

## 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>	€ 38.59	€ 1.18	€ 38.93	€ 37.53	€ 37.54	19,493	437,059	WTI Crude
<b>HOA</b>	€ 116.90	€ 2.21	€ 117.60	€ 115.37	€ 116.00	1,400	74,649	Heating Oil
<b>RBA</b>	€ 107.82	€ 1.30	€ 108.20	€ 106.61	€ 106.62	1,157	61,174	Unleaded Gas
<b>NGA</b>	€ 42.64	€ 0.50	€ 42.80	€ 42.28	€ 42.28	685	166,528	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.  
 9<G0> to restore original defaults

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1) Custom Calendars    2) Options    3) Economic Calendars

Region North America    Country United States    Type Energy / Commodities

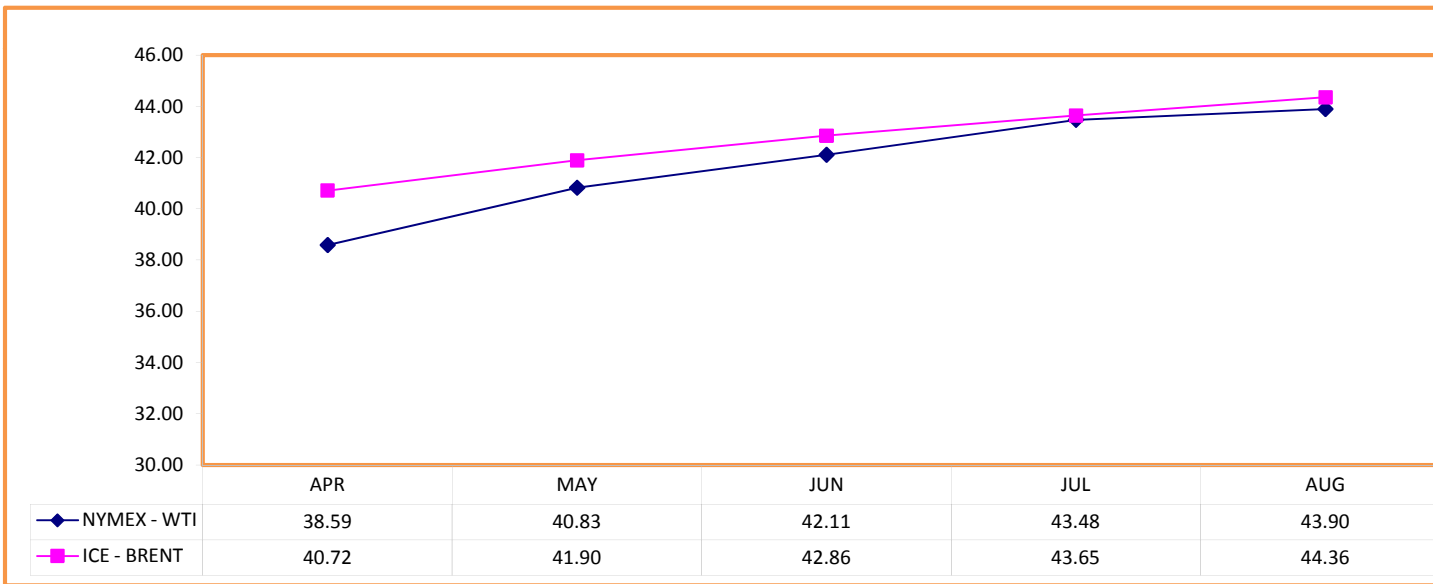
Date 02/19/09    05:14:40    United States: Energy / Commodities

	Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
17)	02/19	09:00	Newmont Mining Executives Review Results					
18)	02/19	09:00	Noble Energy Executives Review Results: Teleconf.					
19)	02/19	09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	FEB 13	-50	--	-159	--
20)	02/19	10:00	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	FEB 13	3200K	--	4717K	--
21)	02/19	10:00	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	FEB 13	-500K	--	-2662K	--
22)	02/19	10:00	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	FEB 13	-1500K	--	-1026K	--
23)	02/19	10:00	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	FEB 13	-0.25%	--	-1.94%	--
24)	02/19	10:00	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	FEB 13	--	--	581K	--
25)	02/19	10:00	<input checked="" type="checkbox"/> DOE Crude Oil Implied Demand	FEB 13	--	--	14305K	--
26)	02/19	10:00	<input checked="" type="checkbox"/> DOE Gasoline Implied Demand	FEB 13	--	--	9145K	--
27)	02/19	10:00	<input checked="" type="checkbox"/> DOE Distillate Implied Demand	FEB 13	--	--	4435K	--
28)	02/19	13:00	Apache Executives Review Results: Teleconference					
29)	02/20	12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	FEB 20	--	--	1339	--
30)	02/24	15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	FEB 20	--	--	1576K	--
31)	02/24	15:30	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	FEB 20	--	--	1645K	--
32)	02/24	15:30	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	FEB 20	--	--	-875K	--
33)	02/25	09:30	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	FEB 20	--	--	--	--
34)	02/25	09:30	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	FEB 20	--	--	--	--
35)	02/25	09:30	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	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	35.62	na	73,864	1,367	MAR	F.QOH09	EXPIRED			
F.CLAJ09	38.59	na	219,110	11,091	APR	F.QOJ09	40.72	172,588	104,204	21,244
F.CLAK09	40.83	na	82,730	3,682	MAY	F.QOK09	41.90	133,568	59,936	16,857
F.CLAM09	42.11	na	48,672	1,287	JUN	F.QOM09	42.86	58,878		10,829
F.CLAN09	43.48	na	16,375	332	JUL	F.QON09	43.65	22,569	7,870	3,507
F.CLAQ09	43.90	na	5,048	189	AUG	F.QOQ09	44.36	16,608	4,537	2,340
F.CLAU09	44.73	na	6,691	256	SEP	F.QOU09	45.02	16,606	4,412	1,746
F.CLAV09	45.13	na	5,914	302	OCT	F.QOV09	45.60	12,589	3,461	1,085
F.CLAX09	46.78	na	4,119	181	NOV	F.QOX09	46.32	13,632	3,377	788



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.