

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	67.27	-0.54	69.19	66.54	67.37	16,061	429,556	WTI Crude
HOA	207.7900	-0.6300	210.59	204	208.42	997	75,433	Heating Oil
RBA	146.29	-3.3	151.75	145.5	149.59	1,372	57,762	Unleaded Gas
NGA	67.13	-0.7000	67.98	66.56	66.93	361	102,785	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.CLAX08	71.28				
F.CLAZ08	67.27	0.00	256,881	13,781	DEC
F.CLAF09	67.79	0.00	71,527	2,870	JAN
F.CLAG09	68.57	0.00	22,648	1,838	FEB
F.CLAH09	69.00	0.00	13,865	489	MAR
F.CLAJ09	71.74	0.00	22,648	1,838	APR

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

ICE - BRENT

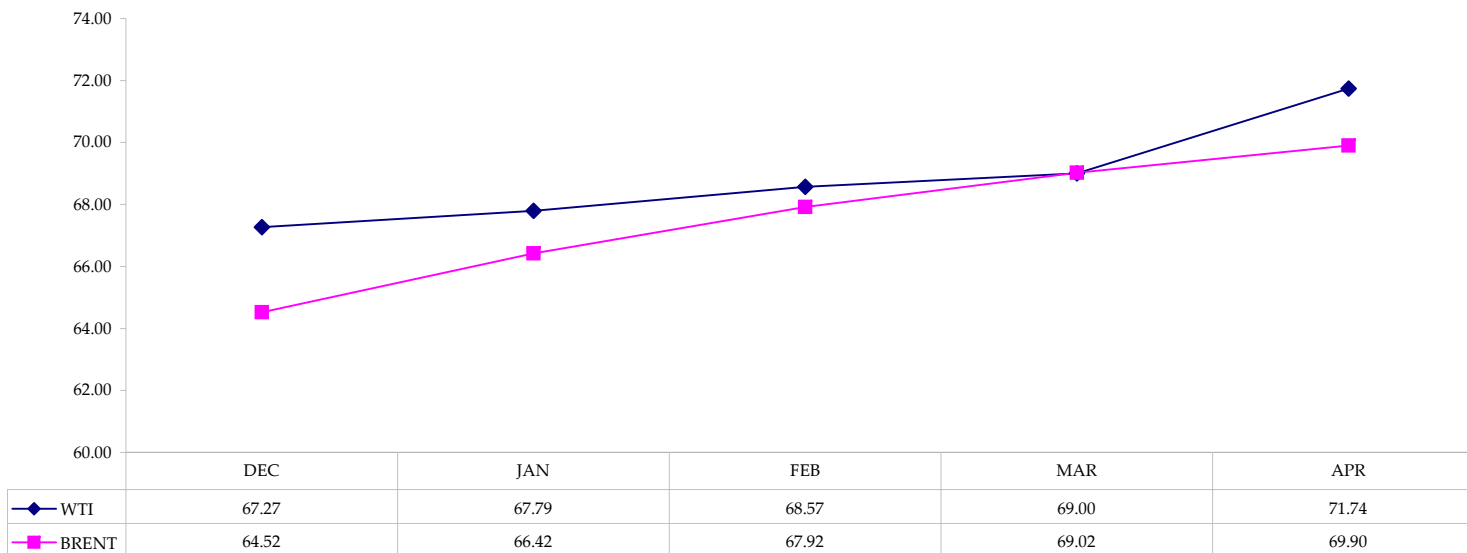
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	#VALUE!				
F.QOZ08	64.52	102,776	111,588	24,127	DEC
F.QOF09	66.42	112,006	67,499	17,488	JAN
F.QOG09	67.92	44,694	28,444	6,207	FEB
F.QOH09	69.02	29,801	9,781	2,735	MAR
F.QOJ09	69.90	44,694	28,444	6,207	APR

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.



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Crack Spreads relative to Crude:

If crack spread weak then less incentive to store crude.

That's bearish for crude.

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