

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	47.73	-1.42	48.5	47.37	48.47	29,240	458,550	WTI Crude
HOA	136.51	-2.52	138.75	136.08	138.37	1,174	76,628	Heating Oil
RBA	142.39	-3.65	144.42	141.75	144.1	1,991	81,206	Unleaded Gas
NGA	35.5	-0.12	35.88	35.31	35.79	913	127,412	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
 9<G0> to set as default calendar

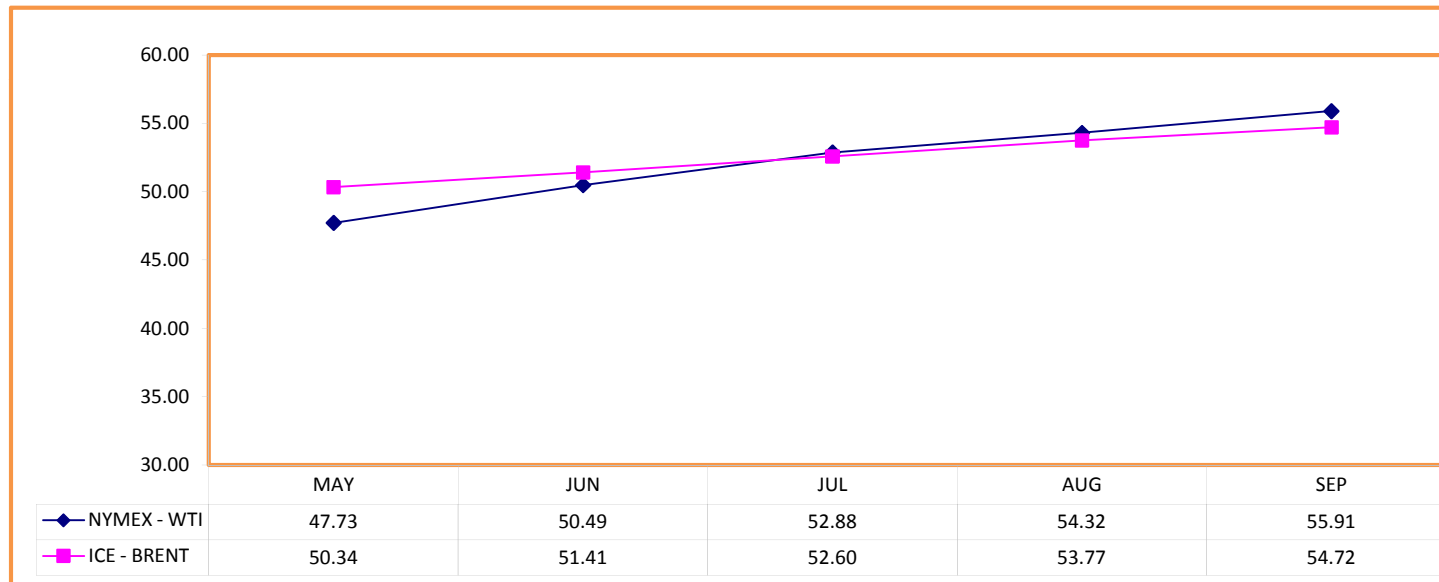
1) Custom Calendars 2) Options 3) All Economic Calendars

Region North America Country United States Type Energy / Commodities 
 Date 04/08/09 05:23:56 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
22)	04/07	15:30		API U.S. Crude Oil Inventories	APR 3	--	6944K	3276K	--
23)	04/07	15:30		API U.S. Gasoline Inventories	APR 3	--	2873K	-451K	--
24)	04/07	15:30		API U.S. Distillate Inventory	APR 3	--	-2266K	1776K	--
25)	04/07	16:00		Alcoa Executives Review First-Quarter Results					
26)	04/08	09:30		DOE U.S. Crude Oil Inventories	APR 3	1500K	--	2844K	--
27)	04/08	09:30		DOE U.S. Gasoline Inventories	APR 3	-1400K	--	2225K	--
28)	04/08	09:30		DOE U.S. Distillate Inventory	APR 3	-600K	--	221K	--
29)	04/08	09:30		DOE U.S. Heat Oil Inventories	APR 3	--	--	298K	--
30)	04/08	09:30		DOE U.S. Refinery Utilization	APR 3	0.00%	--	-0.28%	--
31)	04/08	09:30		DOE Cushing OK Crude Inventory	APR 3	--	--	-856K	--
32)	04/08	09:30		DOE Crude Oil Implied Demand	APR 3	--	--	14628	--
33)	04/08	09:30		DOE Gasoline Implied Demand	APR 3	--	--	9269.0	--
34)	04/08	09:30		DOE Distillate Implied Demand	APR 3	--	--	4113.0	--
35)	04/09	09:30		EIA Natural Gas Storage Change	APR 3	12	--	0	--
36)	04/10	12:00		Baker Hughes U.S. Rig Count	APR 10	--	--	1043	--
37)	04/14			DOE Short-Term Crude Outlook	APR	--	--	53	--
38)	04/14			DOE Short-Term Diesel Outlook	APR	--	--	2.51	--
39)	04/14			DOE Short-Term Ht Oil Outlook	APR	--	--	2.41	--
40)	04/14			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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NYMEX - WTI						ICE - BRENT					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAK09	47.73	na	254,031	17,450	MAY	F.QOK9	50.34	80,480	98,283	20,940	MAY
F.CLAM09	50.49	na	152,213	9,841	JUN	F.QOM9	51.41	163,161		23,891	JUN
F.CLAN09	52.88	na	54,718	3,917	JUL	F.QON09	52.60	96,456	46,729	9,722	JUL
F.CLAQ09	54.32	na	17,944	851	AUG	F.QOQ09	53.77	32,134	19,461	3,393	AUG
F.CLAU09	55.91	na	15,181	312	SEP	F.QOU09	54.72	25,522	11,882	1,431	SEP
F.CLAV09	56.62	na	11,006	298	OCT	F.QOV09	55.68	16,472	8,636	981	OCT
F.CLAX09	58.63	na	5,536	228	NOV	F.QOX09	56.62	16,277	4,650	821	NOV
F.CLAZ09	58.15	na	17,930	663	DEC	F.QOZ09	57.49	81,292	14,128	2,458	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.