

## The Morning Email: Oil

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Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	36.36	1.01	36.9	35.64	35.7	5,132	165,879	WTI Crude
<b>HOA</b>	125.1200	3.0100	126	124.45	124.5	389	55,400	Heating Oil
<b>RBA</b>	86	2.53	86	85.7	85.7	5	25,226	Unleaded Gas
<b>NGA</b>	58.87	-0.2300	59.38	58.29	58.5	195	79,299	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

<HELP> for explanation. N310 n ComdtyECO  
 9<GO> to set as default calendar

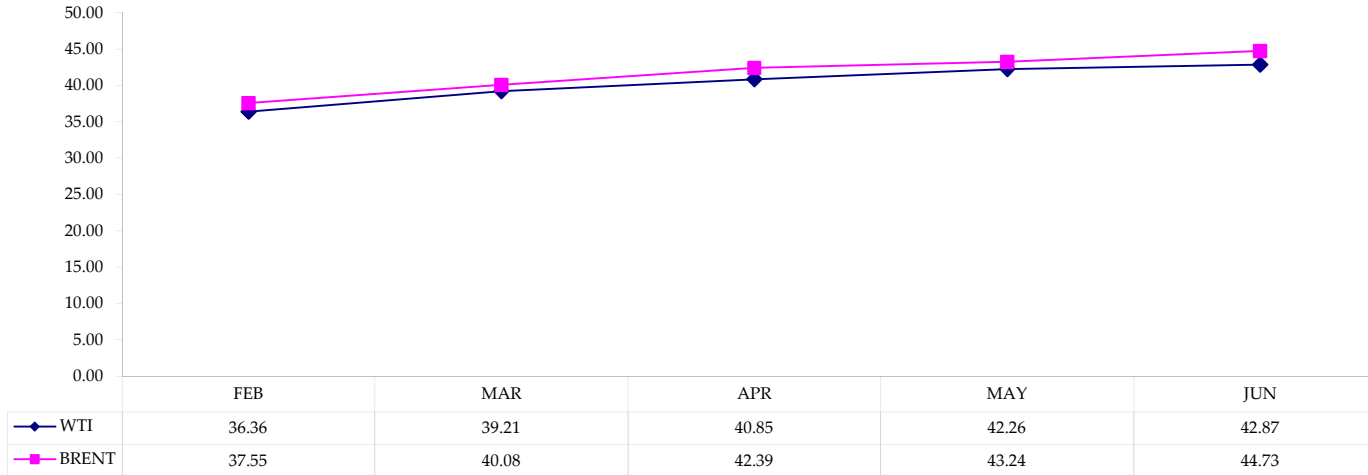
1) Custom Calendars      2) Options      3) Economic Calendars

Region North America    Country United States    Type Energy / Commodities   
 Date 12/23/08                      05:22:18                      United States: Energy / Commodities

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
24)	12/23	13:00	<input checked="" type="checkbox"/>		Spending Pulse Gas Demand	DEC 19	--	--	9.10	--
25)	12/24	09:35	<input checked="" type="checkbox"/>		DOE U.S. Crude Oil Inventories	DEC 19	900K	--	--	--
26)	12/24	09:35	<input checked="" type="checkbox"/>		DOE U.S. Gasoline Inventories	DEC 19	750K	--	--	--
27)	12/24	09:35	<input checked="" type="checkbox"/>		DOE U.S. Distillate Inventory	DEC 19	900K	--	--	--
28)	12/24	09:35	<input checked="" type="checkbox"/>		DOE U.S. Refinery Utilization	DEC 19	-0.13%	--	--	--
29)	12/24	09:35	<input checked="" type="checkbox"/>		DOE Cushing OK Crude Inventory	DEC 19	--	--	--	--
30)	12/24	09:35	<input checked="" type="checkbox"/>		API U.S. Crude Oil Inventories	DEC 19	--	--	--	--
31)	12/24	09:35	<input checked="" type="checkbox"/>		API U.S. Gasoline Inventories	DEC 19	--	--	--	--
32)	12/24	09:35	<input checked="" type="checkbox"/>		API U.S. Distillate Inventory	DEC 19	--	--	--	--
33)	12/24	11:00	<input checked="" type="checkbox"/>		EIA Natural Gas Storage Change	DEC 19	--	--	-124	--
34)	12/26	12:00	<input checked="" type="checkbox"/>		Baker Hughes U.S. Rig Count	DEC 26	--	--	1764	--
35)	12/30	13:00	<input checked="" type="checkbox"/>		Spending Pulse Gas Demand	DEC 26	--	--	--	--
36)	12/31	09:35	<input checked="" type="checkbox"/>		DOE U.S. Crude Oil Inventories	DEC 26	--	--	--	--
37)	12/31	09:35	<input checked="" type="checkbox"/>		DOE U.S. Gasoline Inventories	DEC 26	--	--	--	--
38)	12/31	09:35	<input checked="" type="checkbox"/>		DOE U.S. Distillate Inventory	DEC 26	--	--	--	--
39)	12/31	09:35	<input checked="" type="checkbox"/>		DOE U.S. Refinery Utilization	DEC 26	--	--	--	--
40)	12/31	09:35	<input checked="" type="checkbox"/>		DOE Cushing OK Crude Inventory	DEC 26	--	--	--	--
41)	12/31	09:35	<input checked="" type="checkbox"/>		API U.S. Crude Oil Inventories	DEC 26	--	--	--	--
42)	12/31	09:35	<input checked="" type="checkbox"/>		API U.S. Gasoline Inventories	DEC 26	--	--	--	--

Australia 61 2 9777 8600    Brazil 5511 3048 4500    Europe 44 20 7330 7500    Germany 49 69 9204 1210    Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900      Singapore 65 6212 1000      U.S. 1 212 318 2000      Copyright 2008 Bloomberg Finance L.P.  
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NYMEX - WTI						ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month		Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAF09	36.00					F.QOF09	#VALUE!				
F.CLAG09	36.36	0.00	93,376	4,176	FEB	F.QOG09	37.55	0	55,646	1,470	FEB
F.CLAH09	39.21	0.00	31,635	647	MAR	F.QOH09	40.08	0	21,214	335	MAR
F.CLAJ09	40.85	0.00	93,376	4,176	APR	F.QOJ09	42.39	0	55,646	1,470	APR
F.CLAK09	42.26	0.00	6,184	112	MAY	F.QOK9	43.24	0	1,412	115	MAY
F.CLAM09	42.87	0.00	9,568	11	JUN	F.QOM9	44.73	0	55,646	73	JUN
F.CLAN09	44.08	0.00	4,565	0	JUL	F.QON09	46.22	0	910	0	JUL
F.CLAQ09	47.08	0.00	336	0	AUG	F.QOQ09	47.62	0	588	0	AUG
F.CLAU09	47.97	0.00	86	0	SEP	F.QOU09	48.62	0	279	0	SEP
F.CLAV09	48.00	0.00	165	0	OCT	F.QOV09	49.48	0	187	0	OCT
F.CLAX09	48.76	0.00	180	0	NOV	F.QOX09	50.25	0	198	0	NOV
F.CLAZ09	49.55	0.00	2,872	7	DEC	F.QOZ09	49.94	0	1,813	0	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.