

## The Morning Email: Oil

### Table of Contents

**Pg 1** Quotes

**Pg 2** Economic Releases

**Pg 3** Spreads - WTI and BRENT

Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

**Disclaimer:** All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	68.88	-1.65	70.46	67.06	70	23,157	479,106	WTI Crude
HOA	212.2000	-3.9600	215	207.16	214.48	1,058	70,602	Heating Oil
RBA	149.65	-3.62	153.33	145.6	152.89	1,585	66,168	Unleaded Gas
NGA	71.01	-1.1800	73.4	70.82	73.23	1,275	160,751	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

<HELP> for explanation. P540 n Govt ECO  
 9<GO> to set as default calendar

1) Custom Calendars    2) Options    3) Alerts    Economic Calendars

Region **North America**    Country **United States**    Type **Energy / Commoditie**   
 Date **11/05/08**    United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
37)	11/05	09:00		Transocean Executives Review Results: Teleconf.					
38)	11/05	09:00		Duke Executives Review Results: Teleconference					
39)	11/05	09:35	☒	DOE U.S. Crude Oil Inventories	OCT 31	1000K	- -	493K	- -
40)	11/05	09:35	☒	DOE U.S. Gasoline Inventories	OCT 31	-650K	- -	-1507K	- -
41)	11/05	09:35	☒	DOE U.S. Distillate Inventory	OCT 31	1550K	- -	2325K	- -
42)	11/05	09:35	☒	DOE U.S. Refinery Utilization	OCT 31	0.20%	- -	0.59%	- -
43)	11/05	09:35	☒	DOE Cushing OK Crude Inventory	OCT 31	- -	- -	341K	- -
44)	11/05	09:35	☒	API U.S. Crude Oil Inventories	OCT 31	- -	- -	1427K	- -
45)	11/05	09:35	☒	API U.S. Gasoline Inventories	OCT 31	- -	- -	-817K	- -
46)	11/05	09:35	☒	API U.S. Distillate Inventory	OCT 31	- -	- -	2638K	- -
47)	11/05	10:00		Devon Executives Review Results: Teleconference					
48)	11/06	09:35	☒	EIA Natural Gas Storage Change	OCT 31	30	- -	46	- -
49)	11/07	12:00	☒	Baker Hughes U.S. Rig Count	NOV 7	- -	- -	1971	- -
50)	11/12		☒	DOE Short-Term Crude Outlook	NOV	- -	- -	112	- -
51)	11/12		☒	DOE Short-Term Diesel Outlook	NOV	- -	- -	3.91	- -
52)	11/12		☒	DOE Short-Term Ht Oil Outlook	NOV	- -	- -	3.80	- -
53)	11/12		☒	DOE Short-Term NatGas Outlook	NOV	- -	- -	14.22	- -
54)	11/12		☒	DOE Short-Term Mogas Outlook	NOV	- -	- -	3.56	- -
55)	11/13	10:00	☒	API U.S. Distillate Inventory	NOV 7	- -	- -	- -	- -

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.  
 H367-55-0 05-Nov-08 5:19:45

**NYMEX - WTI**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAX08	71.28				
F.CLAZ08	68.88	0.00	296,167	20,046	DEC
F.CLAF09	69.56	0.00	67,828	4,503	JAN
F.CLAG09	70.31	0.00	23,455	1,627	FEB
F.CLAH09	70.37	0.00	13,611	1,050	MAR
F.CLAJ09	70.23	0.00	23,455	1,627	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**

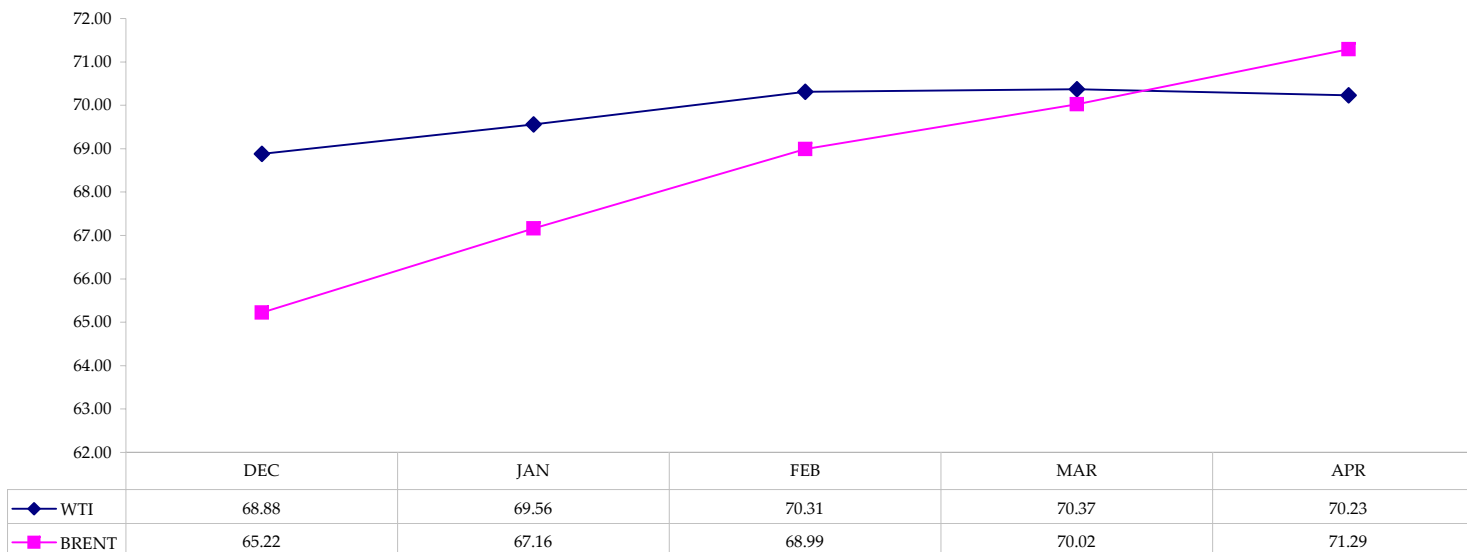
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	#VALUE!				
F.QOZ08	65.22	85,604	157,321	32,160	DEC
F.QOF09	67.16	120,525	100,388	26,478	JAN
F.QOG09	68.99	43,862	34,355	13,224	FEB
F.QOH09	70.02	28,527	16,026	4,862	MAR
F.QOJ09	71.29	43,862	34,355	13,224	APR

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.



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

**Crack Spreads relative to Crude:**

If crack spread weak then less incentive to store crude.

That's bearish for crude.

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.