



## The Morning Email: Oil

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ENERGY MATRIX - NYMEX PRODUCTS								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	99.69	0.07	99.98	99.12	99.23	13,384	340,462	WTI Crude
HOA	274.0400	0.0000	274.75	273.26	273.86	823	104,995	Heating Oil
RBA	256.7	-0.19	257.85	256.2	256.58	1,315	108,117	Unleaded Gas
NGA	78.7	0.2000	78.87	78.45	78.73	832	316,730	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.

**Oil Trades Near \$100 as OPEC Officials Say They Can't End Rally**  
**2008-01-03 06:23 (New York)**

**By Grant Smith**

Jan. 3 (Bloomberg) -- Crude oil traded near yesterday's record of \$100 a barrel as OPEC officials said the group can't curb prices and the U.S. refused to release emergency supplies.

The Organization of Petroleum Exporting Countries is unable to counter the rally, Libyan and Qatari officials said today. The U.S. doesn't plan to tap strategic reserves, a spokeswoman for President Bush said yesterday. A report today is expected to show U.S. commercial stockpiles fell for a seventh week.

"The U.S. government's refusal to open the SPR, especially with cold weather approaching, is helping to keep prices near that \$100 record," said Robert Laughlin, a senior broker at MG Global Ltd. in London. "OPEC while under pressure after yesterday's high, will ignore it.

Crude oil for February delivery rose as much as 36 cents, or 0.4 percent, to \$99.98 a barrel, in electronic trading on the New York Mercantile Exchange. The contract traded at \$99.70 at 11:20 a.m. in London. Yesterday, it jumped \$3.64, or 3.8 percent, to a record close of \$99.62 a barrel after touching \$100 earlier in the session.

OPEC's production is already close to maximum capacity and the organization "can do nothing" to curb prices, Shokri Ghanem, the chairman of Libya's National Oil Corp., said in a telephone interview from Tripoli today. OPEC, supplier of more than 40 percent of the world's oil, can't lower the price because it's driven by speculative investors rather than fundamentals, Al Arabiya reported, citing Qatari Oil Minister Abdullah al-Attiyah.

**Brent Crude**

Brent crude for February settlement rose as much as 66 cents, or 0.7 percent, to a record intraday price of \$98.50 a barrel. The contract traded at \$97.92 at 11:20 a.m. on London's ICE Futures Europe exchange. Yesterday, it gained \$3.99, or 4.3 percent, to a record close of \$97.84.

U.S. crude oil inventories probably fell for a seventh straight week last week to a three-year low, a Bloomberg News survey indicated. Stockpiles fell 2.18 million barrels in the week ended Dec. 28 from 293.6 million, according to the median of responses by 12 analysts before a report later today from the Department of Energy's Energy Information Administration.

OPEC kept its production targets unchanged at its last meeting on Dec. 5, rebuffing calls by the U.S. to pump more oil. The group next meets Feb. 1. Other OPEC officials said the group is ready to boost output to cover any shortages.

"If the dispute in Nigeria leads to a shortage, OPEC will consider it appropriate to meet the shortfall," Iran's OPEC governor Hossein Kazempour Ardebili said today in a telephone interview from Tehran.

**Nigeria Violence**

Indonesia, the second-smallest OPEC producer, will propose that the group increase supply by at least 500,000 barrels a day to lower prices, Maizar Rahman, OPEC governor for Indonesia, said by telephone today.

Oil's push to \$100 a barrel was aided by renewed violence in Nigeria, forecasts for a decline in U.S. inventories, disruption at a European refinery, and a weaker dollar.

(cont.)

The dollar's 11 percent slide last year against the euro helped boost oil prices because it made commodities cheaper for buyers outside the U.S. and attracted investors seeking a hedge against inflation.

Nigerian militants killed 12 people in the oil city of Port Harcourt on Jan. 1. Violence has curbed daily output in Africa's biggest oil producer by almost a quarter. Militants have halted about 500,000 barrels a day of output, almost a quarter of the country's total, since the beginning of 2006.

