

## 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

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	51.01	2.62	51.53	48.45	48.45	38,555	404,729	WTI Crude
<b>HOA</b>	141.11	6.53	141.35	134.66	134.66	1,865	66,726	Heating Oil
<b>RBA</b>	142.03	4.86	142.28	136.7	136.7	3,214	82,349	Unleaded Gas
<b>NGA</b>	37.75	0.8	37.84	36.54	36.67	1,706	105,235	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. Index ECO  
 9<GO> to set as default calendar

1) Custom Calendars    2) Options    3) Alerts    Economic Calendars

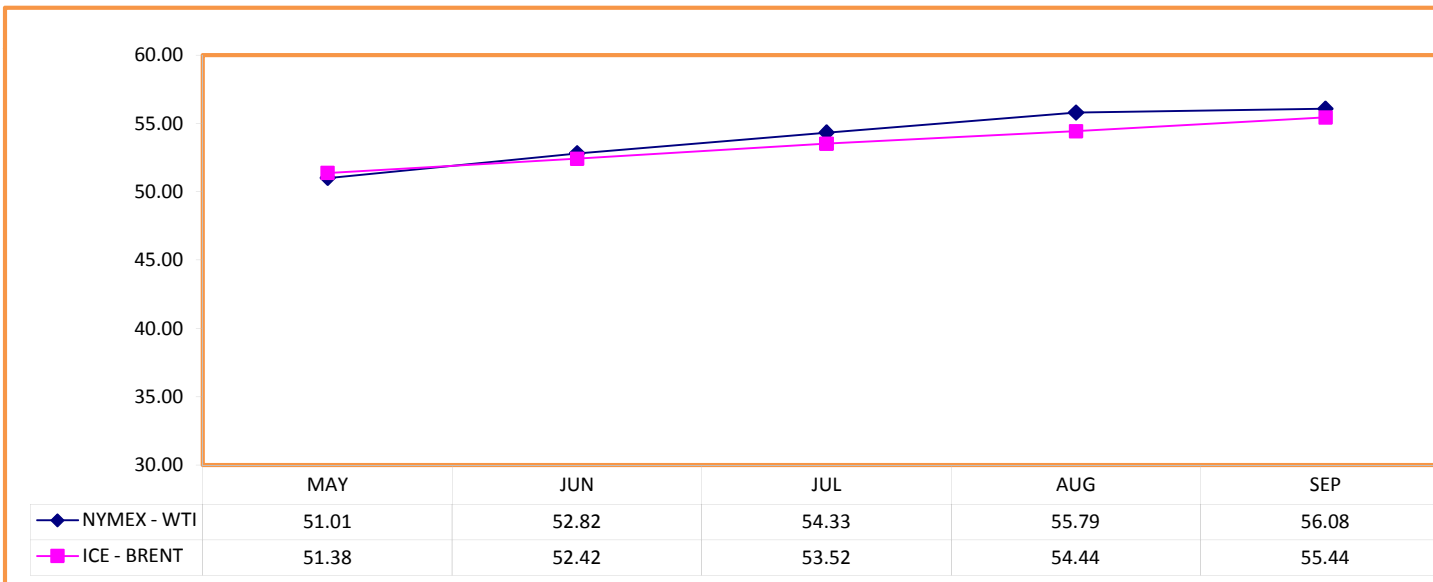
Region North America    Country United States    Type Energy / Commodities   
 Date 04/02/09    05:17:46    United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
25)	04/02	09:30		EIA Natural Gas Storage Change	MAR 27	2	-	3	-
26)	04/03	12:00		Baker Hughes U.S. Rig Count	APR 3	-	-	1039	-
27)	04/07	15:30		API U.S. Crude Oil Inventories	APR 3	-	-	3276K	-
28)	04/07	15:30		API U.S. Gasoline Inventories	APR 3	-	-	-451K	-
29)	04/07	15:30		API U.S. Distillate Inventory	APR 3	-	-	1776K	-
30)	04/08	09:30		DOE U.S. Crude Oil Inventories	APR 3	-	-	2844K	-
31)	04/08	09:30		DOE U.S. Gasoline Inventories	APR 3	-	-	2225K	-
32)	04/08	09:30		DOE U.S. Distillate Inventory	APR 3	-	-	221K	-
33)	04/08	09:30		DOE U.S. Heat Oil Inventories	APR 3	-	-	298K	-
34)	04/08	09:30		DOE U.S. Refinery Utilization	APR 3	-	-	-0.28%	-
35)	04/08	09:30		DOE Cushing OK Crude Inventory	APR 3	-	-	-856K	-
36)	04/08	09:30		DOE Crude Oil Implied Demand	APR 3	-	-	14628	-
37)	04/08	09:30		DOE Gasoline Implied Demand	APR 3	-	-	9269.0	-
38)	04/08	09:30		DOE Distillate Implied Demand	APR 3	-	-	4113.0	-
39)	04/09	09:30		EIA Natural Gas Storage Change	APR 3	-	-	-	-
40)	04/10	12:00		Baker Hughes U.S. Rig Count	APR 10	-	-	-	-
41)	04/14			DOE Short-Term Crude Outlook	APR	-	-	53	-
42)	04/14			DOE Short-Term Diesel Outlook	APR	-	-	2.51	-
43)	04/14			DOE Short-Term Ht Oil Outlook	APR	-	-	2.41	-

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	51.01	na	234,224	23,788	MAY	F.QOK9	51.38	116,057	118,265	32,616	MAY
F.CLAM09	52.82	na	99,429	7,241	JUN	F.QOM9	52.42	162,746		23,280	JUN
F.CLAN09	54.33	na	33,662	4,187	JUL	F.QON09	53.52	0	39,463	8,730	JUL
F.CLAQ09	55.79	na	15,306	1,051	AUG	F.QOQ09	54.44	0	15,987	3,895	AUG
F.CLAU09	56.08	na	12,774	728	SEP	F.QOU09	55.44	0	7,441	5	SEP
F.CLAV09	54.80	na	8,630	479	OCT	F.QOV09	56.29	0	4,868	5	OCT
F.CLAX09	55.57	na	5,781	491	NOV	F.QOX09	57.00	0	4,407	4	NOV
F.CLAZ09	58.80	na	26,508	831	DEC	F.QOZ09	57.82	0	12,790	2,683	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.