

February 2012



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One month of the new year has past. Reminiscing the good old days (prior to July 2008) this would be prime bottom picking time. Remember 1st quarter, Jan-Feb-Mar, you would always find your best value for gasoline. That is the only thing that feels somewhat normal and that is about as close to normal as you can get given the extreme and many times unexplainable volatility. I do believe that you will see your best value in the first quarter, but with the excessive premium to buy forward or futures our answer to that is our Cash Rolling Account. We have the same philosophy as in the past and that is to temper the shock in the market the best we can. Have you noticed 6 times since the Thanksgiving holiday, local gas prices have made wild and for the most part unjustified increases. At First Fuel Bank our Pay at the Pump price is well below the street making the Cash Rolling account in some cases 30 cents under other stations.

Back to the market looking forward....the market continues to be range bound with an unpredictable trend. Crude oil has traded between \$90.00 and \$105.00 for 3 plus months. Last May, crude hit a high of \$114.83 and last October traded down to \$74.95. Basically crude oil has been sideways most of last year with economic threats. Both the U.S. and Europe with countless geo political threats, but the most serious of course Libya and most importantly Iran. They simply can not be allowed to have nuclear at any cost. The armchair analyst that are talking \$5.00 gas...NOT!!! There is a remote possibility, but to achieve \$5.00 gasoline you would have to have a number of serious problems at the same time. In my opinion it's not there. In the worst case scenario if it hit \$5.00 it simply would not be sustainable. Given the level of speculative greed in the market place today \$4.00 is plausible yet \$4.00 is tough to sustain.

Let's look on the bright side and here is my prediction. For the travel season of 2012 is a high on gasoline of \$3.90 and diesel \$4.20. But remember, no one knows.

As always, thank you for your support.



U.S. Inventory Stats As of February 1st, 2012

9:30 a.m. Central Standard Time

(1 U.S. Barrel = 42 gallons)

<u>Over/Short from Last Year</u>	<u>Value from Last Year</u>
Crude - 4.3 million Barrel	+ \$ 0.0764 / barrel
Gasoline - 6.1 million Barrel	+ \$0.3954 / gallon
Diesel - 18.7 million Barrels	+ \$0.3085 / gallon

**Inventory Stats Will Be Upgraded Weekly
(Wednesday)

Closing Crude Prices

(New York Mercantile)

1-3-12	\$102.96 / Barrel	+\$4.13
1-4-12	\$103.22 / Barrel	+\$0.26
1-5-12	\$101.81 / Barrel	-\$1.41
1-6-12	\$101.56 / Barrel	-\$0.25
1-9-12	\$101.31 / Barrel	-\$0.25
1-10-12	\$102.24 / Barrel	+\$0.93
1-11-12	\$100.87 / Barrel	-\$1.37
1-12-12	\$99.10 / Barrel	-\$1.77
1-13-12	\$98.70 / Barrel	-\$0.40
1-16-12	\$99.70 / Barrel	+\$1.00
1-17-12	\$100.71 / Barrel	+\$1.01
1-18-12	\$100.59 / Barrel	-\$0.12
1-19-12	\$100.39 / Barrel	-\$0.20
1-20-12	\$98.46 / Barrel	-\$1.93
1-23-12	\$99.58 / Barrel	+\$1.25
1-24-12	\$98.95 / Barrel	-\$0.63
1-25-12	\$99.40 / Barrel	+\$0.45
1-26-12	\$99.40 / Barrel	\$0
1-27-12	\$99.70 / Barrel	+\$0.30
1-30-12	\$98.78 / Barrel	-\$0.78
1-31-12	\$98.48 / Barrel	-\$0.30
2-01-12	\$97.61 / Barrel	-\$0.87
2-02-12	\$96.36 / Barrel	-\$1.25
2-03-12	\$97.84 / Barrel	+\$1.48