"It was the violence in Nigeria that pushed prices up there, combined with the fact that a lot of the bigger players are back in the market after the holiday," said David Aleman, a senior analyst at Grand Central Trading Co. in Newport Beach, California. "The market was looking for bullish reasons to keep going higher and this event fits the bill."

A pipe explosion at Petroplus Holdings AG's 110,000 barrel-a-day Ingolstadt refinery in Germany, reported by newspaper Donaukurier, added to concerns about product supply during the period of peak winter demand.

--With reporting by Christian Schmollinger in Singapore, Leony Aurora in Jakarta, Ayesha Daya and Glen Carey in Dubai, and Angela Macdonald-Smith in Sydney. Editors: Will Kennedy,

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Economic Release Estimates, from Bloomberg

<HELP> for explanation.

N160 n ComdtyECO

Change Calendar		Change Date		Alerts		Output Results To	
01/03/0	United States	Energy / Commodities					
Date Time		Event	Survey	Actual	Prior	Revised	
1/3 8:30	US	1)  Monsanto Executives Review Results: Teleconference					
1/3 9:30	US	2)   DOE U.S. Crude Oil Inventories DEC 28	-2175K	--	-3299K	--	
1/3 9:30	US	3)   DOE U.S. Gasoline Inventories DEC 28	1750K	--	636K	--	
1/3 9:30	US	4)   DOE U.S. Distillate Inventory DEC 28	-250K	--	-2768K	--	
1/3 9:30	US	5)  DOE U.S. Refinery Utilization DEC 28	0.50%	--	0.25%	--	
1/3 9:30	US	6)   API U.S. Crude Oil Inventories DEC 28	--	--	852K	--	
1/3 9:30	US	7)   API U.S. Gasoline Inventories DEC 28	--	--	-2364K	--	
1/3 9:30	US	8)   API U.S. Distillate Inventory DEC 28	--	--	-2745K	--	
1/4 9:30	US	9)   EIA Natural Gas Storage Change DEC 28	-113	--	-165	--	
1/4 12:00	US	10)   Baker Hughes U.S. Rig Count JAN 4	--	--	1782	--	
1/8	US	11)  DOE Short-Term Crude Outlook JAN	--	--	--	--	
1/8	US	12)  DOE Short-Term Ht Oil Outlook JAN	--	--	--	--	
1/8	US	13)  DOE Short-Term MoGas Outlook JAN	--	--	--	--	
1/9 9:30	US	14)   DOE U.S. Gasoline Inventories JAN 4	--	--	--	--	
1/9 9:30	US	15)   DOE U.S. Distillate Inventory JAN 4	--	--	--	--	
1/9 9:30	US	16)   DOE U.S. Crude Oil Inventories JAN 4	--	--	--	--	
1/9 9:30	US	17)  DOE U.S. Refinery Utilization JAN 4	--	--	--	--	
1/9 9:30	US	18)   API U.S. Crude Oil 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 03-Jan-08 5:24:13							

NYMEX - WTI					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAG08	99.69	0	429,034	10,551	FEB
F.CLAH08	99.49	0	135,665	3,691	MAR
F.CLAJ08	98.89	0	44,046	600	APR
F.CLAK08	98.10	0	27,153	224	MAY
F.CLAM08	97.40	0	39,687	590	JUN
F.CLAN08	96.80	0	9,590	12	JUL
F.CLAQ08	96.18	0	4,909	11	AUG

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

Backwardation: opposite of Contango

ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOG08	97.86	106,871	83,705	12,571	FEB
F.QOH08	97.63	135,469	46,189	6,182	MAR
F.QOJ08	97.39	38,242	26,367	3,525	APR
F.QOK08	97.04	18,590	8,544	1,559	MAY
F.QOM08	96.66	29,011	9,390	928	JUN
F.QON08	96.35	10,188	1,231	179	JUL
F.QOC08	93.23	8,230	866	40	AUG

Contango IF: front months lower than back months.

