



## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	142.94	-2.35	144.53	142.01	144.27	17,356	18,398	WTI Crude
HOA	400.7300	-9.8700	407.65	397.99	407.36	1,279	1,667	Heating Oil
RBA	352.49	-4.61	355.75	350.85	355.65	553	1,836	Unleaded Gas
NGA	134.08	-1.6900	135.72	133.36	135	1,836	555	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**

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	142.94	0.00	14,236	16,128	AUG	F.QOQ08	143.40	69,374	32,442	16,476	AUG
F.CLAU08	143.53	0.00	2,537	4,089	SEP	F.QOU08	144.17	114,599	17,251	10,813	SEP
F.CLAV08	143.92	0.00	510	1,413	OCT	F.QOV08	144.81	58,479	6,285	5,751	OCT
F.CLAX08	144.25	0.00	266	194	NOV	F.QOX08	145.39	26,280	2,042	2,478	NOV
F.CLAZ08	144.51	0.00	586	622	DEC	F.QOZ08	145.80	60,327	2,473	2,808	DEC
F.CLAF09	145.00	0.00	112	2	JAN	F.QOF09	146.32	24,980	497	915	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.

