

The Morning Email: Oil

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Want something added? Let me know: jgoulding@ghco.com

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ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	89.79	-4.09	92.68	89.07	92.5	36,602	390,280	WTI Crude
HOA	255.7000	-10.5000	265.89	253.12	265.89	883	72,250	Heating Oil
RBA	214.73	-8.1	222.7	212.65	222.7	2,373	47,020	Unleaded Gas
NGA	71.8	-1.7800	73.48	71.6	73.48	1,191	78,774	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	89.79	0.00	238,984	24,835	NOV
F.CLAZ08	89.04	0.00	108,538	11,098	DEC
F.CLAF09	89.04	0.00	29,385	1,764	JAN
F.CLAG09	89.11	0.00	10,814	336	FEB
F.CLAH09	88.54	0.00	6,359	188	MAR
F.CLAJ09	90.72	0.00	10,814	336	FEB

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	86.59	61,295	97,860	23,681	NOV
F.QOZ08	88.01	129,050	77,844	20,662	DEC
F.QOF09	89.19	59,202	24,971	7,948	JAN
F.QOG09	90.39	30,878	9,116	2,625	FEB
F.QOH09	91.21	21,194	5,115	1,104	MAR
F.QOJ09	91.91	30,878	9,116	2,625	FEB

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

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.

