

## 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

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	€ 37.12	€ (0.39)	€ 38.49	€ 36.40	€ 37.81	92,033	696,606	WTI Crude
<b>HOA</b>	125.8100	-4.1900	€ 130.70	€ 125.49	€ 130.31	11,230	80,398	Heating Oil
<b>RBA</b>	€ 121.20	€ 0.57	€ 122.40	€ 119.00	€ 120.99	9,195	84,529	Unleaded Gas
<b>NGA</b>	€ 42.90	-1.6200	€ 43.22	€ 42.25	€ 43.00	14,449	100,434	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

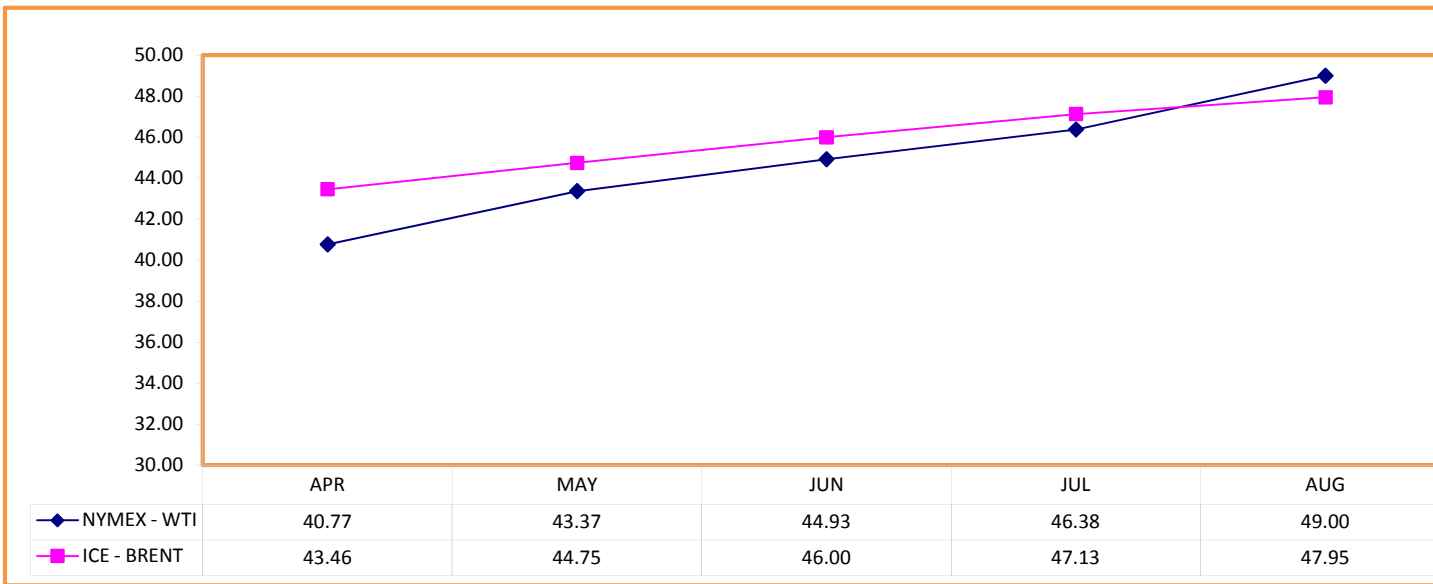
<HELP> for explanation. N161 n ComdtyECO  
 9<GO> to set as default calendar

1) Custom Calendars		2) Options		3) Al		Economic Calendars	
Region	North America	Country	United States	Type	Energy / Commodities	🇺🇸	
Date	02/17/09	05:33:10		United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
31)	02/17 09:00	Transocean Executives Review Results: Teleconf.					
32)	02/18 15:30	⊗ API U.S. Crude Oil Inventories	FEB 13	--	--	-1996K	--
33)	02/18 15:30	⊗ API U.S. Gasoline Inventories	FEB 13	--	--	-2923K	--
34)	02/18 15:30	⊗ API U.S. Distillate Inventory	FEB 13	--	--	853K	--
35)	02/19 09:30	⊗ EIA Natural Gas Storage Change	FEB 13	--	--	-159	--
36)	02/19 10:00	⊗ DOE U.S. Crude Oil Inventories	FEB 13	--	--	4717K	--
37)	02/19 10:00	⊗ DOE U.S. Gasoline Inventories	FEB 13	--	--	-2662K	--
38)	02/19 10:00	⊗ DOE U.S. Distillate Inventory	FEB 13	--	--	-1026K	--
39)	02/19 10:00	⊗ DOE U.S. Refinery Utilization	FEB 13	--	--	-1.94%	--
40)	02/19 10:00	⊗ DOE Cushing OK Crude Inventory	FEB 13	--	--	581K	--
41)	02/19 10:00	⊗ DOE Crude Oil Implied Demand	FEB 13	--	--	14305K	--
42)	02/19 10:00	⊗ DOE Gasoline Implied Demand	FEB 13	--	--	9145K	--
43)	02/19 10:00	⊗ DOE Distillate Implied Demand	FEB 13	--	--	4435K	--
44)	02/20 12:00	⊗ Baker Hughes U.S. Rig Count	FEB 20	--	--	1339	--
45)	02/24 15:30	⊗ API U.S. Crude Oil Inventories	FEB 20	--	--	--	--
46)	02/24 15:30	⊗ API U.S. Gasoline Inventories	FEB 20	--	--	--	--
47)	02/24 15:30	⊗ API U.S. Distillate Inventory	FEB 20	--	--	--	--
48)	02/25 09:30	⊗ DOE U.S. Crude Oil Inventories	FEB 20	--	--	--	--
49)	02/25 09:30	⊗ DOE U.S. Gasoline Inventories	FEB 20	--	--	--	--

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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Spreads - WTI and BRENT

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	37.12	na	281,710	26,050	MAR	F.QOH09	EXPIRED				
F.CLAJ09	40.77	na	212,427	40,481	APR	F.QOJ09	43.46	168,071	43,735	19,338	APR
F.CLAK09	43.37	na	77,939	15,380	MAY	F.QOK09	44.75	133,399	18,564	10,460	MAY
F.CLAM09	44.93	na	43,251	5,641	JUN	F.QOM09	46.00	53,757		3,782	JUN
F.CLAN09	46.38	na	21,073	2,035	JUL	F.QON09	47.13	22,071	2,076	1,401	JUL
F.CLAQ09	49.00	na	8,847	1,239	AUG	F.QOQ09	47.95	16,693	1,020	1,137	AUG
F.CLAU09	48.69	na	10,217	1,213	SEP	F.QOU09	48.60	15,673	721	744	SEP
F.CLAV09	50.85	na	6,096	725	OCT	F.QOV09	49.24	12,076	287	287	OCT
F.CLAX09	50.12	na	4,693	538	NOV	F.QOX09	49.88	13,272	309	264	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.