

## 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**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	40.84	3.13	42.2	38.4	38.4	23,769	96,658	WTI Crude
<b>HOA</b>	135.2600	8.4600	140.09	127.76	127.76	2,364	21,523	Heating Oil
<b>RBA</b>	95.6	7.3	99.35	89.05	89.05	925	15,358	Unleaded Gas
<b>NGA</b>	59.8	1.5400	60.33	59.09	59.09	1,779	24,768	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

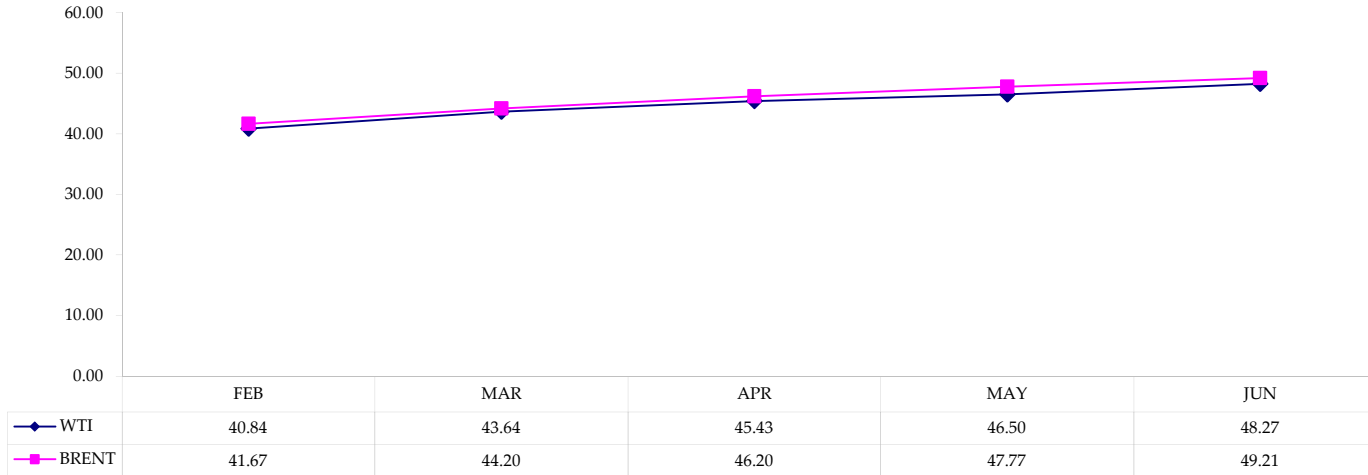
1) Custom Calendars      2) Options      3) Economic Calendars

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	40.84	0.00	64,554	18,751	FEB	F.QOG09	41.67	114,911	10,654	16,114	FEB
F.CLAH09	43.64	0.00	12,904	3,801	MAR	F.QOH09	44.20	113,400	1,853	5,200	MAR
F.CLAJ09	45.43	0.00	64,554	18,751	APR	F.QOJ09	46.20	114,911	10,654	16,114	APR
F.CLAK09	46.50	0.00	1,913	278	MAY	F.QOK9	47.77	20,048	423	1,014	MAY
F.CLAM09	48.27	0.00	4,283	282	JUN	F.QOM9	49.21	37,315	10,654	867	JUN
F.CLAN09	49.32	0.00	5,054	35	JUL	F.QON09	50.58	17,972	311	359	JUL
F.CLAQ09	47.08	0.00	752	30	AUG	F.QOQ09	51.40	10,359	256	289	AUG
F.CLAU09	47.97	0.00	502	36	SEP	F.QOU09	52.80	14,054	46	263	SEP
F.CLAV09	48.00	0.00	80	26	OCT	F.QOV09	49.48	8,885	14	186	OCT
F.CLAX09	48.76	0.00	59	10	NOV	F.QOX09	50.25	11,529	3	130	NOV
F.CLAZ09	54.34	0.00	1,462	121	DEC	F.QOZ09	55.30	51,962	88	481	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.