

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	€ 40.39	€ 0.36	€ 40.80	€ 39.53	€ 39.73	15,742	447,535	WTI Crude
HOA	€ 119.73	€ 0.33	€ 120.66	€ 117.97	€ 118.96	1,105	77,092	Heating Oil
RBA	€ 119.51	€ 0.81	€ 120.09	€ 117.86	€ 118.21	1,731	66,276	Unleaded Gas
NGA	€ 40.40	€ 0.34	€ 40.77	€ 40.10	€ 40.75	1,040	103,122	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

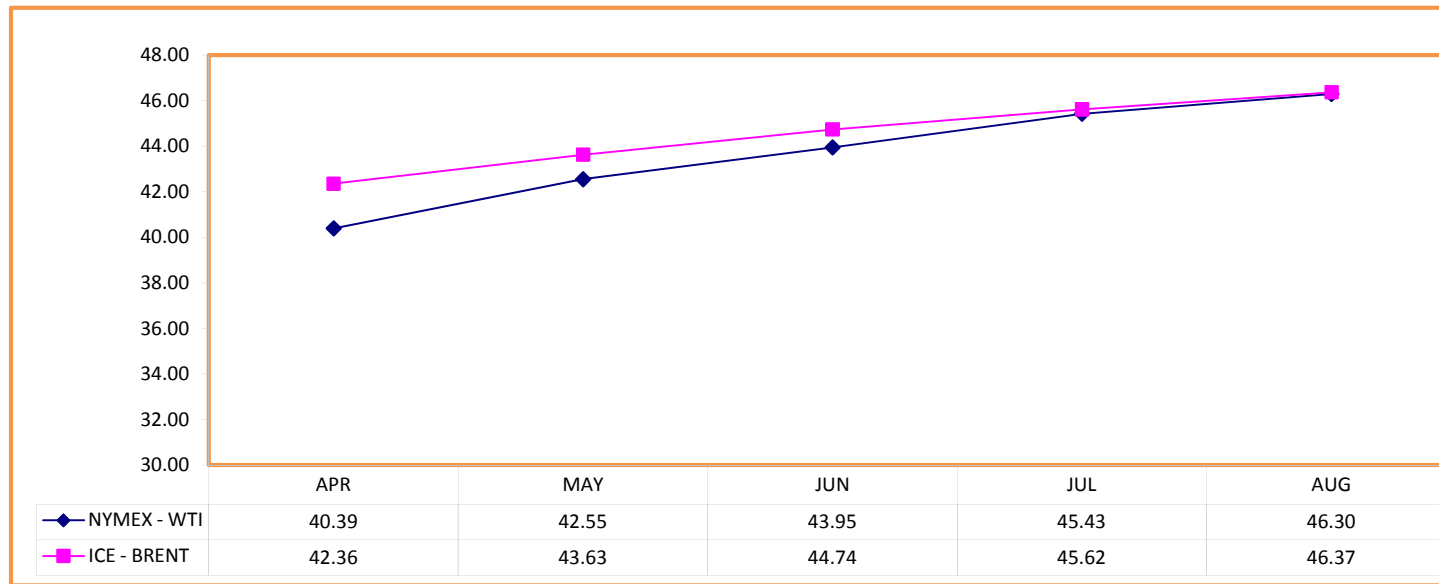
Date 02/19/09 05:14:40 United States: Energy / Commodities

	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.
 H367-55-2 19-Feb-09 5:14:40

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	39.28	na	25,550	0	MAR	F.QOH09	EXPIRED			
F.CLAJ09	40.39	na	244,809	10,409	APR	F.QOJ09	0	100,395	18,857	APR
F.CLAK09	42.55	na	77,046	3,448	MAY	F.QOK09	0	44,395	9,264	MAY
F.CLAM09	43.95	na	36,219	1,114	JUN	F.QOM09	0		4,435	JUN
F.CLAN09	45.43	na	12,022	377	JUL	F.QON09	0	5,868	930	JUL
F.CLAQ09	46.30	na	7,509	60	AUG	F.QOQ09	0	3,855	281	AUG
F.CLAU09	47.07	na	6,624	38	SEP	F.QOU09	0	4,106	191	SEP
F.CLAV09	47.27	na	3,283	25	OCT	F.QOV09	0	3,485	98	OCT
F.CLAX09	48.05	na	2,526	26	NOV	F.QOX09	0	2,539	104	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.