

Snapshot: Crude hovers below all time highs

BULLISH FACTORS:	BEARISH FACTORS:
<p><u>Short Term</u></p> <ul style="list-style-type: none"> - Iran's President Ahmadinejad stated that "no one can force Iran to stop its nuclear program". - EIA reported a 1.9 million barrels draw in gasoline inventories last week. - Iraq's Sunni Vice President's Al Hashimi sister was assassinated in Baghdad a few days after his brother was also killed. - Supreme Iranian Leader Ayatollah Khamenei threatened to strike US interests worldwide should Iran is attacked. - Reports from China show an 11% increase in petroleum imports the first quarter of 2006. - Next week (May 5th) is the deadline for the elimination of MTBE from the US gasoline storage facilities. - UN Security Council Members cannot reach an agreement on Iran. US is in favour of sanctions, while Russia and China oppose them. - President Ahmadinejad announced that Iran successfully enriched uranium for the first time. <p><u>Long Term</u></p> <ul style="list-style-type: none"> - Escalation of US-Iran conflict could affect exports from Iran. - Confrontation between Latin American countries and foreign oil majors could affect investments. 	<p><u>Short Term</u></p> <ul style="list-style-type: none"> - EIA reported a 2.8 million barrels increase in US commercial petroleum inventories last week. - According to EIA gasoline imports last week reached 1.3 mbpd which was the fourth highest gasoline import level on record. - US President Bush ordered a federal investigation into price gouging and cheating from oil companies in the US. - US President Bush suspended crude deliveries to the SPR and asked EPA to temporarily ease clean air regulations in the Northeast. - Crude inventories in the US have almost filled up available storage. Higher storage costs cause contango in futures prices. - US petroleum demand is only 0.3% higher on year. - President Bush stated that US will continue to focus on diplomacy, against Iran but also noted that "...all options are on the table". - IEA, in its monthly report, reduced expected 2006 demand by 200,000 bpd due to high energy prices. <p><u>Long Term</u></p> <ul style="list-style-type: none"> - EIA and IEA expect world spare capacity to rise by 1 million bpd in 2006. - High oil prices force oil consuming prices to accelerate efforts to reduce oil dependence.

Today's Focus

Prices eased further as EIA's petroleum report showed more inventory builds than the market expected and offered more room for profit taking after the recent rally that led to new all-time high price levels. The market sold in the EIA report adding to the bearish momentum created two days ago from the comments of the US President Bush. However all price corrections prove to be temporary profit taking patterns for as long as the US-Iran conflict is on. The past two days both the Iranian President and the Iranian spiritual leader used hard language against the US escalating tensions. High volatility is expected ahead of the US NYMEX products expiration tomorrow and the end of week. Buckle-up!

NOTE: Historical "daily reports" can be found at http://www.hfanalysis.gr/HTML/Research_FramesetAll.htm

Major Technical Levels

Brent 1 st Month		
2 nd Res.	74.76	All time high
1 st Res.	74.10	Daily resistance
NOW	70.72	
1 st Sup.	69.42	13/4 low
2 nd Sup.	68.40	Daily Support

WTI 1 st Month		
2 nd Res.	75.35	All time high
1 st Res.	72.00	Daily resistance
NOW	70.65	
1 st Sup.	70.00	Daily support
2 nd Sup.	68.00	Daily Support

Energy Calendar

27/4	EIA weekly natural gas report
27/4	Expiration natural gas ICE
28/4	CFTC report
28/4	Expiration NYMEX products

US INVENTORIES (Mbbbls) - EIA

	Apr 14/06	Apr 14/05	CHG %
CRUDE	345	326.6	5.6
MOGAS	200.6	212.6	-5.6
DISTIL.	115.6	104.5	10.6
HEAT.OIL	43.3	37.6	15.2
Tot. stk (exc.SPR)	1002.3	984.4	1.8

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Research: Herodotus L. Antonopoulos, Filimon L. Antonopoulos
 Tel:(30-210) 8986581, Fax:(30-210) 8986582, e-mail: info@hfanalysis.gr