

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	37.94	0.39	38.44	37.67	38.15	15,285	635,731	WTI Crude
HOA	131.2500	1.1100	131.91	130.55	131.25	1,016	92,526	Heating Oil
RBA	127.7	3.31	127.7	126.07	127	2,378	98,264	Unleaded Gas
NGA	45.54	0.1100	45.63	45.12	45.21	1,479	172,146	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. Index **ECO**
 9<GO> to restore original defaults

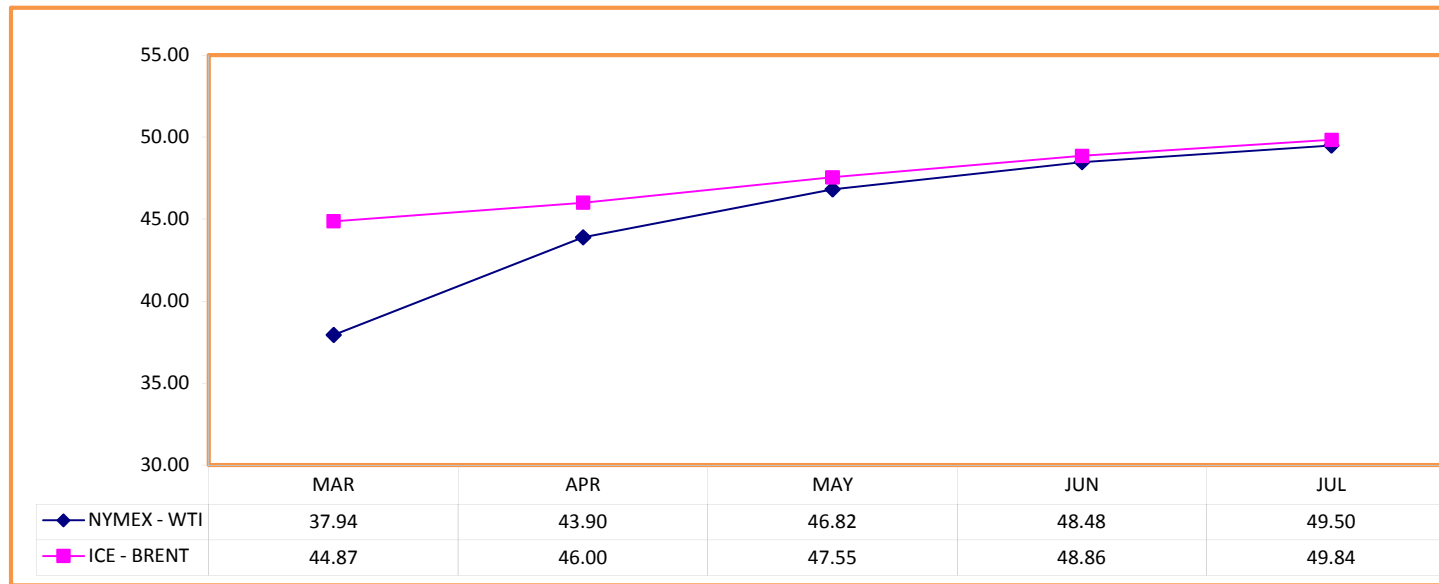
1) Custom Calendars 2) Options Economic Calendars

Region **North America** Country **United States** Type **Energy / Commodities** 
 Date **02/11/09** 05:14:09 **United States: Energy / Commodities**

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
31)	02/11	09:30	☒	DOE U.S. Crude Oil Inventories	FEB 6	2750K	--	7170K	--
32)	02/11	09:30	☒	DOE U.S. Gasoline Inventories	FEB 6	500K	--	362K	--
33)	02/11	09:30	☒	DOE U.S. Distillate Inventory	FEB 6	-1500K	--	-1361K	--
34)	02/11	09:30	☒	DOE U.S. Refinery Utilization	FEB 6	0.00%	--	1.03%	--
35)	02/11	09:30	☒	DOE Cushing OK Crude Inventory	FEB 6	--	--	832K	--
36)	02/11	09:30	☒	DOE Crude Oil Implied Demand	FEB 6	--	--	14248K	--
37)	02/11	09:30	☒	DOE Gasoline Implied Demand	FEB 6	--	--	9154K	--
38)	02/11	09:30	☒	DOE Distillate Implied Demand	FEB 6	--	--	4540K	--
39)	02/12	09:30	☒	EIA Natural Gas Storage Change	FEB 6	-165	--	-195	--
40)	02/13	12:00	☒	Baker Hughes U.S. Rig Count	FEB 13	--	--	1399	--
41)	02/18	15:30	☒	API U.S. Crude Oil Inventories	FEB 13	--	--	-1996K	--
42)	02/18	15:30	☒	API U.S. Gasoline Inventories	FEB 13	--	--	-2923K	--
43)	02/18	15:30	☒	API U.S. Distillate Inventory	FEB 13	--	--	853K	--
44)	02/19	09:30	☒	DOE Crude Oil Implied Demand	FEB 13	--	--	--	--
45)	02/19	09:30	☒	DOE Gasoline Implied Demand	FEB 13	--	--	--	--
46)	02/19	09:30	☒	DOE Distillate Implied Demand	FEB 13	--	--	--	--
47)	02/19	09:30	☒	EIA Natural Gas Storage Change	FEB 13	--	--	--	--
48)	02/19	10:00	☒	DOE U.S. Crude Oil Inventories	FEB 13	--	--	--	--
49)	02/19	10:00	☒	DOE U.S. Gasoline Inventories	FEB 13	--	--	--	--

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.CLAH09	37.94	0.00	311,395	11,973	MAR	F.QOH09	44.87	55,722	114,119	20,462	MAR
F.CLAJ09	43.90				APR	F.QOJ09	46.00				APR
F.CLAK09	46.82	0.00	61,618	1,087	MAY	F.QOK09	47.55	110,427	77,975	15,436	MAY
F.CLAM09	48.48	0.00	32,085	484	JUN	F.QOM09	48.86	47,328		8,518	JUN
F.CLAN09	49.50	0.00	11,020	330	JUL	F.QON09	49.84	21,255	7,414	2,217	JUL
F.CLAQ09	50.75	0.00	6,280	74	AUG	F.QOQ09	50.71	17,256	5,247	638	AUG
F.CLAU09	51.70	0.00	4,747	65	SEP	F.QOU09	51.61	14,515	5,053	571	SEP
F.CLAV09	52.78	0.00	3,499	93	OCT	F.QOV09	52.29	12,102	3,584	511	OCT
F.CLAX09	53.49	0.00	3,412	60	NOV	F.QOX09	52.92	13,126	3,077	493	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.