

## 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**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	48.22	-1.44	48.96	48.17	48.96	14,486	484,674	WTI Crude
<b>HOA</b>	133.22	-3.57	136.74	132.85	136.74	699	83,968	Heating Oil
<b>RBA</b>	138.3	-3.83	141.39	138.3	141.39	430	73,363	Unleaded Gas
<b>NGA</b>	37.37	-0.39	37.99	37.36	37.91	1,071	109,964	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. ComdtyECO  
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1) Custom Calendars    2) Options    3) Alerts    4) Economic Calendars

Region North America    Country United States    Type Energy / Commodities

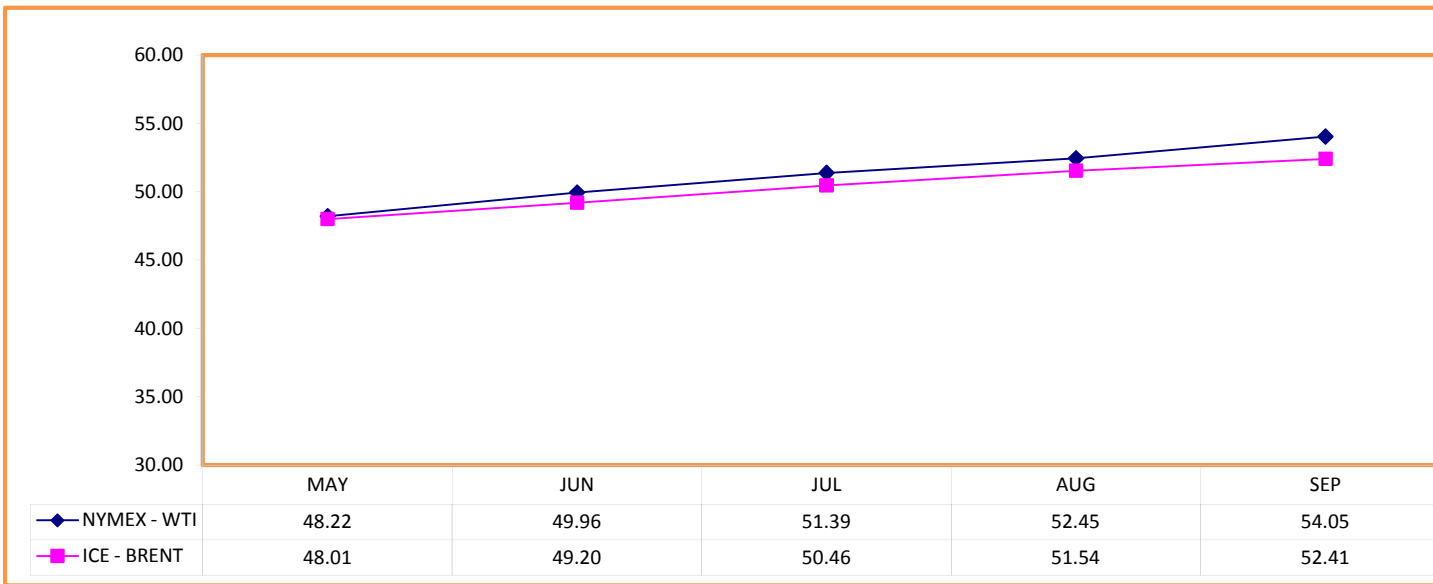
Date 04/01/09    05:19:34    United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
22)	03/31	15:30	☒	API U.S. Crude Oil Inventories	MAR 27	-	3276K	4577K	-
23)	03/31	15:30	☒	API U.S. Gasoline Inventories	MAR 27	-	-451K	-805K	-
24)	03/31	15:30	☒	API U.S. Distillate Inventory	MAR 27	-	1776K	-1575K	-
25)	04/01	09:30	☒	DOE U.S. Crude Oil Inventories	MAR 27	3000K	-	3302K	-
26)	04/01	09:30	☒	DOE U.S. Gasoline Inventories	MAR 27	-1500K	-	-1144K	-
27)	04/01	09:30	☒	DOE U.S. Distillate Inventory	MAR 27	-1150K	-	-1584K	-
28)	04/01	09:30	☒	DOE U.S. Heat Oil Inventories	MAR 27	-	-	1014K	-
29)	04/01	09:30	☒	DOE U.S. Refinery Utilization	MAR 27	0.25%	-	-0.13%	-
30)	04/01	09:30	☒	DOE Cushing OK Crude Inventory	MAR 27	-	-	-2211K	-
31)	04/01	09:30	☒	DOE Crude Oil Implied Demand	MAR 27	-	-	14344	-
32)	04/01	09:30	☒	DOE Gasoline Implied Demand	MAR 27	-	-	9244.0	-
33)	04/01	09:30	☒	DOE Distillate Implied Demand	MAR 27	-	-	4388.0	-
34)	04/02	09:30	☒	EIA Natural Gas Storage Change	MAR 27	-1	-	3	-
35)	04/03	12:00	☒	Baker Hughes U.S. Rig Count	APR 3	-	-	1039	-
36)	04/07	15:30	☒	API U.S. Crude Oil Inventories	APR 3	-	-	3276K	-
37)	04/07	15:30	☒	API U.S. Gasoline Inventories	APR 3	-	-	-451K	-
38)	04/07	15:30	☒	API U.S. Distillate Inventory	APR 3	-	-	1776K	-
39)	04/08	09:30	☒	DOE U.S. Crude Oil Inventories	APR 3	-	-	-	-
40)	04/08	09:30	☒	DOE U.S. Gasoline Inventories	APR 3	-	-	-	-

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 2009 Bloomberg Finance L.P.  
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Spreads - WTI and BRENT

NYMEX - WTI						ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month		Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAK09	48.22	na	240,254	9,379	MAY	F.QOK9	48.01	0	112,924	18,350	MAY
F.CLAM09	49.96	na	113,872	3,218	JUN	F.QOM9	49.20	0		14,603	JUN
F.CLAN09	51.39	na	37,028	1,034	JUL	F.QON09	50.46	0	29,582	7,201	JUL
F.CLAQ09	52.45	na	14,861	417	AUG	F.QOQ09	51.54	0	11,583	4,184	AUG
F.CLAU09	54.05	na	18,529	133	SEP	F.QOU09	52.41	0	7,681	1,907	SEP
F.CLAV09	54.95	na	7,184	60	OCT	F.QOV09	53.27	0	5,883	1,376	OCT
F.CLAX09	56.06	na	5,792	66	NOV	F.QOX09	54.13	0	5,829	1,345	NOV
F.CLAZ09	56.32	na	28,861	226	DEC	F.QOZ09	54.92	0	19,382	2,475	DEC



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

**Crack Spreads relative to Crude:**

If crack spread weak then less incentive to store crude.

That's bearish for crude.

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.