

The Morning Email: Oil

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Want something added? Let me know: jgoulding@ghco.com

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ENERGY MATRIX - NYMEX PRODUCTS

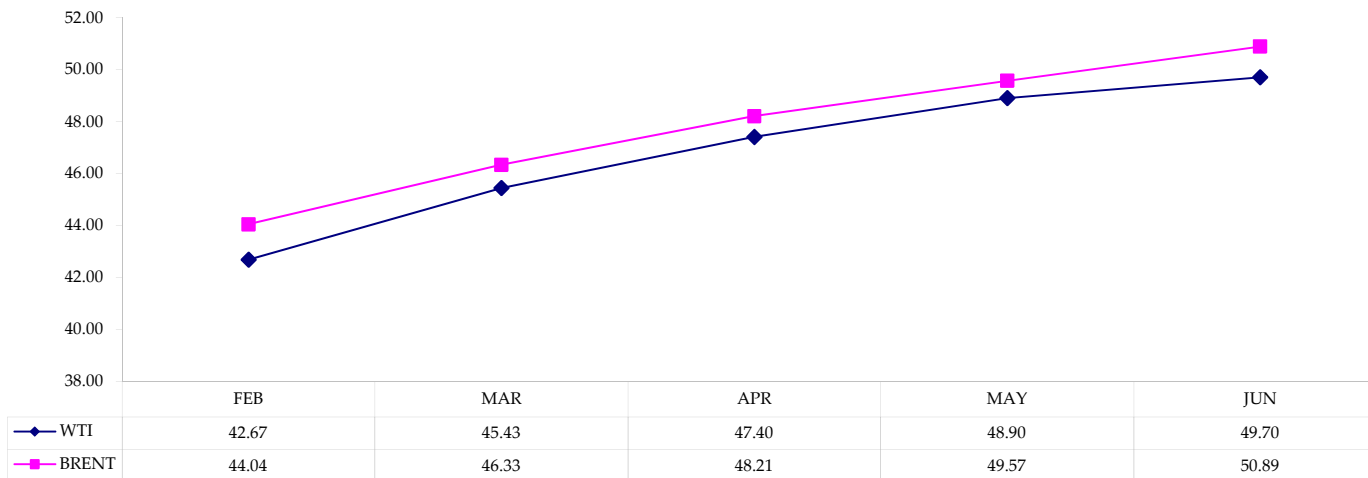
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	42.67	0.31	43.44	42.01	42.79	13,187	360,682	WTI Crude
HOA	142.7500	0.4300	144.74	140.75	142.75	555	75,558	Heating Oil
RBA	96.2	-0.73	98.5	96.2	97.5	428	52,819	Unleaded Gas
NGA	52.58	-0.7600	53.44	52.2	52.7	851	122,048	Natural Gas

All contracts quoted are electronic.

All contracts are coded for lead volume month. Meaning, whatever month has the most volume, that's the month quoted in the matrix above, for all contracts.

Economic Release Estimates, from Bloomberg

NYMEX - WTI						ICE - BRENT					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAF09	36.00	0.00	24,687	0	JAN	F.QOF09	#VALUE!				
F.CLAG09	42.67	0.00	194,858	9,792	FEB	F.QOG09	44.04	127,480	85,265	12,679	FEB
F.CLAH09	45.43	0.00	54,024	2,442	MAR	F.QOH09	46.33	113,722	37,628	5,102	MAR
F.CLAJ09	47.40	0.00	194,858	9,792	APR	F.QOJ09	48.21	127,480	85,265	12,679	APR
F.CLAK09	48.90	0.00	8,465	210	MAY	F.QOK9	49.57	18,460	8,009	456	MAY
F.CLAM09	49.70	0.00	18,934	175	JUN	F.QOM9	50.89	36,610	85,265	654	JUN
F.CLAN09	51.15	0.00	7,931	51	JUL	F.QON09	52.40	17,404	3,048	260	JUL
F.CLAQ09	52.50	0.00	6,603	42	AUG	F.QOQ09	52.90	10,201	2,555	75	AUG
F.CLAU09	52.71	0.00	2,279	20	SEP	F.QOU09	54.29	14,133	2,115	96	SEP
F.CLAV09	53.45	0.00	1,246	0	OCT	F.QOV09	55.04	8,923	2,584	94	OCT
F.CLAX09	54.10	0.00	2,419	3	NOV	F.QOX09	55.50	11,322	2,284	8	NOV
F.CLAZ09	55.18	0.00	11,848	44	DEC	F.QOZ09	55.98	51,543	7,264	371	DEC



Contango IF: front months lower than back months.

IF Contango, then: It pays more to store crude. Carry cost is positive.

Also, It pays to keep crude stored, pump prices rise, and so do oil company profits

Backwardation: Opposite of Contango

"Never sell a backwardation market". Backwardation tends to coexist with rising prices

Crack Spreads relative to Crude:

If crack spread weak then less incentive to store crude.

That's bearish for crude.

IF Contango and price is rallying, then 'long only' funds are buying.

That's because it's the only thing that makes sense due to the fact, funds do not incur carrying charges.

Contango is bearish for price.