



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	142.41	2.41	142.73	139.95	140.18	18,259	369,105	WTI Crude
HOA	397.4600	6.4600	398.93	392.09	392.75	1,173	132,087	Heating Oil
RBA	355.5	5.59	355.8	350.25	350.42	1,365	103,126	Unleaded Gas
NGA	134.48	0.9500	134.48	133.04	133.74	1,215	226,202	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. N118 n ComdtyECO

NO SCHEDULED EVENT FOR TODAY

1) Custom Calendars		2) Options		3) Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commodities		
Date	07/01/08	United States: Energy / Commodities					
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
25)	07/02 09:30	DOE U.S. Crude Oil Inventories	JUN 27	-750K	--	803K	--
26)	07/02 09:30	DOE U.S. Gasoline Inventories	JUN 27	750K	--	-153K	--
27)	07/02 09:30	DOE U.S. Distillate Inventory	JUN 27	1375K	--	2823K	--
28)	07/02 09:30	DOE U.S. Refinery Utilization	JUN 27	0.55%	--	-0.72%	--
29)	07/02 09:30	DOE Cushing OK Crude Inventory	JUN 27	--	--	59K	--
30)	07/02 09:30	API U.S. Crude Oil Inventories	JUN 27	--	--	1642K	--
31)	07/02 09:30	API U.S. Gasoline Inventories	JUN 27	--	--	1048K	--
32)	07/02 09:30	API U.S. Distillate Inventory	JUN 27	--	--	3186K	--
33)	07/03 09:30	EIA Natural Gas Storage Change	JUN 27	--	--	90	--
34)	07/04 12:00	Baker Hughes U.S. Rig Count	JUL 4	--	--	1913	--
35)	07/08	DOE Short-Term Crude Outlook	JUL	--	--	126K	--
36)	07/08	DOE Short-Term Ht Oil Outlook	JUL	--	--	4.25K	--
37)	07/08	DOE Short-Term Diesel Outlook	JUL	--	--	4.32K	--
38)	07/08	DOE Short-Term Mogas Outlook	JUL	--	--	3.92K	--
39)	07/08	DOE Short-Term NatGas Outlook	JUL	--	--	--	--
40)	07/09 09:30	DOE U.S. Crude Oil Inventories	JUL 4	--	--	--	--
41)	07/09 09:30	DOE U.S. Gasoline Inventories	JUL 4	--	--	--	--
42)	07/09 09:30	DOE U.S. Distillate Inventory	JUL 4	--	--	--	--
43)	07/09 09:30	DOE U.S. Refinery Utilization	JUL 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.
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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.CLAQ08	142.41	0.00	234,368	18,619	AUG	F.QOQ08	142.45	80,709	109,033	18,779	AUG
F.CLAU08	143.00	0.00	56,814	4,387	SEP	F.QOU08	143.15	109,754	52,204	9,756	SEP
F.CLAV08	143.45	0.00	18,182	862	OCT	F.QOV08	143.70	46,777	25,042	4,833	OCT
F.CLAX08	143.80	0.00	9,643	754	NOV	F.QOX08	144.25	24,592	14,103	3,107	NOV
F.CLAZ08	144.00	0.00	28,263	818	DEC	F.QOZ08	144.78	59,120	17,885	3,628	DEC
F.CLAF09	141.87	0.00	2,285	0	JAN	F.QOF09	145.38	24,585	2,677	1,426	JAN

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

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.

