



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	134.43	1.83	134.43	131.75	132.41	25,774	629,960	WTI Crude
HOA	378.0000	6.6500	378.35	370.6	371.5	1,511	78,708	Heating Oil
RBA	338.94	3.68	338.94	334.4	335	1,479	200,830	Unleaded Gas
NGA	129.71	1.1000	129.84	127.82	128.9	1,135	508,264	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

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAN08	133.74	na	344,187	4,484	JUL
F.CLAQ08	134.43	na	697,953	17,952	AUG
F.CLAU08	134.83	na	109,234	2,593	SEP
F.CLAV08	134.88	na	52,823	551	OCT
F.CLAX08	134.97	na	30,809	499	NOV
F.CLAZ08	135.00	na	65,628	786	DEC

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QON08	134.26				
F.QOQ08	134.15	99,305	130,187	20,662	AUG
F.QOU08	134.57	109,795	60,885	10,091	SEP
F.QOV08	134.98	48,200	27,335	4,398	OCT
F.QOX08	135.33	21,423	15,867	2,830	NOV
F.QOZ08	135.60	62,995	22,077	3,382	DEC

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.

