



## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	134.81	0.26	135.24	133.68	134.52	14,828	448,033	WTI Crude
HOA	379.9700	2.5100	380.65	376.31	378.43	1,351	95,724	Heating Oil
RBA	341.62	0.93	342	340.14	341.2	919	165,640	Unleaded Gas
NGA	127.31	-0.2200	127.61	126.9	126.9	1,023	367,751	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	134.81	0.00	277,385	13,841	AUG	F.QOQ08	134.68	94,092	113,460	14,228	AUG
F.CLAU08	135.34	0.00	74,223	3,363	SEP	F.QOU08	135.33	108,552	45,542	5,741	SEP
F.CLAV08	135.65	0.00	28,312	1,466	OCT	F.QOV08	135.85	46,989	23,172	2,413	OCT
F.CLAX08	136.17	0.00	12,746	810	NOV	F.QOX08	136.46	21,163	17,936	1,156	NOV
F.CLAZ08	136.15	0.00	34,359	721	DEC	F.QOZ08	136.77	60,995	19,486	1,751	DEC
F.CLAF09	135.39	0.00	2,677	0	JAN	F.QOF09	137.13	24,885	3,000	667	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.

