

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	50.57	1.16	50.79	48.92	49.16	29,478	537,439	WTI Crude
HOA	142.2	1.97	142.52	138.68	138.7	1,932	74,653	Heating Oil
RBA	147.64	1.88	147.95	144.4	145	1,564	78,878	Unleaded Gas
NGA	37.21	0.32	37.39	36.74	36.85	1,498	150,659	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

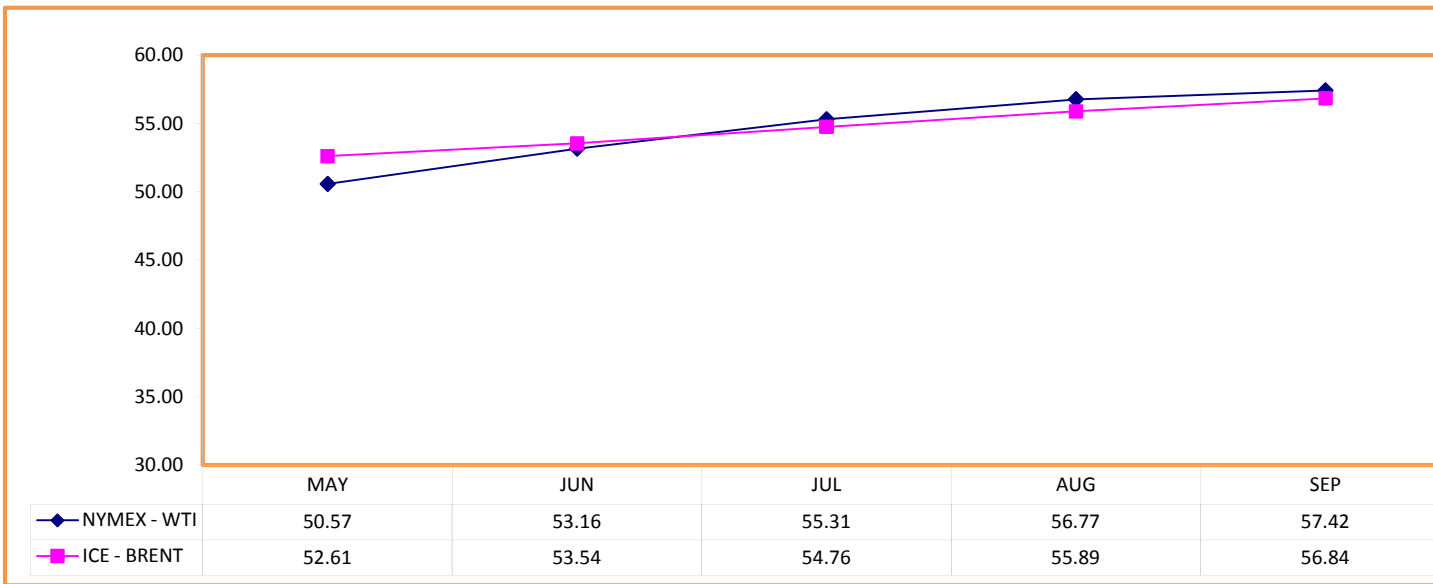
<HELP> for explanation. Corp ECO
 9<GO> to set as default calendar

1) Custom Calendars		2) Options		3) Alei		Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commodities				
Date	04/15/09		05:42:02		United States: Energy / Commodities				
Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
22)	04/14			☒ DOE Short-Term Crude Outlook	APR	--	63	53	--
23)	04/14			☒ DOE Short-Term Diesel Outlook	APR	--	2.69	2.51	--
24)	04/14			☒ DOE Short-Term Ht Oil Outlook	APR	--	2.62	2.41	--
25)	04/14			☒ DOE Short-Term NatGas Outlook	APR	--	11.48	11.59	--
26)	04/14			☒ DOE Short-Term Mogas Outlook	APR	--	2.42	2.18	--
27)	04/14	15:30		☒ API U.S. Crude Oil Inventories	APR 10	--	6509K	6944K	--
28)	04/14	15:30		☒ API U.S. Gasoline Inventories	APR 10	--	-613K	2873K	--
29)	04/14	15:30		☒ API U.S. Distillate Inventory	APR 10	--	87K	-2266K	--
30)	04/15	09:30		☒ DOE U.S. Crude Oil Inventories	APR 10	1750K	--	1645K	--
31)	04/15	09:30		☒ DOE U.S. Gasoline Inventories	APR 10	-500K	--	656K	--
32)	04/15	09:30		☒ DOE U.S. Distillate Inventory	APR 10	-1000K	--	-3354K	--
33)	04/15	09:30		☒ DOE U.S. Heat Oil Inventories	APR 10	--	--	-1171K	--
34)	04/15	09:30		☒ DOE U.S. Refinery Utilization	APR 10	0.10%	--	0.11%	--
35)	04/15	09:30		☒ DOE Cushing OK Crude Inventory	APR 10	--	--	-878K	--
36)	04/15	09:30		☒ DOE Crude Oil Implied Demand	APR 10	--	--	14566	--
37)	04/15	09:30		☒ DOE Gasoline Implied Demand	APR 10	--	--	9169.0	--
38)	04/15	09:30		☒ DOE Distillate Implied Demand	APR 10	--	--	4558.0	--
39)	04/16	09:30		☒ EIA Natural Gas Storage Change	APR 10	20	--	20	--
40)	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	50.57	na	284,710	16,657	MAY	F.QOK9	52.61	27,443	64,859	4,872	MAY
F.CLAM09	53.16	na	210,444	12,325	JUN	F.QOM9	53.54	156,522		26,742	JUN
F.CLAN09	55.31	na	69,081	3,103	JUL	F.QON09	54.76	113,895	53,910	10,919	JUL
F.CLAQ09	56.77	na	16,725	594	AUG	F.QOQ09	55.89	38,792	19,488	3,838	AUG
F.CLAU09	57.42	na	9,832	195	SEP	F.QOU09	56.84	28,038	6,328	1,552	SEP
F.CLAV09	58.35	na	5,548	118	OCT	F.QOV09	57.74	16,305	3,361	1,185	OCT
F.CLAX09	59.20	na	3,148	125	NOV	F.QOX09	58.59	15,584	1,949	991	NOV
F.CLAZ09	60.51	na	12,855	1,114	DEC	F.QOZ09	59.39	84,454	8,931	1,737	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.