

## The Morning Email: Oil

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

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	51.2	0.43	51.98	50.15	50.65	15,787	335,785	WTI Crude
HOA	173.2600	2.5700	174.53	169.27	172.95	1,373	73,964	Heating Oil
RBA	113.5	1.71	114.4	110.45	110.8	819	72,752	Unleaded Gas
NGA	64.62	0.7600	65.09	63.64	64.03	638	116,692	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. Index ECO

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

Region **North America**      Country **United States**      Type **Economic Releases**

Date **11/26/08**      05:17:52      **United States: Economic Releases**

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
40)	11/26	06:00			MBA Mortgage Applications	NOV 21	--	--	-6.2%	--
41)	11/26	07:30			Durable Goods Orders	OCT	-3.0%	--	0.8%	0.9%
42)	11/26	07:30			Durables Ex Transportation	OCT	-1.6%	--	-1.1%	-1.0%
43)	11/26	07:30			Personal Income	OCT	0.1%	--	0.2%	--
44)	11/26	07:30			Personal Spending	OCT	-1.0%	--	-0.3%	--
45)	11/26	07:30			PCE Deflator (YoY)	OCT	3.3%	--	4.2%	--
46)	11/26	07:30			PCE Core (MoM)	OCT	0.0%	--	0.2%	--
47)	11/26	07:30			PCE Core (YoY)	OCT	2.2%	--	2.4%	--
48)	11/26	07:30			Initial Jobless Claims	NOV 22	535K	--	542K	--
49)	11/26	07:30			Continuing Claims	NOV 15	4080K	--	4012K	--
50)	11/26	08:45			Chicago Purchasing Manager	NOV	37.0	--	37.8	--
51)	11/26	09:00			U. of Michigan Confidence	NOV F	57.5	--	57.9	--
52)	11/26	09:00			New Home Sales	OCT	441K	--	464K	--
53)	11/26	09:00			New Home Sales MoM	OCT	-5.0%	--	2.7%	--
54)	11/28	09:00			NAPM-Milwaukee	NOV	--	--	42.0	--
55)	12/01	09:00			ISM Manufacturing	NOV	38.0	--	38.9	--
56)	12/01	09:00			ISM Prices Paid	NOV	32.0	--	37.0	--
57)	12/01	09:00			Construction Spending MoM	OCT	-0.9%	--	-0.3%	--
58)	12/01				Domestic Vehicle Sales	NOV	7.9M	--	7.9M	--

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.  
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**NYMEX - WTI**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAZ08	48.70				
F.CLAF09	51.20	0.00	207,272	13,879	JAN
F.CLAG09	52.48	0.00	48,310	2,537	FEB
F.CLAH09	54.00	0.00	20,302	896	MAR
F.CLAJ09	54.86	0.00	48,310	2,537	APR
F.CLAK09	55.72	0.00	9,277	241	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**

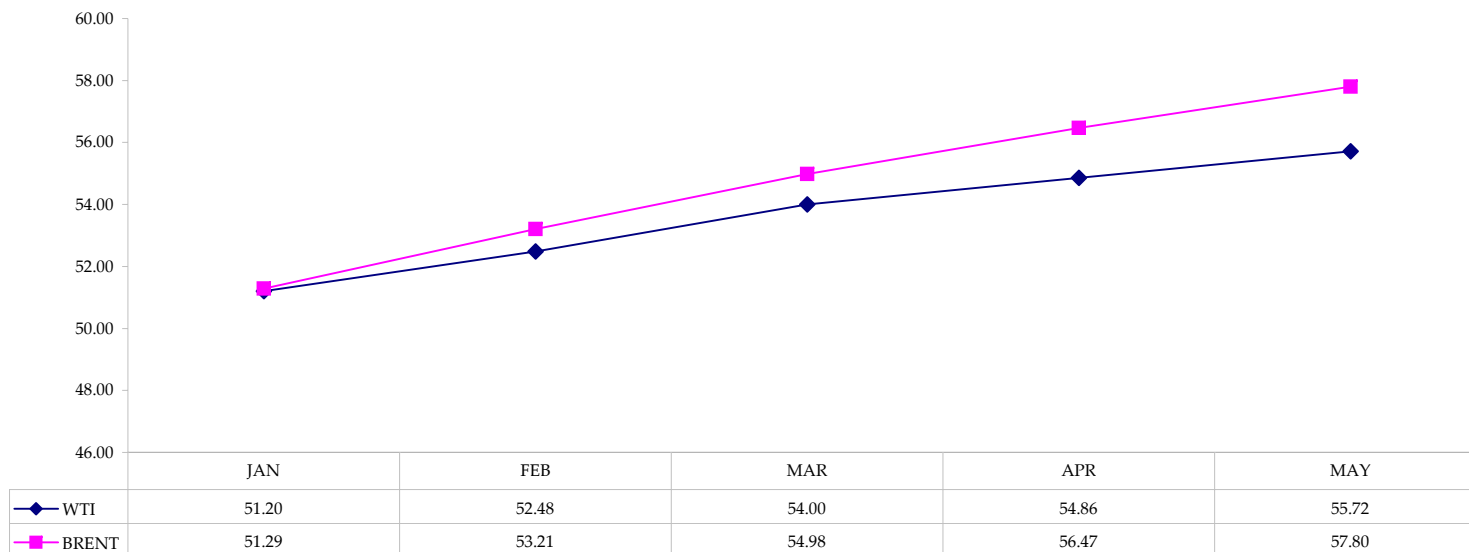
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOZ08					
F.QOF09	51.29	0	137,804	27,117	JAN
F.QOG09	53.21	0	61,747	13,311	FEB
F.QOH09	54.98	0	32,940	7,146	MAR
F.QOJ09	56.47	0	61,747	13,311	APR
F.QOK9	57.80	0	10,136	1,538	MAY

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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IF Contango, then: It pays more to store crude. Carry cost is positive.

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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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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.