

## 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>	70.74	1.29	70.95	69.09	69.3	42,545	710,072	WTI Crude
<b>HOA</b>	185.76	2.51	186.23	182.56	183.21	1,330	78,426	Heating Oil
<b>RBA</b>	203.05	1.79	203.59	201	201.26	1,098	82,003	Unleaded Gas
<b>NGA</b>	37.22	0.69	37.23	35.96	36.32	3,085	136,682	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  
 NO SCHEDULED EVENT FOR TODAY, 9<GO> to set as default calendar

Custom Calendar
2) Settings
3) Alerts
4) Export
Economic Calendars

Region North America
 Country United States
 Type Energy / Commodities
🇺🇸

Date 08/03/09
05:22:39
United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
35)	08/04	15:30	☒	API U.S. Crude Oil Inventories	JUL 31	-	-	4067K	-
36)	08/04	15:30	☒	API U.S. Gasoline Inventories	JUL 31	-	-	-47K	-
37)	08/04	15:30	☒	API U.S. Distillate Inventory	JUL 31	-	-	116K	-
38)	08/05	09:30	☒	DOE U.S. Crude Oil Inventories	JUL 31	-	-	5152K	-
39)	08/05	09:30	☒	DOE U.S. Gasoline Inventories	JUL 31	-	-	-2315K	-
40)	08/05	09:30	☒	DOE U.S. Distillate Inventory	JUL 31	-	-	2108K	-
41)	08/05	09:30	☒	DOE U.S. Heat Oil Inventories	JUL 31	-	-	270K	-
42)	08/05	09:30	☒	DOE U.S. Refinery Utilization	JUL 31	-	-	-1.27%	-
43)	08/05	09:30	☒	DOE Cushing OK Crude Inventory	JUL 31	-	-	1310K	-
44)	08/05	09:30	☒	DOE No.2 Heat Oil Inventories	JUL 31	-	-	46431K	-
45)	08/05	09:30	☒	DOE Crude Oil Implied Demand	JUL 31	-	-	14395	-
46)	08/05	09:30	☒	DOE Gasoline Implied Demand	JUL 31	-	-	9326.0	-
47)	08/05	09:30	☒	DOE Distillate Implied Demand	JUL 31	-	-	3940.0	-
48)	08/06	09:30	☒	EIA Natural Gas Storage Change	JUL 31	-	-	71	-
49)	08/07	12:00	☒	Baker Hughes U.S. Rig Count	AUG 7	-	-	948	-
50)	08/11		☒	DOE Short-Term Crude Outlook	AUG	-	-	72.42	-
51)	08/11		☒	DOE Short-Term Diesel Outlook	AUG	-	-	2.79	-
52)	08/11		☒	DOE Short-Term Ht Oil Outlook	AUG	-	-	2.80	-
53)	08/11		☒	DOE Short-Term NatGas Outlook	AUG	-	-	11.63	-

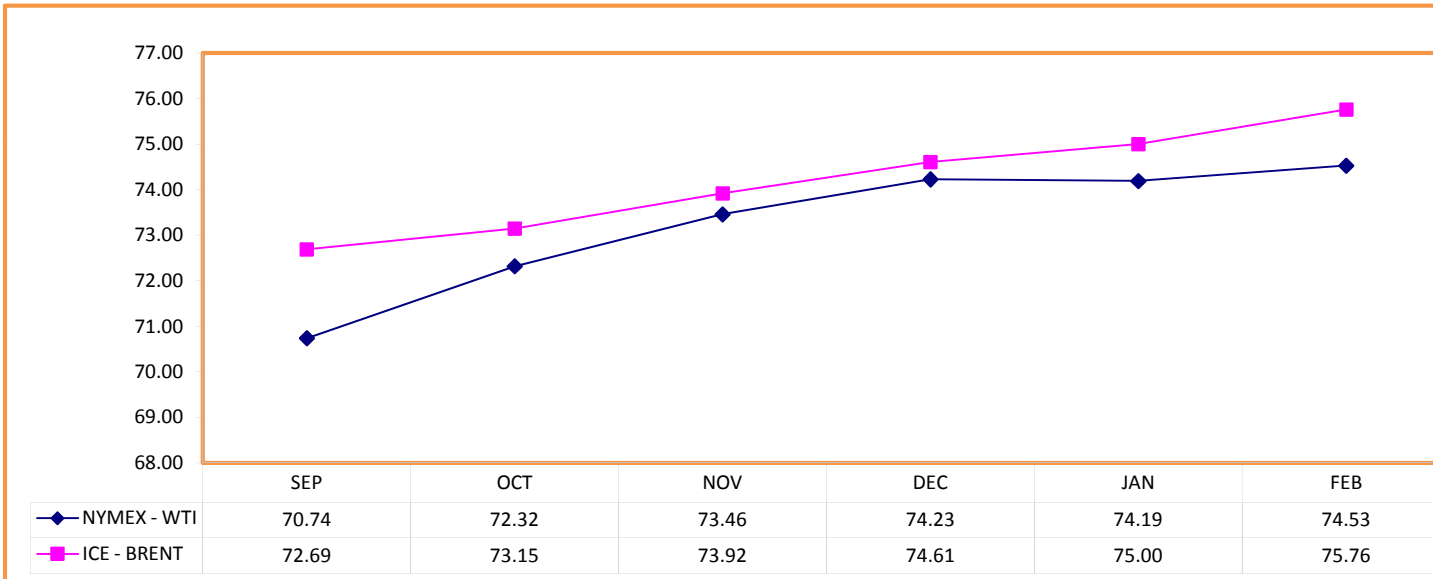
Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.  
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**NYMEX - WTI**

	Last	Yest. Open	Yest. Int Volume	Yest. Volume	Today's Volume	Contract Month
F.CLAU09	70.74	na	400,836	29,498		SEP
F.CLAV09	72.32	na	107,642	12,468		OCT
F.CLAX09	73.46	na	45,281	5,667		NOV
F.CLAZ09	74.23	na	73,039	6,205		DEC
F.CLAF10	74.19	na	11,612	387		JAN
F.CLAG10	74.53	na	5,700	38		FEB

**ICE - BRENT**

	Last	Yest. Open	Yest. Int Volume	Yest. Volume	Today's Volume	Contract Month
F.QOU09	72.69	117,839	141,109	22,045		SEP
F.QOV09	73.15	0	85,135	15,953		OCT
F.QOX09	73.92	0	33,955	6,311		NOV
F.QOZ09	74.61	0	33,823	7,144		DEC
F.QOF10	75.00	0	4,977	27		JAN
F.QOG10	75.76	0	2,130	17		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.