

The Morning Email: Oil

Table of Contents

Pg 1 Quotes

Pg 2 Economic Releases

Pg 3 Spreads - WTI and BRENT

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	100	2.46	100.4	97.02	97.58	31,585	591,984	WTI Crude
HOA	282.2800	4.0400	282.28	277.68	280.27	1,032	84,167	Heating Oil
RBA	251.95	3.71	252.75	248.08	249.9	2,524	108,046	Unleaded Gas
NGA	75.88	-0.3300	76.2	75.5	75.7	616	214,456	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.CLAV08	100.37	0.00	222,119	9,438	OCT
F.CLAX08	100.00	0.00	194,410	17,089	NOV
F.CLAZ08	99.98	0.00	98,269	4,548	DEC
F.CLAF09	100.11	0.00	24,794	869	JAN
F.CLAG09	99.71	0.00	9,038	244	FEB
F.CLAH09	99.88	0.00	6,275	182	MAR
F.CLAJ09	97.57	0.00	9,038	244	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

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOV08	#VALUE!				
F.QOX08	97.54	0	128,149	18,372	NOV
F.QOZ08	98.73	0	78,008	12,374	DEC
F.QOF09	99.62	0	19,954	3,839	JAN
F.QOG09	100.38	0	8,679	1,233	FEB
F.QOH09	101.20	0	4,472	904	MAR
F.QOJ09	100.10	0	8,679	1,233	FEB

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.

