

## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	62.09	1.32	62.82	59.97	60.67	21,999	420,404	WTI Crude
HOA	199.0000	4.7600	199.53	193.67	194.9	745	64,528	Heating Oil
RBA	136	2.4	137	133	134.05	1,133	67,659	Unleaded Gas
NGA	69.4	-0.3900	69.69	69.16	69.69	368	157,110	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	62.09	0.00	257,643	17,751	DEC
F.CLAF09	62.94	0.00	64,921	4,317	JAN
F.CLAG09	63.75	0.00	22,511	632	FEB
F.CLAH09	65.12	0.00	16,054	507	MAR
F.CLAJ09	64.44	0.00	22,511	632	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**

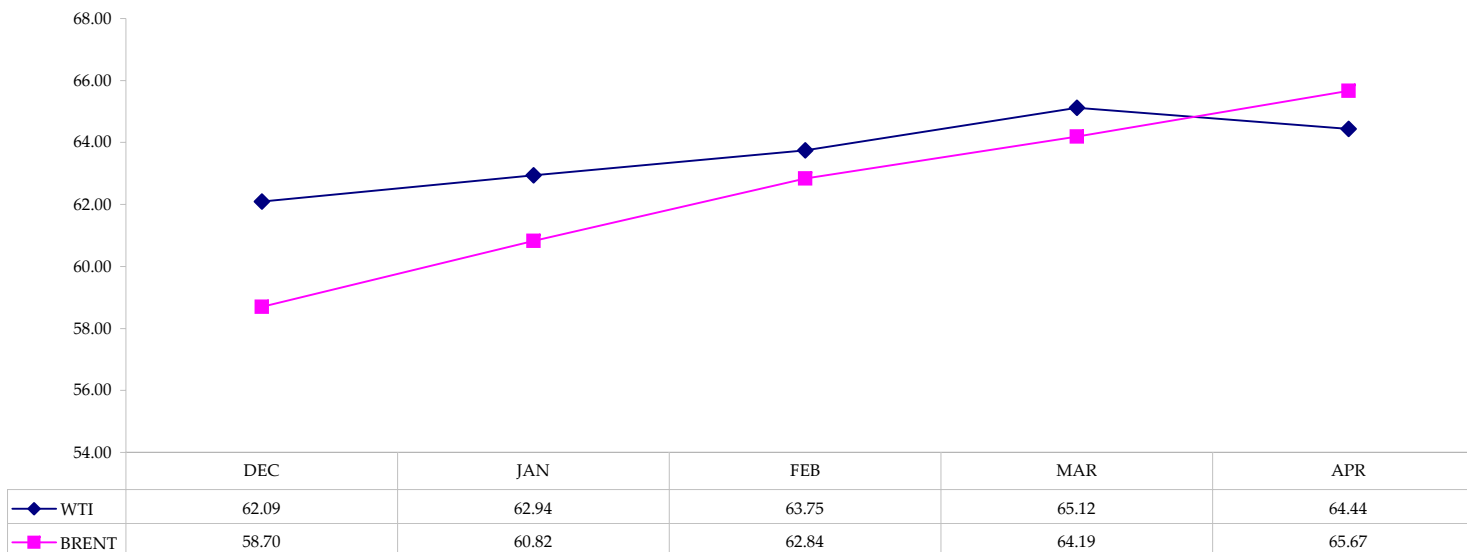
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	#VALUE!				
F.QOZ08	58.70	73,986	118,290	21,123	DEC
F.QOF09	60.82	134,628	77,365	14,328	JAN
F.QOG09	62.84	54,672	34,304	6,486	FEB
F.QOH09	64.19	29,346	19,588	2,383	MAR
F.QOJ09	65.67	54,672	34,304	6,486	APR

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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