

## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

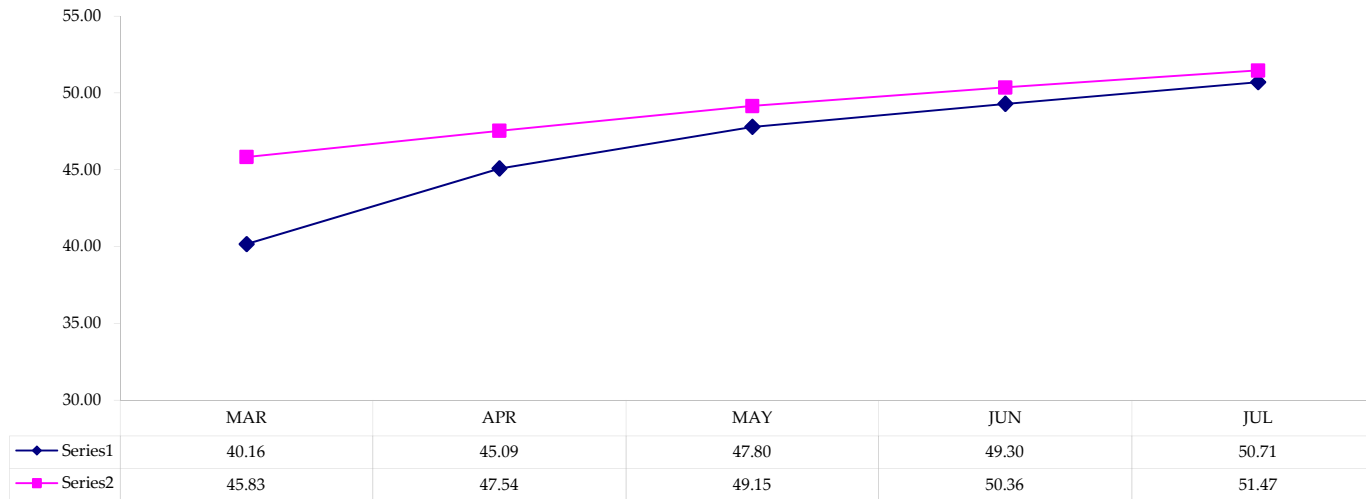
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	40.16	-1.01	41.07	40.05	41	17,116	407,743	WTI Crude
<b>HOA</b>	134.9500	-1.7700	136.57	134.62	136.25	1,551	56,955	Heating Oil
<b>RBA</b>	125	-2.48	127.06	124.5	126.9	1,762	54,993	Unleaded Gas
<b>NGA</b>	46.26	-0.1600	46.77	46	46.55	334	137,443	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**

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.CLAH09	40.16	0.00	203,429	14,362	MAR	F.QOH09	45.83	97,328	93,619	16,472	MAR
F.CLAJ09	45.09				APR	F.QOJ09	47.54				APR
F.CLAK09	47.80	0.00	32,340	2,382	MAY	F.QOK09	49.15	83,047	41,740	9,766	MAY
F.CLAM09	49.30	0.00	24,500	155	JUN	F.QOM09	50.36	46,229		5,229	JUN
F.CLAN09	50.71	0.00	9,816	335	JUL	F.QON09	51.47	21,472	5,150	924	JUL
F.CLAQ09	52.50	0.00	5,449	50	AUG	F.QOQ09	52.24	16,294	3,266	818	AUG
F.CLAU09	52.70	0.00	4,005	22	SEP	F.QOU09	52.95	13,427	2,890	894	SEP
F.CLAV09	53.60	0.00	3,541	74	OCT	F.QOV09	53.56	11,406	1,758	1,427	OCT
F.CLAX09	54.10	0.00	4,062	70	NOV	F.QOX09	54.13	12,661	1,430	1,124	NOV



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.