

## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	53.13	-1.37	54.66	52.1	54.3	22,684	397,533	WTI Crude
<b>HOA</b>	177.0600	-2.5500	180	174.35	179.68	1,097	77,205	Heating Oil
<b>RBA</b>	114.96	-1.99	116.9	114	116.9	1,015	77,657	Unleaded Gas
<b>NGA</b>	67.02	-1.2500	68.63	67.02	68.37	1,387	127,996	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.



**NYMEX - WTI**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAZ08	48.70				
F.CLAF09	53.13	0.00	233,065	19,589	JAN
F.CLAG09	54.31	0.00	53,366	4,065	FEB
F.CLAH09	55.46	0.00	27,189	925	MAR
F.CLAJ09	55.53	0.00	53,366	4,065	APR
F.CLAK09	57.26	0.00	7,986	545	MAY

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

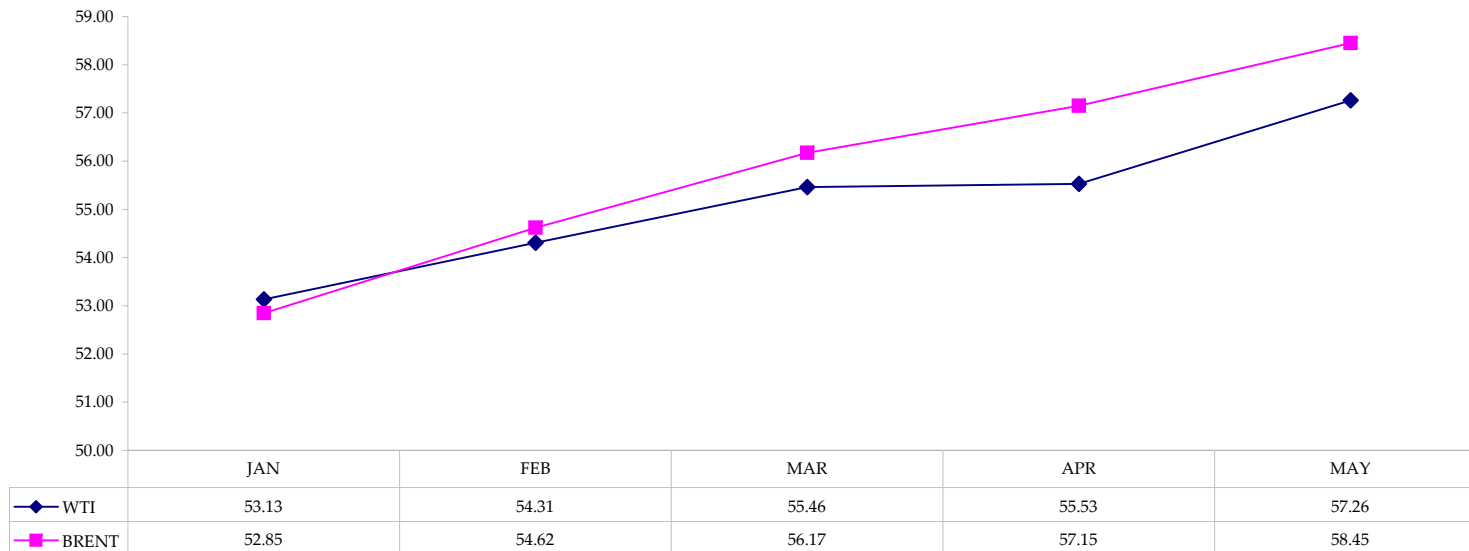
**ICE - BRENT**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOZ08					
F.QOF09	52.85	108,546	109,650	27,335	JAN
F.QOG09	54.62	110,629	33,632	13,754	FEB
F.QOH09	56.17	51,690	20,906	8,207	MAR
F.QOJ09	57.15	110,629	33,632	13,754	APR
F.QOK9	58.45	21,531	6,394	3,928	MAY

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.