

## 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>	71.13	-0.29	71.87	70.85	71.82	19,404	493,389	WTI Crude
<b>HOA</b>	189.7	-0.44	191.2	189.66	190.75	830	73,117	Heating Oil
<b>RBA</b>	203.99	-1.68	205.6	203.75	205.2	1,993	76,096	Unleaded Gas
<b>NGA</b>	39.7	-0.31	40	38.94	39.82	2,607	184,012	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. ComdyECO  
 9<GO> to set as default calendar

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

Region North America Country United States Type Energy / Commodities   
 Date 08/05/09 05:17:29 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
30)	08/04	15:30		API U.S. Crude Oil Inventories	JUL 31	- -	-1518K	4067K	- -
31)	08/04	15:30		API U.S. Gasoline Inventories	JUL 31	- -	2091K	-47K	- -
32)	08/04	15:30		API U.S. Distillate Inventory	JUL 31	- -	-1043K	116K	- -
33)	08/05	07:30		Baker Hughes Executives Review Results: Teleconf.					
34)	08/05	09:30		DOE U.S. Crude Oil Inventories	JUL 31	600K	- -	5152K	- -
35)	08/05	09:30		DOE U.S. Gasoline Inventories	JUL 31	-800K	- -	-2315K	- -
36)	08/05	09:30		DOE U.S. Distillate Inventory	JUL 31	1225K	- -	2108K	- -
37)	08/05	09:30		DOE U.S. Heat Oil Inventories	JUL 31	- -	- -	270K	- -
38)	08/05	09:30		DOE U.S. Refinery Utilization	JUL 31	-0.20%	- -	-1.27%	- -
39)	08/05	09:30		DOE Cushing OK Crude Inventory	JUL 31	- -	- -	1310K	- -
40)	08/05	09:30		DOE No.2 Heat Oil Inventories	JUL 31	- -	- -	46431K	- -
41)	08/05	09:30		DOE Crude Oil Implied Demand	JUL 31	- -	- -	14395	- -
42)	08/05	09:30		DOE Gasoline Implied Demand	JUL 31	- -	- -	9326.0	- -
43)	08/05	09:30		DOE Distillate Implied Demand	JUL 31	- -	- -	3940.0	- -
44)	08/06	09:30		EIA Natural Gas Storage Change	JUL 31	61	- -	71	- -
45)	08/07	12:00		Baker Hughes U.S. Rig Count	AUG 7	- -	- -	948	- -
46)	08/11			DOE Short-Term Crude Outlook	AUG	- -	- -	72.42	- -
47)	08/11			DOE Short-Term Diesel Outlook	AUG	- -	- -	2.79	- -
48)	08/11			DOE Short-Term Ht Oil Outlook	AUG	- -	- -	2.80	- -

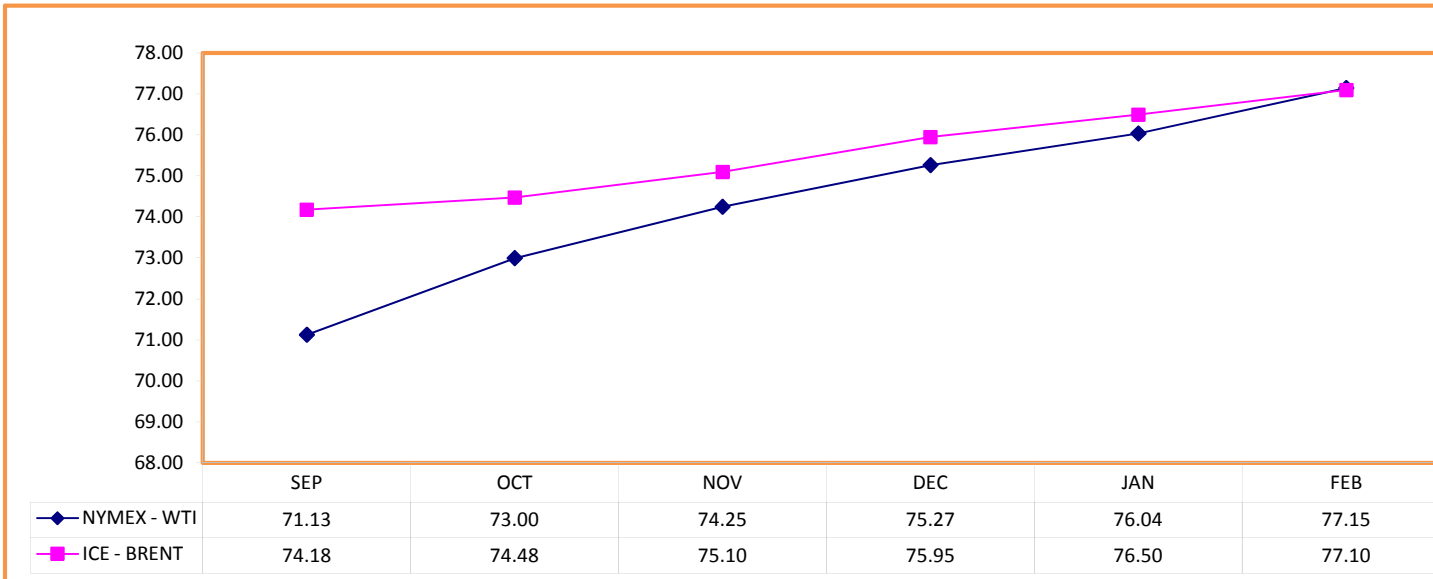
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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.  
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**NYMEX - WTI**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAU09	71.13	na	264,953	13,220	SEP
F.CLAV09	73.00	na	83,809	3,154	OCT
F.CLAX09	74.25	na	38,789	1,394	NOV
F.CLAZ09	75.27	na	46,597	1,152	DEC
F.CLAF10	76.04	na	6,911	16	JAN
F.CLAG10	77.15	na	4,044	61	FEB
F.CLAH10	77.87	na	2,719	2	MAR

**ICE - BRENT**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOU09	74.18	101,547	93,958	17,877	SEP
F.QOV09	74.48	157,153	52,912	13,349	OCT
F.QOX09	75.10	0	27,980	3,069	NOV
F.QOZ09	75.95	0	29,076	4,040	DEC
F.QOF10	76.50	0	4,604	487	JAN
F.QOG10	77.10	0	2,767	109	FEB
F.QOH10	77.74	0	1,896	54	MAR



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.