



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	130.57	1.69	131.02	128.88	128.88	17,315	531,734	WTI Crude
HOA	373.7400	4.5900	375.24	370.2	371.5	1,503	68,330	Heating Oil
RBA	321.2	4.11	321.64	318.07	318.6	960	62,362	Unleaded Gas
NGA	107.08	1.3800	107.5	106.32	106.32	940	156,011	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	130.57	0.00	208,698	6,880	AUG	F.QOQ08	136.17		
F.CLAU08	131.13	0.00	179,837	14,770	SEP	F.QOU08	131.81	94,037	102,937
F.CLAV08	131.53	0.00	44,393	1,046	OCT	F.QOV08	132.77	110,486	42,162
F.CLAX08	132.04	0.00	17,076	1,339	NOV	F.QOX08	133.61	33,244	19,390
F.CLAZ08	132.52	0.00	42,439	2,185	DEC	F.QOZ08	134.35	61,537	21,368
F.CLAF09	132.80	0.00	5,364	278	JAN	F.QOF09	135.10	27,155	4,091

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.

