

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	50.24	-0.81	51.82	50	51.39	15,870	380,265	WTI Crude
HOA	141.12	-0.79	143.5	140.25	141.89	1,044	60,347	Heating Oil
RBA	146.43	-1.12	149.7	146.07	147.25	1,225	53,522	Unleaded Gas
NGA	36.9	-0.42	37.47	36.86	37.09	1,021	78,863	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. N108 n ComdtyECO
 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** 

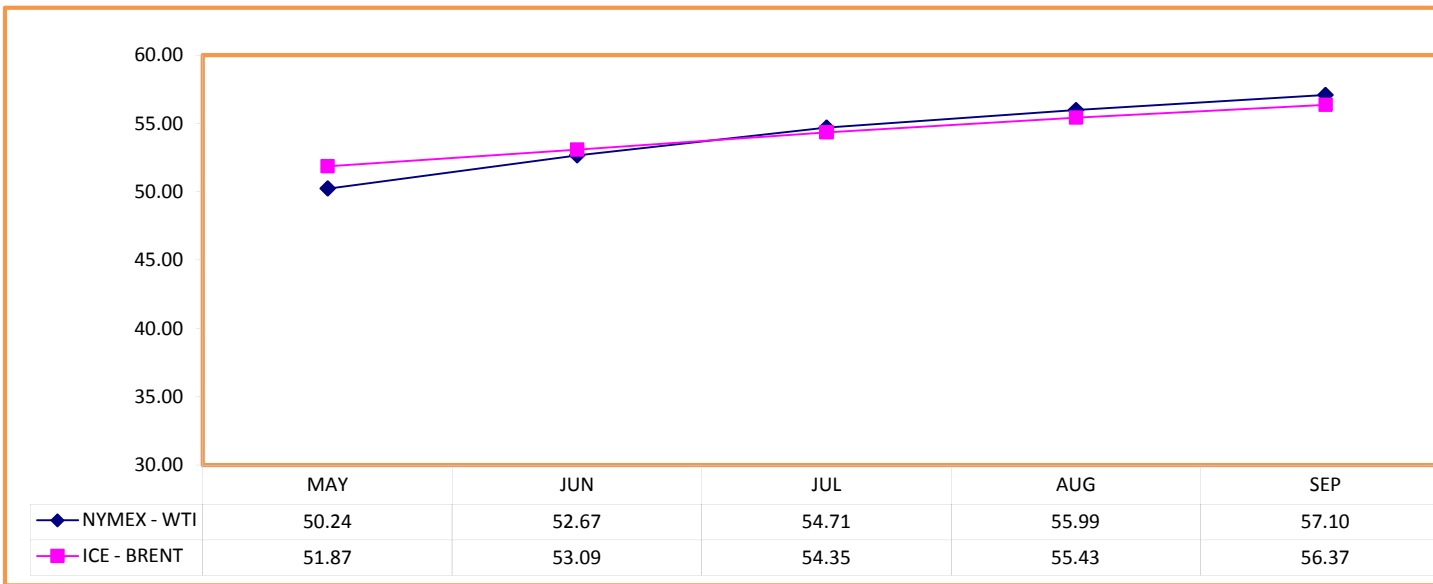
Date **04/07/09** 05:17:06 **United States: Energy / Commodities**

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
25)	04/07	15:30	<input checked="" type="checkbox"/>		API U.S. Crude Oil Inventories	APR 3	--	--	3276K	--
26)	04/07	15:30	<input checked="" type="checkbox"/>		API U.S. Gasoline Inventories	APR 3	--	--	-451K	--
27)	04/07	15:30	<input checked="" type="checkbox"/>		API U.S. Distillate Inventory	APR 3	--	--	1776K	--
28)	04/07	16:00			Alcoa Executives Review Fourth-Quarter Results					
29)	04/08	09:30	<input checked="" type="checkbox"/>		DOE U.S. Crude Oil Inventories	APR 3	1250K	--	2844K	--
30)	04/08	09:30	<input checked="" type="checkbox"/>		DOE U.S. Gasoline Inventories	APR 3	-1500K	--	2225K	--
31)	04/08	09:30	<input checked="" type="checkbox"/>		DOE U.S. Distillate Inventory	APR 3	-350K	--	221K	--
32)	04/08	09:30	<input checked="" type="checkbox"/>		DOE U.S. Heat Oil Inventories	APR 3	--	--	298K	--
33)	04/08	09:30	<input checked="" type="checkbox"/>		DOE U.S. Refinery Utilization	APR 3	0.00%	--	-0.28%	--
34)	04/08	09:30	<input checked="" type="checkbox"/>		DOE Cushing OK Crude Inventory	APR 3	--	--	-856K	--
35)	04/08	09:30	<input checked="" type="checkbox"/>		DOE Crude Oil Implied Demand	APR 3	--	--	14628	--
36)	04/08	09:30	<input checked="" type="checkbox"/>		DOE Gasoline Implied Demand	APR 3	--	--	9269.0	--
37)	04/08	09:30	<input checked="" type="checkbox"/>		DOE Distillate Implied Demand	APR 3	--	--	4113.0	--
38)	04/09	09:30	<input checked="" type="checkbox"/>		EIA Natural Gas Storage Change	APR 3	--	--	0	--
39)	04/10	12:00	<input checked="" type="checkbox"/>		Baker Hughes U.S. Rig Count	APR 10	--	--	1043	--
40)	04/14		<input checked="" type="checkbox"/>		DOE Short-Term Crude Outlook	APR	--	--	53	--
41)	04/14		<input checked="" type="checkbox"/>		DOE Short-Term Diesel Outlook	APR	--	--	2.51	--
42)	04/14		<input checked="" type="checkbox"/>		DOE Short-Term Ht Oil Outlook	APR	--	--	2.41	--
43)	04/14		<input checked="" type="checkbox"/>		DOE Short-Term NatGas Outlook	APR	--	--	11.59	--

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	50.24	na	207,539	11,281	MAY	F.QOK9	51.87	90,179	108,000	19,624	MAY
F.CLAM09	52.67	na	84,537	4,287	JUN	F.QOM9	53.09	167,211		15,265	JUN
F.CLAN09	54.71	na	34,946	1,603	JUL	F.QON09	54.35	87,653	36,858	5,806	JUL
F.CLAQ09	55.99	na	13,013	620	AUG	F.QOQ09	55.43	32,017	12,768	3,004	AUG
F.CLAU09	57.10	na	8,002	373	SEP	F.QOU09	56.37	24,857	7,301	1,345	SEP
F.CLAV09	58.33	na	5,449	221	OCT	F.QOV09	57.32	15,404	3,415	792	OCT
F.CLAX09	59.00	na	3,495	169	NOV	F.QOX09	58.26	16,227	3,349	704	NOV
F.CLAZ09	59.91	na	13,204	197	DEC	F.QOZ09	59.18	82,438	11,971	2,033	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.