



Midwest Cooperatives

Weekly Energy Update

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OUR ENERGY COMES THROUGHSM

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ML 365® GREASE

Multipurpose All Season Grease

General Description

ML 365 is a high quality multi-purpose type grease available in NLGI grades 2, 1, 0 and 00. This product can be recommended for many applications in agriculture, automotive, construction and industrial environments. ML 365 is carefully formulated lithium 12-hydroxystearate grease with oxidation, rust and corrosion inhibitors, extreme pressure (EP) additives for anti-wear, heavy shock loading, and a special polymer to control oil separation during storage. The base oil used is a high viscosity index lubricant which provides excellent stability under various temperature conditions. ML 365 has good water tolerance and resists water washout from chassis points, exhibits good high temperature capabilities and has outstanding mechanical stability by retaining its consistency in hard use.

Expect Good Performance in:

- Extreme pressure conditions
- Chassis lubrication
- Wheel bearings
- General greasing



Features and Benefits

Cold Temperature Performance:

The high quality base oils used provide excellent cold temperature performance.

Reduced Oil Separation:

The special polymers reduce the oil separation tendency during storage and inactivity.

E.P. Performance:

The EP additives provide excellent prevention of wear and the capability to withstand heavy shock loading.

Resists Water Washout:

The soap thickener provides excellent resistance to water washout.

For businesses that run on diesel, a better running diesel.

Announcing newly enhanced Cenex Soy-Enhanced Premium Diesel Fuel – containing a special additive to meet the needs of today's engine technologies!

In engines designed to meet new Environmental Protection Agency emission standards, increased pressure and temperatures can literally "cook" typical #2 diesel fuel, resulting in injector/filter problems, reduced efficiency and costly repairs. We are proud to offer a premium fuel that helps alleviate this problem experienced in modernized diesel engines (2007 models and newer).

Cenex Premium Diesel Fuel is also designed to optimize performance and reduce downtime in all diesel engines. In fact, no other diesel fuel contains a more complete, balanced and quality additive package. Compared to typical #2 diesel fuel, Cenex Premium Diesel:

- Improves fuel economy by as much as 5 percent
- Increases power by up to 4.5 percent
- Boosts lubricity by 10-15 percent
- Extends life of injectors/injector pumps
- Lowers maintenance costs
- Has a higher cetane number (typically 48)
- Helps prevent fouling issues (in 2007 and newer engines)



DOE Inventory Report

This morning's report was a mixed bag with crude oil inventories showing a build and gasoline stocks falling. The market is reacting by showing little change compared to pre report trade.

All Values in Bbl	CRUDE	GASOLINE	DISTILLATES
DOE	↑ 1.7 million	↓ 700,000	↑ 1.8 million
API	↑ 579,000	↑ 1.3 million	↑ 2.1 million
Expectations	↓ 1.2 million	↑ 200,000	↑ 1.0 million

Refinery Utilization: Down 1.2% to 87.9% capacity; expectations were for up .1%.

4-Week Average Demands: Gasoline: 9.34 million bpd down 0.2% from last year
 Distillates: 3.85 million bpd up 13.6% from last year

Imports: Gasoline: 0.838 million bpd up from .788 bpd last week
 Distillates: 270,000 bpd up from 236,000 bpd last week
 Crude: 9.699 million bpd up from 9.500 bpd last week

Market Outlook

Overall all today's report appears to be a little bearish with crude oil inventories showing a 1.7 million barrel build versus the 1.2 million barrel draw that was expected. Gasoline stocks were slightly behind expectations but this could be contributed to the fall in refinery utilization. Distillate stocks added to the bullish sentiment, showing up 800,000 barrels more than expectations. Increased imports were seen across the board in this week's report.

Since the report, the energy markets are little changed expect for crude oil dipping slightly into the red. RBOB and heating oil are trying to hold on to gains as pressure from a stronger dollar and this morning's housing starts report weigh heavily. Housing starts were down to a five month low, helping to take back some of the early week economic optimism that drove values higher earlier this week.

ENERGY NEWS

Crude posted a high of over \$78 for the first time since May 14 and settled well above resistance from the 200-day moving average. The market has been in an uptrend over the last several days and it appears the bulls are targeting the \$80 level. This would be an increase of almost 20% from the low of \$67.15 placed in late May.

The Dow and dollar didn't provide all that much support considering the Dow was only slightly higher and the dollar was actually higher. As mentioned above, the economic reports and DOE report were primarily bearish. This leaves some question marks on how the market was able to extend gains following the lower open. Some say it was due to BP's agreeing to escrow \$20 billion to cover Gulf expenses. The momentum favors the bulls at time with the market being able to shrug off today's negative economic data. Tomorrow brings the weekly jobless claims report along with a report on real earnings. What impact these will have on trade remains to be seen.

The US Senate today failed to pass legislation that would extend the bio-diesel credit. The vote failed primarily due to the bill not fully offsetting its cost. The bill will likely have to be re-worked in the Senate which will then need approval in the House. At this time there doesn't appear to be any firm timeline.

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