



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	97.22	1.24	97.53	96.05	96.05	7,623	161,256	WTI Crude
HOA	268.7000	3.7600	269.19	265.37	265.5	1,229	73,237	Heating Oil
RBA	252.25	3.17	252.58	250.2	250.2	771	50,900	Unleaded Gas
NGA	76.16	1.3300	76.21	75.64	75.72	1,406	120,268	Natural Gas

All contracts quoted are electronic.

All contraces 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.

**Oil Rises to \$97 on Speculation U.S. Supplies Dropped Last Week
2008-01-02 06:25 (New York)**

By Grant Smith

Jan. 2 (Bloomberg) -- Crude oil futures rose above \$97 in New York, extending last year's 57 percent gain, on speculation that U.S. stockpiles fell for a seventh week.

Oil also gained after militant attacks in Nigeria, Africa's biggest crude producer, increased concern that violence will deepen production cuts. A U.S. Department of Energy report tomorrow will show a drop in crude inventories last week, from their lowest in almost three years, a Bloomberg survey showed.

"The market's kicked off higher on expectations of another crude stock draw," said Robert Laughlin, a senior broker at MF Global Ltd. That's "combined with renewed violence in Nigeria and terror worries in Pakistan."

Crude oil for February delivery climbed as much as \$1.35, or 1.4 percent, to \$97.33 a barrel in electronic trading on the New York Mercantile Exchange. It was at \$97.32 at 11:22 a.m. London time.

Last year, prices surged \$34.93 a barrel, the biggest annual percentage increase since 2002. New York futures reached a record \$99.29 on Nov. 21 as a weaker dollar made crude cheaper in other currencies.

Forecasts for colder winter weather in the U.S. added support to crude prices.

A winter storm in the U.S. northeast, where four-fifths of the country's heating oil is consumed, may boost demand. A storm that swept east from the Great Lakes could drop as much as 14 inches (36 centimeters) of snow on parts of northern New England today.

Brent Crude

Energy usage for heating in the Northeast is expected to be "much above normal" today and tomorrow and then fall to below normal, said a forecast yesterday from Meteorlogix LLC.

Brent crude for February settlement rose as much as \$1.88, or 2 percent, to \$95.73 a barrel on the ICE Futures Europe exchange. It traded at \$95.69 at 11:23 a.m. London time.

(cont.)

The London benchmark rose 54 percent last year, the most since 1999, when prices more than doubled. The New York and London exchanges were closed yesterday for New Year's Day.

Oil advanced 2.9 percent in New York last week after the assassination of former Pakistani Prime Minister Benazir Bhutto sparked concerns of instability in the nuclear-armed nation.

U.S. crude oil stockpiles probably dropped 3.15 million barrels in the week ended Dec. 28, from 293.6 million barrels the week before, the lowest since the week ended Jan. 14, 2005, according to the median of responses by four analysts before the Energy Department report.

Gulf Coast

All the analysts said supplies dropped last week, citing increased processing rates to make fuel and a drop in inventories in states along the Gulf Coast.

"If those numbers continue to run to the negative, that could be a factor that will put upward pressure on oil prices," said David Moore, a commodity strategist at Commonwealth Bank of Australia in Sydney.

Nigerian militants killed 12 people in the southern oil city of Port Harcourt in attacks on two police stations and a hotel, the state-run News Agency of Nigeria said yesterday, citing Felix Ogbaudu, the regional police chief.

Violence by militants has reduced Nigeria's output by 20 percent since the start of 2006.

"Longer term, all the energy sectors will trend higher in 2008 and 2009," Peter McGuire, managing director of Commodity Warrants Australia in Sydney, said in an interview today.

"There are geopolitical tensions, there are a number of other factors that can contribute to price rises."

--With reporting by Angela Macdonald-Smith in Singapore, Paul Gordon in Hong Kong, Paul Okolo in Lagos, and Christian Schmollinger in Singapore. Editors: Will Kennedy, Amanda Jordan.

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Economic Release Estimates, from Bloomberg

<HELP> for explanation. N119 n ComdtyECO
NO SCHEDULED EVENT FOR TODAY

Change Calendar | Change Date | Alerts | Output Results To

01/02/08 | United States | Energy / Commodities

Date	Time	Country	Order	Event	Survey	Actual	Prior	Revised
1/3	9:30	US	3)	DOE U.S. Crude Oil Inventories	DEC 28	-3150K	--	-3299K
1/3	9:30	US	4)	DOE U.S. Gasoline Inventories	DEC 28	1900K	--	636K
1/3	9:30	US	5)	DOE U.S. Distillate Inventory	DEC 28	75K	--	-2768K
1/3	9:30	US	6)	DOE U.S. Refinery Utilization	DEC 28	0.50%	--	0.25%
1/3	9:30	US	7)	API U.S. Crude Oil Inventories	DEC 28	--	--	852K
1/3	9:30	US	8)	API U.S. Gasoline Inventories	DEC 28	--	--	-2364K
1/3	9:30	US	9)	API U.S. Distillate Inventory	DEC 28	--	--	-2745K
1/4	9:30	US	10)	EIA Natural Gas Storage Change	DEC 28	--	--	-165
1/4	12:00	US	11)	Baker Hughes U.S. Rig Count	JAN 4	--	--	1782
1/8		US	12)	DOE Short-Term Crude Outlook	JAN	--	--	--
1/8		US	13)	DOE Short-Term Ht Oil Outlook	JAN	--	--	--
1/8		US	14)	DOE Short-Term MoGas Outlook	JAN	--	--	--
1/9	9:30	US	15)	DOE U.S. Gasoline Inventories	JAN 4	--	--	--
1/9	9:30	US	16)	DOE U.S. Distillate Inventory	JAN 4	--	--	--
1/9	9:30	US	17)	DOE U.S. Crude Oil Inventories	JAN 4	--	--	--
1/9	9:30	US	18)	DOE U.S. Refinery Utilization	JAN 4	--	--	--
1/9	9:30	US	19)	API U.S. Crude Oil Inventories	JAN 4	--	--	--
1/9	9:30	US	20)	API U.S. Gasoline Inventories	JAN 4	--	--	--

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.
 6599-1-0 02-Jan-08 5:28:01

NYMEX - WTI				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAG08	97.22	0	200,575	6,711 FEB
F.CLAH08	96.96	0	81,851	1,499 MAR
F.CLAJ08	96.55	0	25,448	166 APR
F.CLAK08	95.68	0	9,258	141 MAY
F.CLAM08	95.00	0	12,940	75 JUN
F.CLAN08	94.41	0	5,600	10 JUL
F.CLAQ08	92.47	0	5,095	0 AUG

Contango: pays more to store crude. Pump prices rise, and so do oil company profits

Backwardation: opposite of Contango

ICE - BRENT				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.QOG08	95.55	108,781	38,982	11,240 FEB
F.QOH08	95.31	130,792	25,756	7,645 MAR
F.QOJ08	95.08	36,781	11,108	4,303 APR
F.QOK08	94.94	18,766	3,206	1,181 MAY
F.QOM08	94.61	30,372	3,892	1,227 JUN
F.QON08	92.15	10,411	902	79 JUL
F.QOC08	93.23	8,208	738	31 AUG

Contango IF: front months lower than back months.

