



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	126.18	0.69	126.51	125.38	125.6	10,430	489,459	WTI Crude
HOA	362.2400	2.7800	362.24	359.29	360.29	1,080	74,964	Heating Oil
RBA	309.23	1.59	309.5	307.5	307.5	1,381	62,057	Unleaded Gas
NGA	94.32	1.0900	94.4	92.8	93.46	780	403,104	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					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month		Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAQ08	127.25					F.QOQ08	#VALUE!				
F.CLAU08	126.18	0.00	267,709	9,348	SEP	F.QOU08	127.02	85,423	110,830	13,250	SEP
F.CLAV08	126.65	0.00	73,718	1,575	OCT	F.QOV08	128.11	114,572	49,891	5,310	OCT
F.CLAX08	126.85	0.00	32,186	533	NOV	F.QOX08	129.11	38,678	28,570	2,581	NOV
F.CLAZ08	127.05	0.00	69,762	1,448	DEC	F.QOZ08	129.80	67,936	37,334	4,823	DEC
F.CLAF09	127.07	0.00	11,177	57	JAN	F.QOF09	130.21	27,204	8,191	1,148	JAN
F.CLAG09	126.01	0.00	3,781	0	FEB	F.QOG09	130.77	21,963	6,256	937	FEB

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.

