

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 | 48.8 | -1.34 | 50.19 | 48.55 | 50.1 | 16,012 | 398,376 | WTI Crude |
| HOA | 131.61 | -2.71 | 134.75 | 131.06 | 134 | 1,446 | 85,525 | Heating Oil |
| RBA | 137.45 | -3.38 | 141.03 | 137.07 | 140.35 | 3,008 | 64,775 | Unleaded Gas |
| NGA | 32.29 | -0.24 | 32.8 | 32.26 | 32.66 | 864 | 136,899 | 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<GO> to set as default calendar

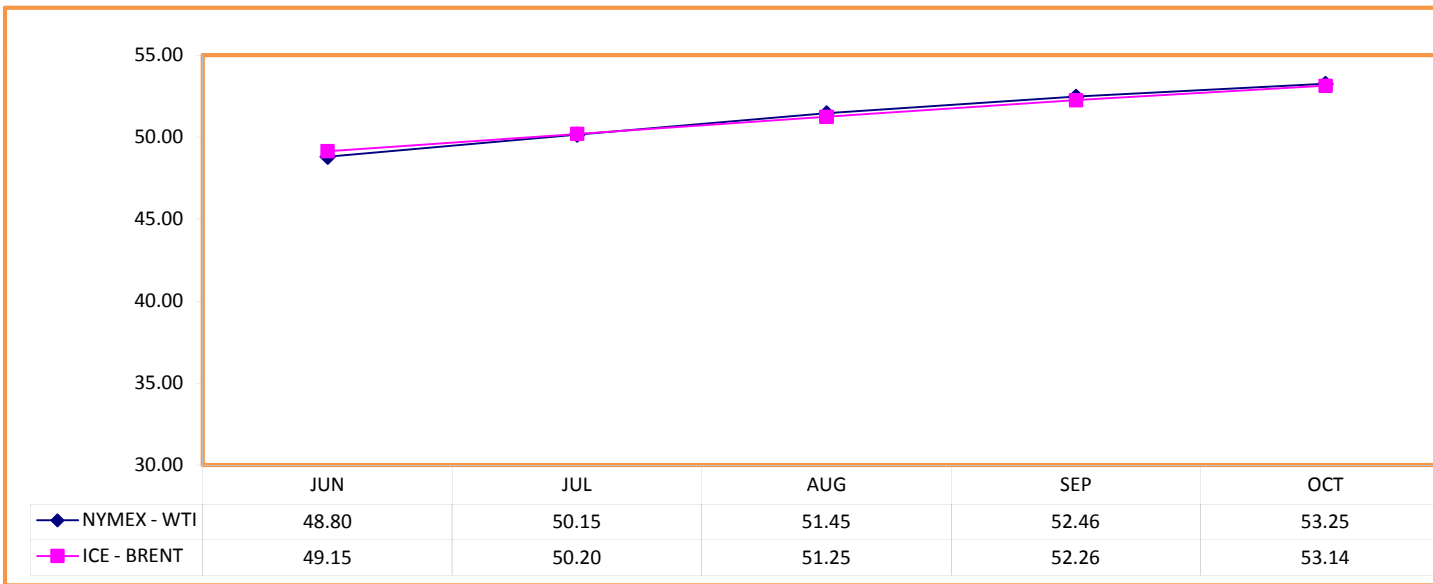
1) Custom Calendars 2) Options 3) Alerts Economic Calendars

Region North America Country United States Type Energy / Commodities
 Date 04/28/09 05:16:27 United States: Energy / Commodities

| | Date | Time A M | Event | Period | Survey | Actual | Prior | Revised |
|-----|-------|----------|---|--------|--------|--------|--------|---------|
| 11) | 04/21 | 15:30 | API U.S. Crude Oil Inventories | APR 17 | -- | -1008K | 6509K | -- |
| 12) | 04/21 | 15:30 | API U.S. Gasoline Inventories | APR 17 | -- | 107K | -613K | -- |
| 13) | 04/21 | 15:30 | API U.S. Distillate Inventory | APR 17 | -- | 458K | 87K | -- |
| 14) | 04/22 | 09:00 | Freeport Executives Review Results: Teleconf. | | | | | |
| 15) | 04/22 | 09:30 | DOE U.S. Crude Oil Inventories | APR 17 | 2500K | 3857K | 5671K | -- |
| 16) | 04/22 | 09:30 | DOE U.S. Gasoline Inventories | APR 17 | -700K | 802K | -944K | -- |
| 17) | 04/22 | 09:30 | DOE U.S. Distillate Inventory | APR 17 | -1000K | 2682K | -1170K | -- |
| 18) | 04/22 | 09:30 | DOE U.S. Heat Oil Inventories | APR 17 | -- | -85K | -659K | -- |
| 19) | 04/22 | 09:30 | DOE U.S. Refinery Utilization | APR 17 | 0.65% | 3.07% | -1.47% | -- |
| 20) | 04/22 | 09:30 | DOE Cushing OK Crude Inventory | APR 17 | -- | 309K | -742K | -- |
| 21) | 04/22 | 09:30 | DOE Crude Oil Implied Demand | APR 17 | -- | 14725 | 14063 | -- |
| 22) | 04/22 | 09:30 | DOE Gasoline Implied Demand | APR 17 | -- | 9281.0 | 9089.0 | -- |
| 23) | 04/22 | 09:30 | DOE Distillate Implied Demand | APR 17 | -- | 3945.0 | 4262.0 | -- |
| 24) | 04/23 | 09:30 | EIA Natural Gas Storage Change | APR 17 | 45 | 46 | 21 | -- |
| 25) | 04/23 | 10:00 | ConocoPhillips Executives Review Results | | | | | |
| 26) | 04/23 | 10:30 | Occidental Executives Review Results: Teleconf. | | | | | |
| 27) | 04/24 | 08:00 | Schlumberger Executives Review Results: Teleconf. | | | | | |
| 28) | 04/24 | 12:00 | Baker Hughes U.S. Rig Count | APR 24 | -- | 955 | 975 | -- |
| 29) | 04/28 | 14:00 | U.S. Steel Executives Review Results: Teleconf. | | | | | |

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.CLAM09 | 48.80 | na | 248,280 | 12,858 | JUN | F.QOM9 | 49.15 | 145,912 | 129,743 | 20,356 | JUN |
| F.CLAN09 | 50.15 | na | 79,964 | 3,578 | JUL | F.QON09 | 50.20 | 127,509 | 56,892 | 8,999 | JUL |
| F.CLAQ09 | 51.45 | na | 21,573 | 877 | AUG | F.QOQ09 | 51.25 | 0 | 26,788 | 3,481 | AUG |
| F.CLAU09 | 52.46 | na | 9,551 | 336 | SEP | F.QOU09 | 52.26 | 0 | 13,263 | 2,281 | SEP |
| F.CLAV09 | 53.25 | na | 5,405 | 138 | OCT | F.QOV09 | 53.14 | 0 | 6,586 | 3 | OCT |
| F.CLAX09 | 55.70 | na | 4,203 | 118 | NOV | F.QOX09 | 54.04 | 0 | 4,415 | 3 | NOV |
| F.CLAZ09 | 55.40 | na | 14,179 | 188 | DEC | F.QOZ09 | 55.02 | 0 | 12,618 | 3 | DEC |
| F.CLAF10 | 57.08 | na | 1,424 | 34 | JAN | F.QOF10 | 55.82 | 0 | 1,345 | 11 | JAN |
| F.CLAG10 | 58.20 | na | 1,100 | 2 | FEB | F.QOG10 | 56.57 | 0 | 524 | 16 | FEB |



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.