

## Highlights

- Unemployment rate falls
- Dollar volatile, gold up
- Iranian tensions
- Cool weather

## 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**

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## Executive Summary

Oil prices remained high and range-bound this week with traders keeping an eye on inventories, the US dollar, equity prices and economic indicators. Iranian tensions and winter weather are also being closely monitored. At time of this report, benchmark WTI crude oil (prompt futures) is trading at \$75.76/bbl.

## Macroeconomic Factors

- ▶ Today, the US Labor Department released a better-than-expected jobs report with the unemployment rate dropping to 10.0% from 10.2%. The report is the latest economic metric to support the case for gradual economic recovery in 2010.
- ▶ The relative value of the US dollar continues to be very volatile and headline-driven. Today, €1 = \$1.5092 while gold prices rallied to a new record high this week – over \$1,227 per ounce (February futures).

## Fundamental Factors

- ▶ The weekly oil inventory report from the US Energy Information Administration (EIA) showed rising crude and gasoline inventories but falling distillate stockpiles. Refinery use fell .6% to 79.7% of operable capacity.
- ▶ OPEC downplayed the likelihood of an output quote anytime soon as prices are close to the targets that they have set forth.
- ▶ Goldman Sachs issued a report to investors predicting that crude oil prices will average \$90/bbl in 2010 and \$110/bbl in 2011.

## Geopolitical Factors

- ▶ Iran raised the stakes in it's standoff with Western nations over its nuclear development programs by declaring its intent to build 10 more nuclear facilities and increase its level of uranium enrichment. The IAEA censured Iran for its lack of transparency and development of a secret nuclear plant.

## Weather Factors

- ▶ The National Weather Service is predicting near-normal temperatures for the eastern US, including the northeastern home heating oil market, for the next 8-14 days. The 2009 Atlantic hurricane season officially ended on Monday.

