

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	50.82	1.44	51.46	49.72	49.96	19,234	631,817	WTI Crude
HOA	142.27	2.45	144.02	140.61	140.61	1,331	108,523	Heating Oil
RBA	147.4	3.44	148.5	145.35	145.71	1,596	94,969	Unleaded Gas
NGA	36.45	0.15	36.98	36.17	36.96	627	99,449	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	04/09/09	05:15:54		United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
17)	04/08 09:30	DOE U.S. Crude Oil Inventories	APR 3	1500K	1645K	2844K	-
18)	04/08 09:30	DOE U.S. Gasoline Inventories	APR 3	-1400K	656K	2225K	-
19)	04/08 09:30	DOE U.S. Distillate Inventory	APR 3	-600K	-3354K	221K	-
20)	04/08 09:30	DOE U.S. Heat Oil Inventories	APR 3	-	-1171K	298K	-
21)	04/08 09:30	DOE U.S. Refinery Utilization	APR 3	0.00%	0.11%	-0.28%	-
22)	04/08 09:30	DOE Cushing OK Crude Inventory	APR 3	-	-878K	-856K	-
23)	04/08 09:30	DOE Crude Oil Implied Demand	APR 3	-	14566	14628	-
24)	04/08 09:30	DOE Gasoline Implied Demand	APR 3	-	9169.0	9269.0	-
25)	04/08 09:30	DOE Distillate Implied Demand	APR 3	-	4558.0	4113.0	-
26)	04/09 09:30	EIA Natural Gas Storage Change	APR 3	14	-	0	-
27)	04/10 12:00	Baker Hughes U.S. Rig Count	APR 10	-	-	1043	-
28)	04/14	DOE Short-Term Crude Outlook	APR	-	-	53	-
29)	04/14	DOE Short-Term Diesel Outlook	APR	-	-	2.51	-
30)	04/14	DOE Short-Term Ht Oil Outlook	APR	-	-	2.41	-
31)	04/14	DOE Short-Term NatGas Outlook	APR	-	-	11.59	-
32)	04/14	DOE Short-Term Mogas Outlook	APR	-	-	2.18	-
33)	04/14 15:30	API U.S. Crude Oil Inventories	APR 10	-	-	6944K	-
34)	04/14 15:30	API U.S. Gasoline Inventories	APR 10	-	-	2873K	-
35)	04/14 15:30	API U.S. Distillate Inventory	APR 10	-	-	-2266K	-

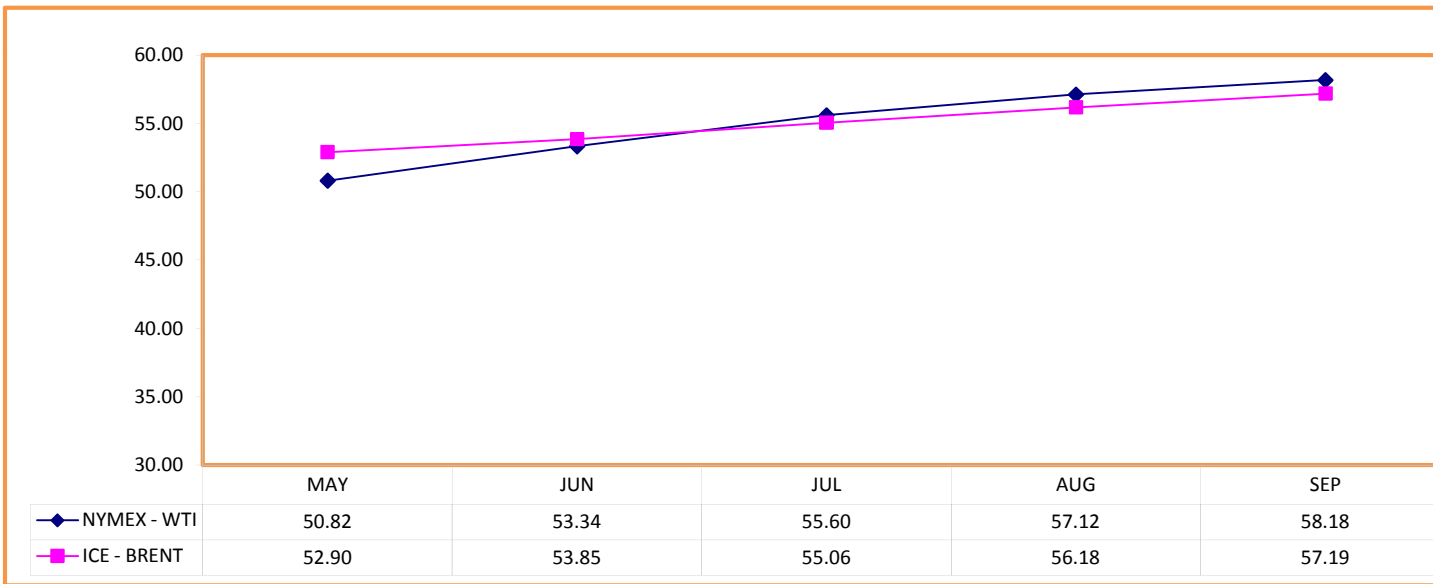
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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
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NYMEX - WTI

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAK09	50.82	na	312,360	13,270	MAY
F.CLAM09	53.34	na	176,971	6,386	JUN
F.CLAN09	55.60	na	70,104	1,714	JUL
F.CLAQ09	57.12	na	17,605	319	AUG
F.CLAU09	58.18	na	11,219	134	SEP
F.CLAV09	59.18	na	7,235	109	OCT
F.CLAX09	58.78	na	4,835	91	NOV
F.CLAZ09	60.81	na	18,742	198	DEC

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOK9	52.90	53,395	126,628	14,260	MAY
F.QOM9	53.85	151,874		19,377	JUN
F.QON09	55.06	95,150	54,979	7,517	JUL
F.QOQ09	56.18	32,493	17,081	3,165	AUG
F.QOU09	57.19	27,105	9,231	1,205	SEP
F.QOV09	58.04	16,671	7,737	676	OCT
F.QOX09	58.93	15,912	4,482	457	NOV
F.QOZ09	59.79	83,135	21,807	1,533	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.