



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	136.57	1.21	137.5	134.31	134.8	25,702	437,323	WTI Crude
HOA	381.6500	4.4800	383.12	376.85	377.17	858	126,363	Heating Oil
RBA	345.91	1.99	349.55	343	343	670	120,020	Unleaded Gas
NGA	131.4	1.4600	132.31	131.15	131.4	1,246	240,911	Natural Gas

All contracts quoted are electronic.

All contraces 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	134.80	na	66,984		0 JUL
F.CLAQ08	136.57	na	544,159	19,970	AUG
F.CLAU08	136.96	na	129,488	4,231	SEP
F.CLAV08	137.00	na	48,126	1,328	OCT
F.CLAX08	137.12	na	27,701	459	NOV
F.CLAZ08	137.17	na	48,683	582	DEC

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QON08	134.26				
F.QOQ08	136.16	105,230	90,300	18,022	AUG
F.QOU08	136.63	109,723	43,467	9,820	SEP
F.QOV08	137.07	48,539	22,603	5,658	OCT
F.QOX08	137.24	20,968	13,614	3,668	NOV
F.QOZ08	137.25	63,319	19,635	2,957	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.

