

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	64.05	-1.91	65.77	63.12	65.58	17,585	538,950	WTI Crude
HOA	195.7000	-4.2600	199.53	193.96	199.43	1,056	95,577	Heating Oil
RBA	140.73	-3.97	145.23	139.25	143.5	2,324	62,536	Unleaded Gas
NGA	63.52	-0.7900	64.38	63.3	64.2	340	151,748	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	64.05	0.00	254,199	14,846	DEC
F.CLAF09	64.60	0.00	67,298	334	JAN
F.CLAG09	65.05	0.00	27,036	425	FEB
F.CLAH09	65.84	0.00	12,992	114	MAR
F.CLAJ09	66.36	0.00	27,036	425	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	61.64	0	122,032	19,332	DEC
F.QOF09	63.39	0	65,595	9,480	JAN
F.QOG09	64.90	0	24,481	4,295	FEB
F.QOH09	65.72	0	9,581	1,844	MAR
F.QOJ09	66.72	0	24,481	4,295	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.

