

## The Morning Email: Oil

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**ENERGY MATRIX - NYMEX PRODUCTS**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	64.33	3.29	64.74	61.79	61.8	33,971	404,811	WTI Crude
<b>HOA</b>	206.2400	8.4000	206.95	198.11	198.11	2,457	71,042	Heating Oil
<b>RBA</b>	142.15	7.2	142.55	135.23	135.23	1,334	45,466	Unleaded Gas
<b>NGA</b>	71.4	3.8300	71.75	68.87	68.87	3,370	95,303	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	64.33	0.00	236,045	22,289	DEC
F.CLAF09	65.18	0.00	85,123	6,928	JAN
F.CLAG09	66.12	0.00	22,084	1,519	FEB
F.CLAH09	66.95	0.00	12,080	2,216	MAR
F.CLAJ09	67.19	0.00	22,084	1,519	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**

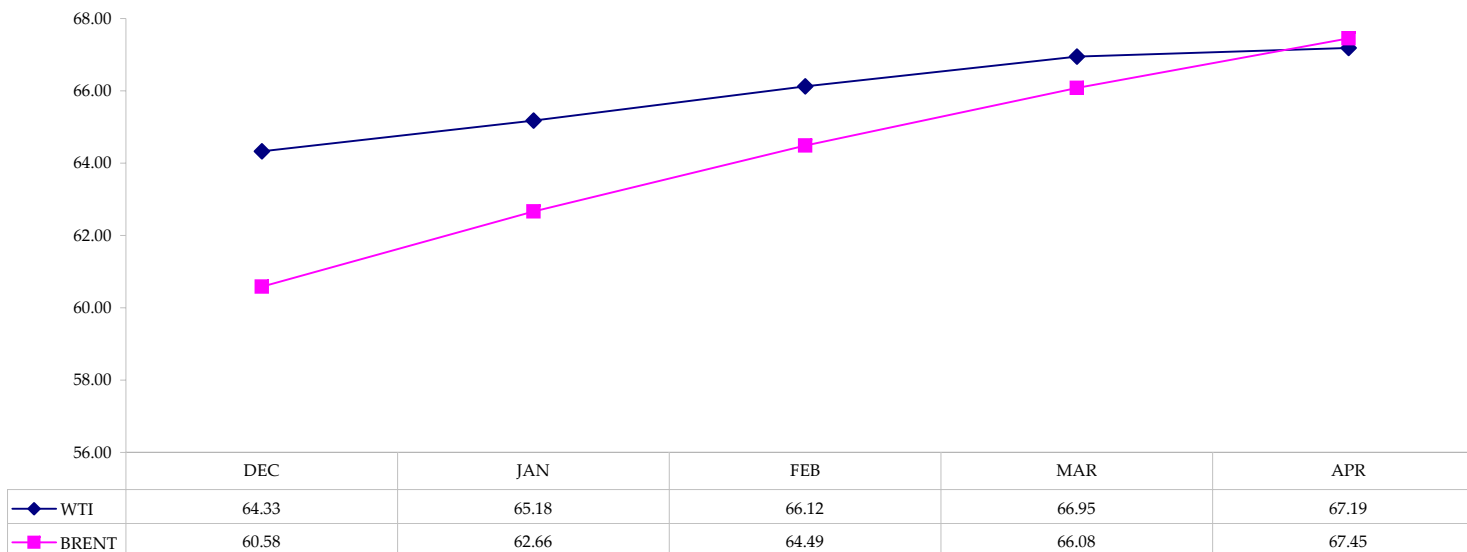
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	66.31				
F.QOZ08	60.58	0	87,370	21,348	DEC
F.QOF09	62.66	0	77,974	19,857	JAN
F.QOG09	64.49	0	42,243	9,286	FEB
F.QOH09	66.08	0	10,352	4,101	MAR
F.QOJ09	67.45	0	42,243	9,286	APR

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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Contango is bearish for price.