



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	137.92	1.18	138.75	136.42	137.25	15,488	345,315	WTI Crude
HOA	386.6700	4.0100	388	383.18	384.4	1,727	132,092	Heating Oil
RBA	349.72	3.16	350.71	346.35	348	1,021	114,838	Unleaded Gas
NGA	132.4	0.3700	132.55	131.8	131.8	446	289,765	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	137.92	0.00	236,156	14,036	AUG	F.QOQ08	137.16	107,034	99,875	22,799	AUG
F.CLAU08	138.37	0.00	53,866	2,867	SEP	F.QOU08	137.93	110,916	48,525	13,590	SEP
F.CLAV08	138.43	0.00	14,614	624	OCT	F.QOV08	138.40	48,197	23,203	5,880	OCT
F.CLAX08	138.53	0.00	7,669	316	NOV	F.QOX08	138.68	21,142	11,819	3,294	NOV
F.CLAZ08	138.53	0.00	16,870	1,045	DEC	F.QOZ08	138.86	64,663	14,920	2,933	DEC
F.CLAF09	136.60	0.00	1,767	0	JAN	F.QOF09	139.15	25,095	2,658	687	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.

