



Weekly Newsletter

July 27, 2010 - August 2, 2010



This Day in History - July 26th

1788: New York became the 11th state in the US.
 1908: The Office of the Chief Examiner, which in 1935 became the Federal Bureau of Investigation (FBI)
 1947: Pres. Truman signed the National Security Act creating the Dept of Defense, the National Security Council, the Central Intelligence Agency and the Joints Chiefs of Staff.

Leadership Thought of The Day from "The Maxwell Leadership Daily Devotional"

Most people recognize that investing in a team brings benefits to everyone on the team. One of the great things about investing in a team is that it almost guarantees a high return for the effort., because a team can do so much more than individuals. The saying goes "Where there's a will there's a way; where there's a team, there's more than one way."



Retail Gasoline Prices: \$2.823

One year ago: \$2.506

Tip of the Day:

Select energy-efficient products when you buy new heating and cooling equipment. Your contractor should be able to give you energy fact sheets for different types models, and designs to help you compare energy usage. For furnaces, look for high Annual Fuel Utilization Eff. (AFUE) ratings. The min. is 78%, but 90% is available

Detroit:

Monday: High 83 Low 68 Clear
 Tuesday: High 85 Low 73 Mostly Sunny
 Wednesday: High 90 Low 70 T-Storms
 Thursday: High 78 Low 66 Mostly Cloudy
 Friday: High 79 Low 67 Partly Cloudy

Grand Rapids:

Monday: High 84 Low 61 Mostly Sunny
 Tuesday: High 86 Low 70 Partly Cloudy
 Wednesday: High 86 Low 69 T-Storms
 Thursday: High 79 Low 63 Partly Cloudy
 Friday: High 78 Low 63 Partly Cloudy

Word of the Day:

Synthetic Futures: A position created by combining call and put options. A synthetic long futures is composed of a long call and short put (same expiration and strike); a synthetic short futures is composed of a long put and short call (same expiration and strike).

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Nymex Close - July 10: \$4.717

Gas Daily City gate Prices:

thru	CONSUMERS		MICHCON	
07/20-07/26	Weekly Avg:	\$4.736	Weekly Avg:	\$4.791
07/20-07/26	Monthly Avg:	\$4.676	Monthly Avg:	\$4.728
	July 2010 Index	\$4.780	July 2010 Index	\$4.850



	* Price Avg Summary			Week Ago	Year Ago
	2008	2009	2010	\$ Change	\$ Change
WTI	\$99.5700	\$61.8700	\$75.9600	(\$0.1200)	\$12.4000
Crude Oil (\$/bbl)			7/16/10		
Gasoline (\$/gal)	\$3.6000	\$2.3500	\$2.7220	\$0.0040	\$0.1900
Diesel Oil (\$/gal)	\$3.8000	\$2.4600	\$2.8990	(\$0.0040)	\$0.4030
Nat Gas (\$/MMBtu)	\$9.2170	\$3.3790	\$4.5800	\$0.0610	\$1.2010
	August Close	August Close	7/26/10		

* Source - Energy Information Agency

* EIA - Weekly Natural Gas Storage Report

Region	Stocks in billion cubic feet (Bcf)			Historical Comparisons			
	7/16/2010	7/9/2010	Change	July 16, 2009		5 yr average	
				Stocks Bcf	% Change	Stocks Bcf	% chg
East	1425	1384	41	1459	-2.3%	1388	2.70%
West	474	470	4	442	7.2%	383	23.80%
Producing	992	986	6	1041	-4.7%	859	15.50%
Total	2891	2840	51	2942	-1.80%	2630	9.90%

Estimate for week ending 07/23/10: 50 bcf Injection

Week at a Glance

The weather continued to be hot and humid throughout most of the continental United States. May and June have been on record this year to be the hottest for Michigan. Even with the weather being so hot, prices were not that affected and traded in a range between \$4.70 and \$5.00. Even the Nymex was not affected that much. The storage deficit grew to 52 bcf compared to last year on July 16th, but it was right where the market estimates were calling for. Prices were a little stronger this morning but just about a nickel. The second tropical storm entered the Gulf of Mexico late Saturday but remained a tropical storm without getting any stronger. The storm did affect the operations to plug the Macondo well. It will take another two weeks before all the assets are in place to finally plug and seal the well.

Short Term Energy Outlook:

At least for the next 30 days, the market is predicted to be bullish. We have the peak of the hurricane season throughout the month of August and it seems that above normal temperatures have been the norm. However if storage continues on an equal pace or slightly above as last year for the rest of the injection season, it won't matter what the weather does. Supply continues to outpace demand with new shale production coming online. Without tropical activity, the market will not move too much in either direction. So far any government intervention on offshore drilling has not really impacted the energy market. It may when the assets that were drilling in the Gulf are moved else where. What will happen is that about 20,000 to 30,000 jobs in the Gulf states will be affected. That will affect other sectors of the economy and keep demand down. According to Jim Duncan of ConocoPhillips Market View: Supply - Bearish; Demand - Bearish; Short Term Weather - Neutral; Weather Next Week - Bullish; Inventories Report - Bearish; US Dollar - Bullish; Global Equities - Bearish; US Equities - Bearish; Geopolitics - Bearish; Technicals - Bearish; Market Sentiment - Bearish; Overall Market View - Bearish.

Resistance Levels: \$4.65; \$4.71; \$4.82

Support Levels: \$4.53; \$4.49; \$4.37



Foster Blue Water Oil, L.L.C.

