

## 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>	50.65	0.73	50.96	49.12	49.25	20,386	289,643	WTI Crude
<b>HOA</b>	135.2	1.43	134.73	132.48	132.63	849	66,656	Heating Oil
<b>RBA</b>	141.91	1.96	142.2	139.05	139.25	1,605	71,650	Unleaded Gas
<b>NGA</b>	34.5	0.1	34.7	34.15	34.69	697	120,858	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) Alert: Economic Calendars

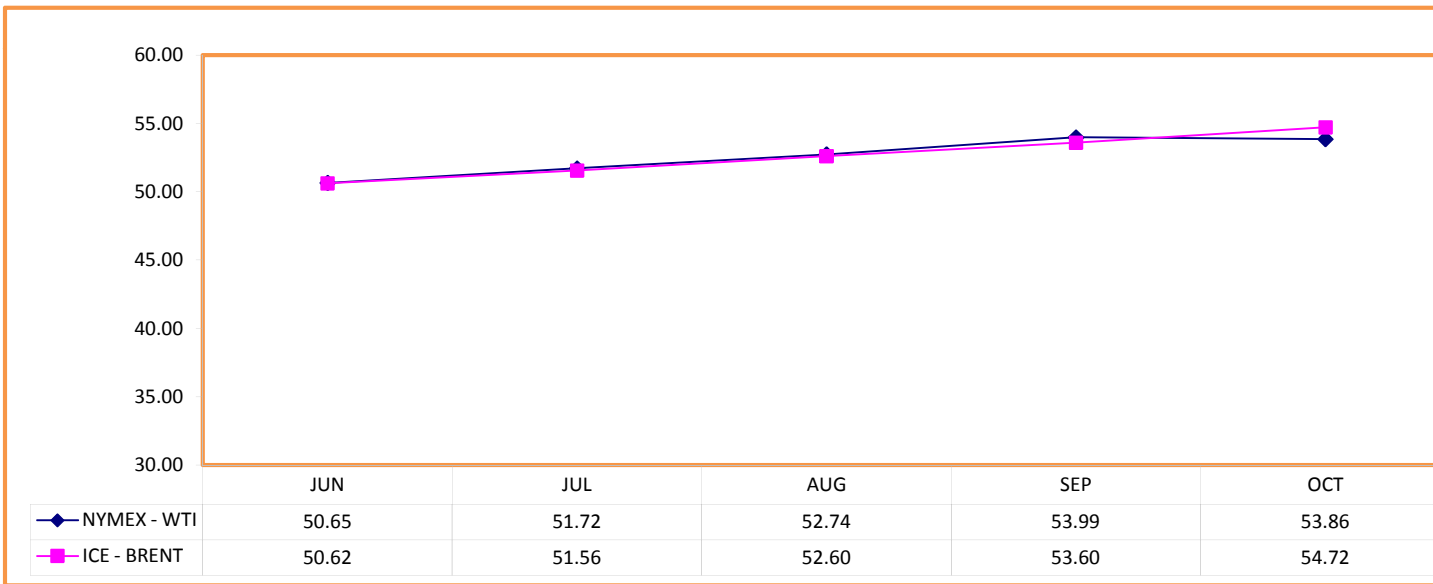
Region North America    Country United States    Type Energy / Commodities

Date 04/29/09    05:15:32    United States: Energy / Commodities

	Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
26)	04/28	14:00	U.S. Steel Executives Review Results: Teleconf.					
27)	04/28	15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	APR 24	--	4584K	-1008K	--
28)	04/28	15:30	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	APR 24	--	-2560K	107K	--
29)	04/28	15:30	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	APR 24	--	1581K	458K	--
30)	04/29	07:30	Baker Hughes Executives Review Results: Teleconf.					
31)	04/29	09:00	Hess Executives Review Results: Teleconference					
32)	04/29	09:30	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	APR 24	1800K	--	3857K	--
33)	04/29	09:30	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	APR 24	200K	--	802K	--
34)	04/29	09:30	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	APR 24	1000K	--	2682K	--
35)	04/29	09:30	<input checked="" type="checkbox"/> DOE U.S. Heat Oil Inventories	APR 24	--	--	-85K	--
36)	04/29	09:30	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	APR 24	0.15%	--	3.07%	--
37)	04/29	09:30	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	APR 24	--	--	309K	--
38)	04/29	09:30	<input checked="" type="checkbox"/> DOE Crude Oil Implied Demand	APR 24	--	--	14725	--
39)	04/29	09:30	<input checked="" type="checkbox"/> DOE Gasoline Implied Demand	APR 24	--	--	9281.0	--
40)	04/29	09:30	<input checked="" type="checkbox"/> DOE Distillate Implied Demand	APR 24	--	--	3945.0	--
41)	04/29	12:00	Southern Executives Review Results: Teleconference					
42)	04/30	09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	APR 24	82	--	46	--
43)	05/01	12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	MAY 1	--	--	955	--
44)	05/05	15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	MAY 1	--	--	4584K	--

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.CLAM09	50.65	na	186,823	17,309	JUN	F.QOM9	50.62	139,003	85,769	21,937	JUN
F.CLAN09	51.72	na	68,904	6,234	JUL	F.QON09	51.56	127,179	44,016	12,380	JUL
F.CLAQ09	52.74	na	22,243	998	AUG	F.QOQ09	52.60	0	21,454	6,534	AUG
F.CLAU09	53.99	na	11,770	209	SEP	F.QOU09	53.60	0	8,623	2,759	SEP
F.CLAV09	53.86	na	4,966	170	OCT	F.QOV09	54.72	0	6,050	250	OCT
F.CLAX09	54.80	na	3,298	372	NOV	F.QOX09	55.35	0	5,347	64	NOV
F.CLAZ09	56.63	na	13,755	546	DEC	F.QOZ09	56.22	0	11,181	588	DEC
F.CLAF10	56.57	na	635	20	JAN	F.QOF10	57.03	0	938	13	JAN
F.CLAG10	57.56	na	461	2	FEB	F.QOG10	57.15	0	484	1	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.