

## 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**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	50.54	0.49	51.04	48.96	49.96	23,396	516,494	WTI Crude
<b>HOA</b>	142.84	3.04	142.84	137.66	140.1	1,548	83,270	Heating Oil
<b>RBA</b>	146.95	0.63	146.95	144.48	145.81	1,680	91,786	Unleaded Gas
<b>NGA</b>	36.46	0.18	36.47	35.85	36.38	1,140	110,531	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. Corp ECO  
 9<G0> to set as default calendar

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

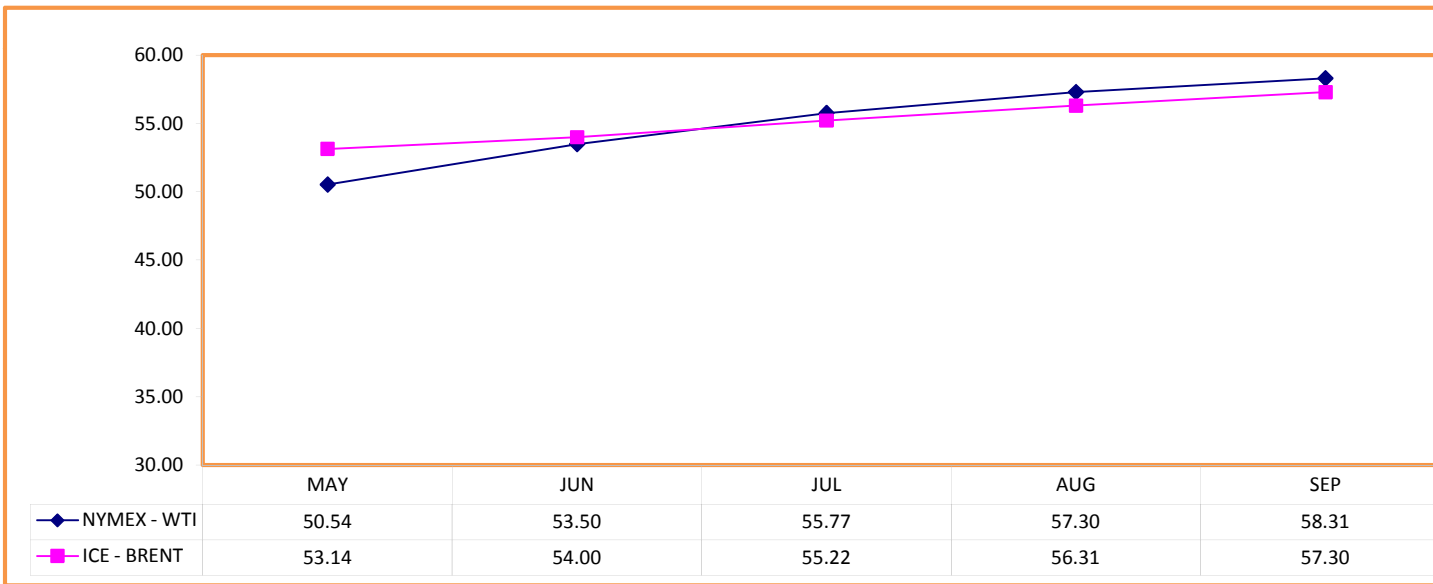
Region North America Country United States Type Energy / Commodities   
 Date 04/14/09 05:17:22 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
26)	04/14			☒ DOE Short-Term Crude Outlook	APR	-	-	53	-
27)	04/14			☒ DOE Short-Term Diesel Outlook	APR	-	-	2.51	-
28)	04/14			☒ DOE Short-Term Ht Oil Outlook	APR	-	-	2.41	-
29)	04/14			☒ DOE Short-Term NatGas Outlook	APR	-	-	11.59	-
30)	04/14			☒ DOE Short-Term Mogas Outlook	APR	-	-	2.18	-
31)	04/14	15:30		☒ API U.S. Crude Oil Inventories	APR 10	-	-	6944K	-
32)	04/14	15:30		☒ API U.S. Gasoline Inventories	APR 10	-	-	2873K	-
33)	04/14	15:30		☒ API U.S. Distillate Inventory	APR 10	-	-	-2266K	-
34)	04/15	09:30		☒ DOE U.S. Crude Oil Inventories	APR 10	2000K	-	1645K	-
35)	04/15	09:30		☒ DOE U.S. Gasoline Inventories	APR 10	-750K	-	656K	-
36)	04/15	09:30		☒ DOE U.S. Distillate Inventory	APR 10	-1000K	-	-3354K	-
37)	04/15	09:30		☒ DOE U.S. Heat Oil Inventories	APR 10	-	-	-1171K	-
38)	04/15	09:30		☒ DOE U.S. Refinery Utilization	APR 10	0.15%	-	0.11%	-
39)	04/15	09:30		☒ DOE Cushing OK Crude Inventory	APR 10	-	-	-878K	-
40)	04/15	09:30		☒ DOE Crude Oil Implied Demand	APR 10	-	-	14566	-
41)	04/15	09:30		☒ DOE Gasoline Implied Demand	APR 10	-	-	9169.0	-
42)	04/15	09:30		☒ DOE Distillate Implied Demand	APR 10	-	-	4558.0	-
43)	04/16	09:30		☒ EIA Natural Gas Storage Change	APR 10	-	-	20	-
44)	04/17	12:00		☒ Baker Hughes U.S. Rig Count	APR 17	-	-	1005	-

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	50.54	na	258,804	15,243	MAY	F.QOK9	53.14	43,040	29,330	MAY
F.CLAM09	53.50	na	153,609	9,236	JUN	F.QOM9	54.00	159,542	30,377	JUN
F.CLAN09	55.77	na	51,164	3,996	JUL	F.QON09	55.22	0	27,075	JUL
F.CLAQ09	57.30	na	15,261	826	AUG	F.QOQ09	56.31	0	7,537	AUG
F.CLAU09	58.31	na	9,644	814	SEP	F.QOU09	57.30	0	3,075	SEP
F.CLAV09	58.68	na	5,568	362	OCT	F.QOV09	58.22	0	1,703	OCT
F.CLAX09	59.55	na	3,367	269	NOV	F.QOX09	59.08	0	1,222	NOV
F.CLAZ09	60.81	na	13,489	626	DEC	F.QOZ09	59.90	0	4,866	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.