

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	64.83	0.92	65.12	62.25	63.8	27,226	337,901	WTI Crude
HOA	201.8400	3.5600	202.56	194.3	198.45	1,217	49,983	Heating Oil
RBA	138.56	2.31	139.1	132.15	136.55	1,528	70,036	Unleaded Gas
NGA	69.2	0.8200	69.2	68.36	68.5	810	97,961	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

<HELP> for explanation. N117 n ComdtyECO
 9<G0> to set as default calendar

1) Custom Calendars 2) Options 3) Economic Calendars

Region **North America** Country **United States** Type **Energy / Commoditie**
 Date **11/04/08** United States: Energy / Commodities

	Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
33)	11/04	08:00	PPL Executives Review Results: Teleconference					
34)	11/04	08:30	Rowan Cos. Executives Review Results: Teleconf.					
35)	11/04	09:00	Anadarko Petroleum Executives Review Results					
36)	11/04	13:00	Forest Oil Executives Review Results: Teleconf.					
37)	11/04	13:00	Hecla Mining Executives Review Results: Teleconf.					
38)	11/05	09:35	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	OCT 31	700K	--	493K	--
39)	11/05	09:35	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	OCT 31	-1250K	--	-1507K	--
40)	11/05	09:35	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	OCT 31	1700K	--	2325K	--
41)	11/05	09:35	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	OCT 31	0.20%	--	0.59%	--
42)	11/05	09:35	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	OCT 31	--	--	341K	--
43)	11/05	09:35	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	OCT 31	--	--	1427K	--
44)	11/05	09:35	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	OCT 31	--	--	-817K	--
45)	11/05	09:35	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	OCT 31	--	--	2638K	--
46)	11/06	09:35	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	OCT 31	--	--	46	--
47)	11/07	12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	NOV 7	--	--	1971	--
48)	11/12		<input checked="" type="checkbox"/> DOE Short-Term Crude Outlook	NOV	--	--	112	--
49)	11/12		<input checked="" type="checkbox"/> DOE Short-Term Diesel Outlook	NOV	--	--	3.91	--
50)	11/12		<input checked="" type="checkbox"/> DOE Short-Term Ht Oil Outlook	NOV	--	--	3.80	--
51)	11/12		<input checked="" type="checkbox"/> DOE Short-Term NatGas Outlook	NOV	--	--	14.22	--

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2008 Bloomberg Finance L.P.
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NYMEX - WTI

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAX08	71.28				
F.CLAZ08	64.83	0.00	236,426	19,808	DEC
F.CLAF09	65.50	0.00	53,122	4,307	JAN
F.CLAG09	66.40	0.00	17,611	2,544	FEB
F.CLAH09	65.25	0.00	8,855	792	MAR
F.CLAJ09	66.94	0.00	17,611	2,544	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

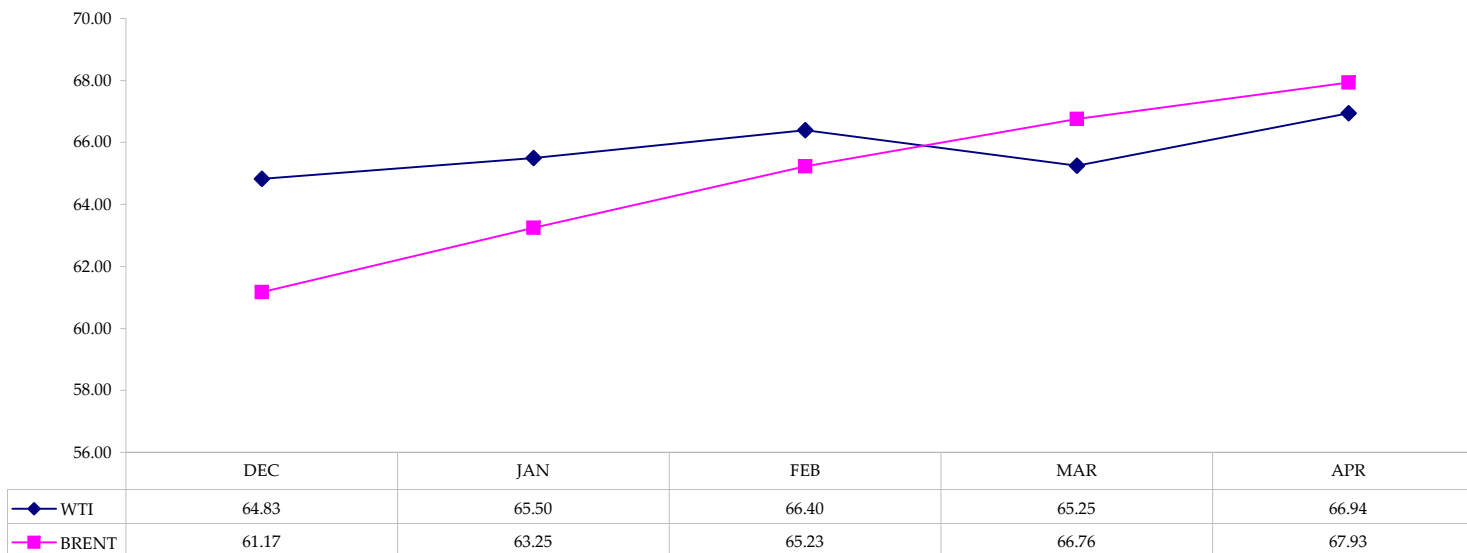
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	#VALUE!				
F.QOZ08	61.17	93,312	121,336	38,151	DEC
F.QOF09	63.25	116,162	75,613	27,713	JAN
F.QOG09	65.23	44,460	22,559	9,688	FEB
F.QOH09	66.76	29,043	9,303	5,625	MAR
F.QOJ09	67.93	44,460	22,559	9,688	APR

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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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.