

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	38.58	0.14	38.75	37.65	38.1	14,767	454,756	WTI Crude
HOA	118.15	1.21	118.33	115.1	115.1	1,010	80,277	Heating Oil
RBA	116.77	1.04	117.14	114.75	115.09	842	56,895	Unleaded Gas
NGA	40.49	-0.48	41	39.84	40.67	3,202	140,463	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<G0> to restore original defaults

1) Custom Calendars 2) Options 3) Alerts Economic Calendars

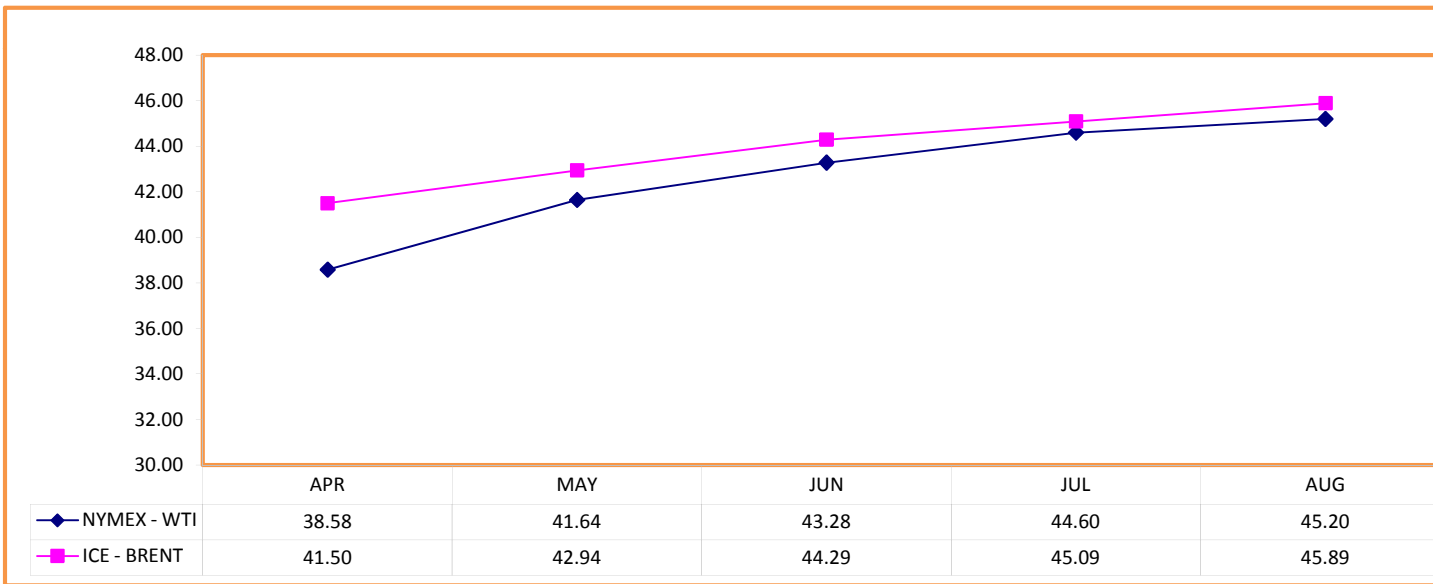
Region North America Country United States Type Energy / Commodities

Date 02/24/09 05:22:02 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
28)	02/24	12:00		Sempra Energy Executives Review Results: Teleconf.					
29)	02/24	13:00		Forest Oil Executives Review Results: Teleconf.					
30)	02/24	15:30		API U.S. Crude Oil Inventories	FEB 20	-	-	1576K	-
31)	02/24	15:30		API U.S. Gasoline Inventories	FEB 20	-	-	1645K	-
32)	02/24	15:30		API U.S. Distillate Inventory	FEB 20	-	-	-875K	-
33)	02/25	09:30		DOE U.S. Crude Oil Inventories	FEB 20	1000K	-	-138K	-
34)	02/25	09:30		DOE U.S. Gasoline Inventories	FEB 20	0K	-	1105K	-
35)	02/25	09:30		DOE U.S. Distillate Inventory	FEB 20	-1500K	-	-813K	-
36)	02/25	09:30		DOE U.S. Refinery Utilization	FEB 20	-0.10%	-	0.72%	-
37)	02/25	09:30		DOE Cushing OK Crude Inventory	FEB 20	-	-	-52K	-
38)	02/25	09:30		DOE Crude Oil Implied Demand	FEB 20	-	-	14136K	-
39)	02/25	09:30		DOE Gasoline Implied Demand	FEB 20	-	-	9046K	-
40)	02/25	09:30		DOE Distillate Implied Demand	FEB 20	-	-	4740K	-
41)	02/26	09:30		EIA Natural Gas Storage Change	FEB 20	-	-	-24	-
42)	02/27	12:00		Baker Hughes U.S. Rig Count	FEB 27	-	-	1300	-
43)	03/03	15:30		API U.S. Crude Oil Inventories	FEB 27	-	-	-	-
44)	03/03	15:30		API U.S. Gasoline Inventories	FEB 27	-	-	-	-
45)	03/03	15:30		API U.S. Distillate Inventory	FEB 27	-	-	-	-
46)	03/04	09:30		DOE U.S. Crude Oil Inventories	FEB 27	-	-	-	-

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					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month		Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAH09	#VALUE!	EXPIRED				F.QOH09		EXPIRED			
F.CLAJ09	38.58	na	253,691	11,260	APR	F.QOJ09	41.50	148,939	110,192	21,465	APR
F.CLAK09	41.64	na	90,826	5,380	MAY	F.QOK09	42.94	135,189	53,663	14,474	MAY
F.CLAM09	43.28	na	38,837	1,227	JUN	F.QOM09	44.29	66,105		8,966	JUN
F.CLAN09	44.60	na	12,729	554	JUL	F.QON09	45.09	22,395	7,474	3,990	JUL
F.CLAQ09	45.20	na	9,029	169	AUG	F.QOQ09	45.89	16,999	4,444	2,270	AUG
F.CLAU09	46.20	na	6,194	256	SEP	F.QOU09	46.60	15,503	5,082	1,698	SEP
F.CLAV09	46.58	na	3,633	177	OCT	F.QOV09	47.30	12,729	2,429	525	OCT
F.CLAX09	47.66	na	3,981	81	NOV	F.QOX09	47.98	13,710	2,001	448	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.