

## 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>	62.3	-1.85	64.96	61.3	64.78	18,199	444,026	WTI Crude
<b>HOA</b>	193.4400	-3.5700	199.17	191.28	198.5	977	67,821	Heating Oil
<b>RBA</b>	141.19	-3.78	146.86	138.78	144.99	519	54,019	Unleaded Gas
<b>NGA</b>	60	-2.3900	61.86	59.9	61.33	1,624	112,658	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	62.30	0.00	253,812	16,402	DEC
F.CLAF09	62.72	0.00	60,180	1,978	JAN
F.CLAG09	63.18	0.00	18,947	660	FEB
F.CLAH09	63.75	0.00	17,760	366	MAR
F.CLAJ09	64.75	0.00	18,947	660	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	60.27	0	115,015	17,718	DEC
F.QOF09	61.89	0	47,160	7,883	JAN
F.QOG09	63.21	0	19,220	2,419	FEB
F.QOH09	64.21	0	9,042	1,230	MAR
F.QOJ09	65.39	0	19,220	2,419	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.

