

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

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	57.75	-0.49	59.96	57.11	59.39	16,445	500,282	WTI Crude
HOA	186.7700	-0.7300	192.12	183.8	189.9	977	80,386	Heating Oil
RBA	127.2	-3.04	132.8	126.18	131.5	1,279	79,554	Unleaded Gas
NGA	63.63	0.4500	64.25	63.27	64	537	194,811	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	57.75	0.00	282,170	12,907	DEC
F.CLAF09	58.52	0.00	113,208	6,664	JAN
F.CLAG09	59.51	0.00	27,901	1,214	FEB
F.CLAH09	60.05	0.00	12,441	542	MAR
F.CLAJ09	60.90	0.00	27,901	1,214	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

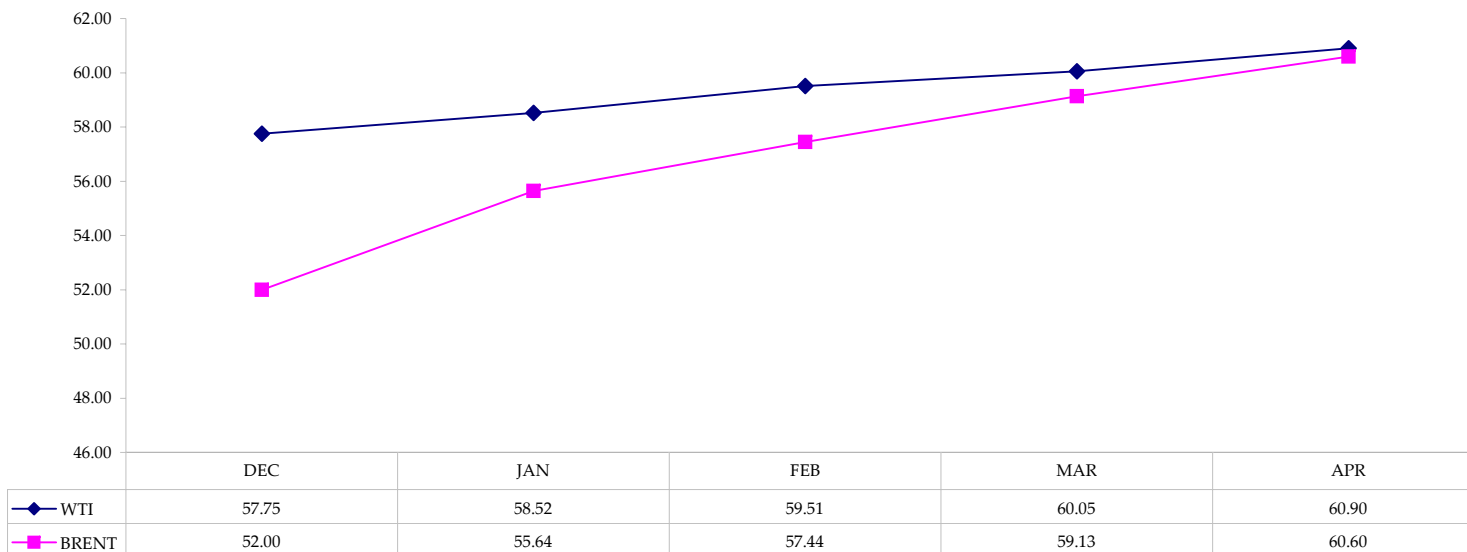
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	#VALUE!				
F.QOZ08	52.00	37,448	18,629	0	DEC
F.QOF09	55.64	128,456	151,509	23,001	JAN
F.QOG09	57.44	103,306	57,280	15,203	FEB
F.QOH09	59.13	36,933	23,660	6,310	MAR
F.QOJ09	60.60	103,306	57,280	15,203	APR

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.