYMEX CRUDE CLOSING PRICES

Jun	\$118.30
Jul	\$117.59
Aug	\$116.89
Sep	\$116.27
Oct	\$115.75

Natural Gas

After a morning spent on the downside, the May natural gas contract mounted a sharp recovery Wednesday in bullish fashion, according to one broker, following the lead of the crude market, an eye on a below-normal natural gas storage injection and successfully testing trend-line support as the contract edges closer to \$11.00. The natural gas front month gained 17.4 cents on the day to settle at \$10.781, rising from \$10.43 to a 27-month intra-day high of \$10.82. Many in the market expect a low storage injection from the Energy Information Administration tomorrow, with forecasts near 25 Bcf well below the five-year average, which should re-inflate the fairly new year-on-five-year deficit. Looking at the May gas charts, technical support is seen at \$10.35-\$10.30, \$10.00, \$9.36, \$9.00 and \$8.75. Resistance is pegged at \$11.00 and \$11.60. According to its most recent 6- to 10-day forecast, the National Weather Service calls for below-average temperatures from interior portions of New England through the Great Lakes as well as the Southeast and Carolinas and the Pacific Northwest into northern California. Above-normal temps are seen for the Plains, north Texas and into the Southwest. Meanwhile, seasonal readings are seen from southern New England through New York and into the lower Midwest, Deep South and east Texas as well as much of California.

[Aaron Kline, BTU]

NYMEX NATURAL GAS CLOSING PRICES

May	\$10.781
Jun	\$10.946
Jul	\$11.084
Aug	\$11.164