

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	50.9	-1.34	52.15	50.58	52	13,752	641,631	WTI Crude
HOA	140.79	-2.09	143	140.1	142.67	404	72,716	Heating Oil
RBA	146.45	-1.65	148.12	146.3	147.55	801	85,756	Unleaded Gas
NGA	35.41	-0.69	36.25	35.39	36.25	1,085	111,172	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.

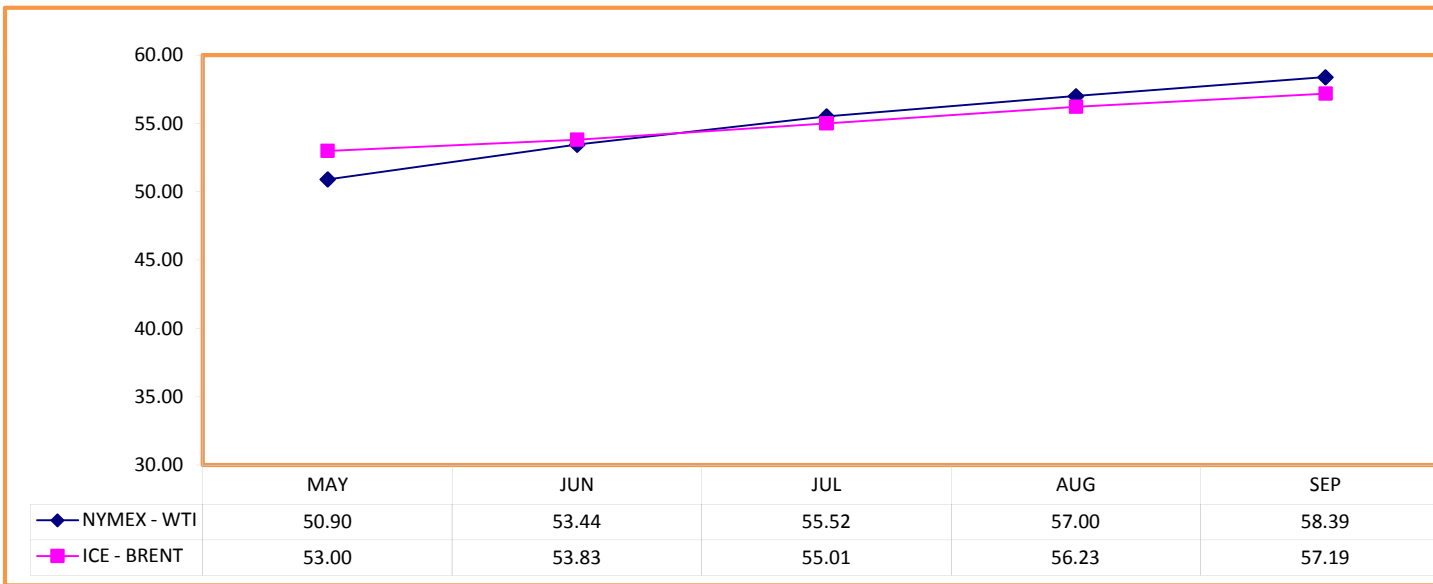
Economic Release Estimates, from Bloomberg

<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	-

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					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month		Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAK09	50.90	na	294,835	8,883	MAY	F.QOK9	53.00	0	73,380	5,110	MAY
F.CLAM09	53.44	na	195,974	6,422	JUN	F.QOM9	53.83	0		7,033	JUN
F.CLAN09	55.52	na	69,709	2,248	JUL	F.QON09	55.01	0	44,279	1,416	JUL
F.CLAQ09	57.00	na	17,805	639	AUG	F.QOQ09	56.23	0	15,308	829	AUG
F.CLAU09	58.39	na	11,606	302	SEP	F.QOU09	57.19	0	9,027	348	SEP
F.CLAV09	60.09	na	7,435	149	OCT	F.QOV09	58.02	0	6,053	105	OCT
F.CLAX09	60.19	na	6,907	128	NOV	F.QOX09	58.84	0	4,804	44	NOV
F.CLAZ09	60.55	na	20,209	195	DEC	F.QOZ09	59.66	0	12,667	149	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.