



Cottonwood Co-op Oil Co.

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DOE Inventory:

Inventories numbers are a mixed bag with the build in crude larger than expected and a smaller than expected draw in distillates looking bearish. The draw in gas is bullish. Refinery utilization was up a surprising 1.4% putting the total over 80% or the first time since the week ended January 8th.

All Values in Bbbls	CRUDE	GASOLINE	DISTILLATES
DOE	↑ 3.0 million	↓ 900,000	↓ 600,000
API	↓ 3.1 million	↑ 1.7 million	↓ 834,000
Expectations	↑ 2.0 million	↑ 400,000	↓ 1.6 million

Refinery Utilization:

Up 1.4% to 81.2% capacity; expectations were for no change

4-Week Average Demands:

Gasoline: 8.74 million bpd down 0.3% from last year
 Distillates: 3.70 million bpd down 6.8% from last year

Weekly Demands:

Gasoline: 9.064 million bpd up from 8.521 million bpd last week
 Distillates: 3.662 million bpd down from 3.787 million bpd last week
 Total Product: 19.283 million bpd up from 19.092 million bpd last week

Imports:

Gasoline: 846,000 bpd up from 709,000 bpd last week
 Distillates: 444,000 bpd up from 391,000 bpd last week
 Crude: 9.084 million bpd up from 8.548 million bpd last week

For current prices for your petroleum needs, give myself a call at (507) 828-0164. If you would like to receive this newsletter via email, please contact me to sign up.

Closing Market News:

Words from Fed Chairman Ben Bernanke sent the dollar lower and the stock market higher today as he stated that interest rates will remain low for an extended period. In return, the bulls took back control of the energy markets, sending RBOB up more than \$.03. Crude oil settled at the \$80 mark, while we saw less movement in heating oil gaining 98 points.

NYMEX			Distillate Basis				UNL Basis			
Contract:	Close	Change	Market	Close	Change	Net Move	Market	Close	Change	Net Move
March HO	\$2.0421	+0.0098	Group	(0.0100)	(0.0075)	+0.0020	Group	(0.0325)	+0.0000	+0.0335
March RBOB	\$2.0989	+0.0333	Chicago	0.0225	+0.0000	+0.0095	Chicago	(0.0725)	+0.0050	+0.0385
April Crude	\$80.00	+1.14	Gulf	0.0225	+0.0025	+0.0120	Gulf	(0.1325)	(0.0050)	+0.0330

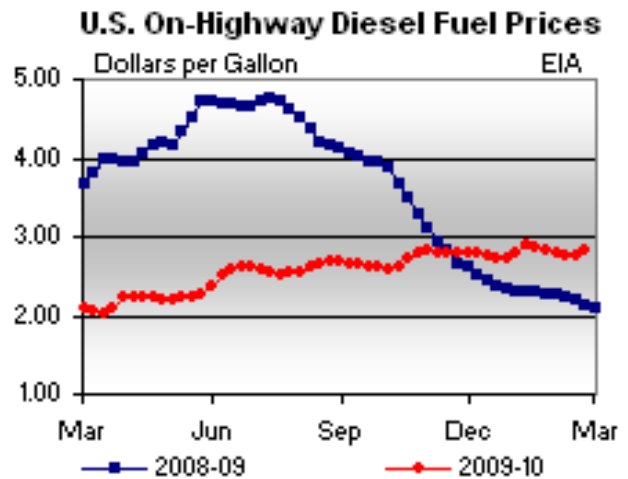
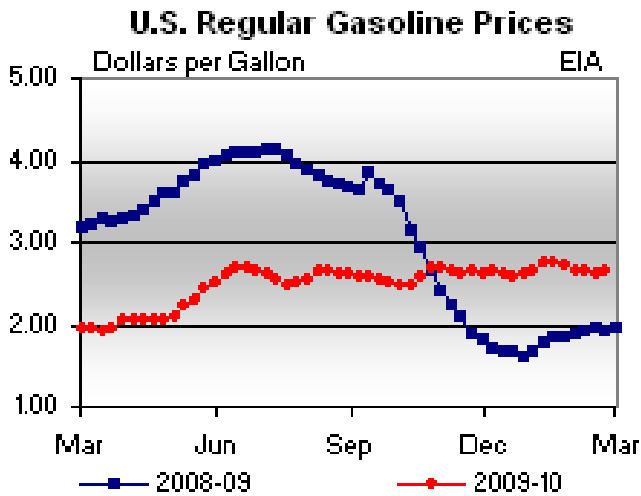
Market Outlook:

Once again, Energy took direction from the Dow as it traded higher on the Fed Chairman's report. Energy values tried early in the day to trade lower after the New Home sales report showed that sales plunged 11.2% to a record low in January mainly due to foreclosed properties and high unemployment.

The DOE inventory report did not give a clear picture of direction today. Gasoline inventories were bullish showing a draw of 900,000bbls, while yesterdays API estimates showed a build of 1.7M. Diesel and crude oil inventories were both bearish with distillate showing a draw of 600,000bbls, crude oil showed a build of 3.0 million barrels. Refinery utilization was up 1.4% despite predictions for a .2% increase.

Work has resumed at five of Total's six refineries in France as employees have decided to end their week long protest. It is expected that startup will take another two to three days. The sixth refinery, which remains shut, is the Dunkirk location that is set to be permanently closed.

Tomorrow, more economic data is on tap in the way of Durable Goods and Initial Job Loss Claims, these reports may bring the bears back in if it continues to show signs of a shaky economy.



Note: Chart is from Energy Information Administration



- Do you have water and sludge in your storage tank?
- Is your fuel getting dark?

- Are you plugging filters and injectors?
- Losing horsepower?
- Exhausting excessive black smoke?

Do any of these issues apply to you?

For tank cleaning, water removal, fuel conditioning, catalytic treatment and ongoing fuel quality maintenance.

- Removes fuel contaminants: Water; Fungus and bacteria growth; Sludge
- No wasted fuel – All returned
- Provides a video recording (CD) of entire cleaning verifying fuel quality and tank integrity
- Reduces maintenance costs – filters, etc.

CENEX Total Protection Plan Warranty

If you have any new or used piece of equipment, including irrigation engines, please give me a call to find out if you are eligible to take advantage of this great offer.

What makes this the Best Warranty in agriculture?

- Covers new equipment up to 10 years or 10,000 hours and used equipment up to 8 years or 8,000 hours
- Covers a wide variety of equipment
- Extends protection above and beyond equipment manufacturer's warranty
- Has no deductible
- Requires no operator "burden of proof"
- Includes periodic maintenance reminders to help keep your equipment in top condition
- Helps avoid downtime through LubeScan™ fluid sample report that provides insight into internal equipment condition
- Transfers to purchasers of your equipment
- Provides all this protection for just \$299 (new equipment) and \$399 (used equipment)
- Includes periodic money savings coupons for Cenex products



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