

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	40.35	0.39	40.86	39.4	39.92	17,157	424,918	WTI Crude
HOA	119.9	-0.31	121.17	118.18	119.89	1,004	83,424	Heating Oil
RBA	120.65	1.48	121.25	118.25	119.4	2,293	68,254	Unleaded Gas
NGA	42.31	-0.05	42.5	42.1	42.3	736	159,552	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<GO> to restore original defaults

ComdtyECO

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

Region North America Country United States Type Energy / Commodities

Date 02/25/09 05:18:38 United States: Energy / Commodities

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
33)	02/25	09:30	<input checked="" type="checkbox"/>		DOE U.S. Crude Oil Inventories	FEB 20	1250K	-	-138K	-
34)	02/25	09:30	<input checked="" type="checkbox"/>		DOE U.S. Gasoline Inventories	FEB 20	0K	-	1105K	-
35)	02/25	09:30	<input checked="" type="checkbox"/>		DOE U.S. Distillate Inventory	FEB 20	-1200K	-	-813K	-
36)	02/25	09:30	<input checked="" type="checkbox"/>		DOE U.S. Refinery Utilization	FEB 20	-0.10%	-	0.72%	-
37)	02/25	09:30	<input checked="" type="checkbox"/>		DOE Cushing OK Crude Inventory	FEB 20	-	-	-52K	-
38)	02/25	09:30	<input checked="" type="checkbox"/>		DOE Crude Oil Implied Demand	FEB 20	-	-	14136K	-
39)	02/25	09:30	<input checked="" type="checkbox"/>		DOE Gasoline Implied Demand	FEB 20	-	-	9046K	-
40)	02/25	09:30	<input checked="" type="checkbox"/>		DOE Distillate Implied Demand	FEB 20	-	-	4740K	-
41)	02/26	09:30	<input checked="" type="checkbox"/>		EIA Natural Gas Storage Change	FEB 20	-105	-	-24	-
42)	02/27	12:00	<input checked="" type="checkbox"/>		Baker Hughes U.S. Rig Count	FEB 27	-	-	1300	-
43)	03/03	15:30	<input checked="" type="checkbox"/>		API U.S. Crude Oil Inventories	FEB 27	-	-	341K	-
44)	03/03	15:30	<input checked="" type="checkbox"/>		API U.S. Gasoline Inventories	FEB 27	-	-	-898K	-
45)	03/03	15:30	<input checked="" type="checkbox"/>		API U.S. Distillate Inventory	FEB 27	-	-	1760K	-
46)	03/04	09:30	<input checked="" type="checkbox"/>		DOE U.S. Crude Oil Inventories	FEB 27	-	-	-	-
47)	03/04	09:30	<input checked="" type="checkbox"/>		DOE U.S. Gasoline Inventories	FEB 27	-	-	-	-
48)	03/04	09:30	<input checked="" type="checkbox"/>		DOE U.S. Distillate Inventory	FEB 27	-	-	-	-
49)	03/04	09:30	<input checked="" type="checkbox"/>		DOE U.S. Refinery Utilization	FEB 27	-	-	-	-
50)	03/04	09:30	<input checked="" type="checkbox"/>		DOE Cushing OK Crude Inventory	FEB 27	-	-	-	-
51)	03/04	09:30	<input checked="" type="checkbox"/>		DOE Crude Oil Implied Demand	FEB 27	-	-	-	-

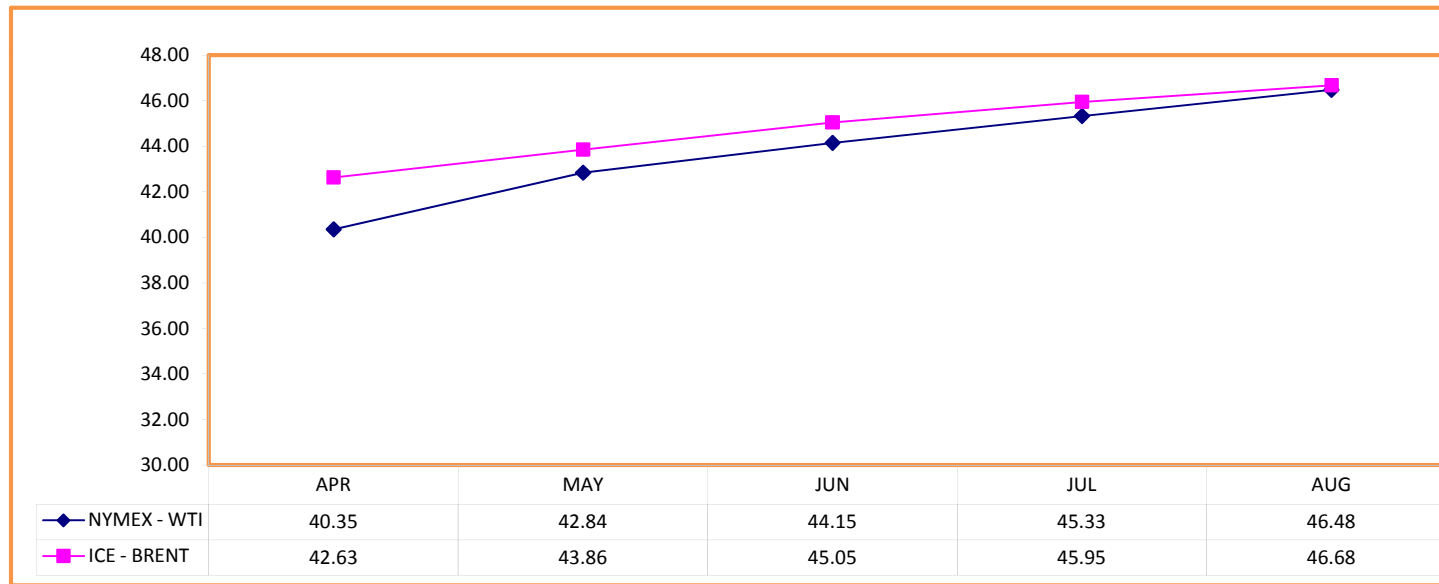
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 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
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NYMEX - WTI

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAJ09	40.35	na	221,188	13,476	APR
F.CLAK09	42.84	na	91,153	6,907	MAY
F.CLAM09	44.15	na	37,363	2,165	JUN
F.CLAN09	45.33	na	12,905	74	JUL
F.CLAQ09	46.48	na	8,176	63	AUG
F.CLAU09	47.01	na	8,317	8	SEP
F.CLAV09	47.97	na	5,707	3	OCT
F.CLAX09	48.86	na	6,550	3	NOV
F.CLAZ09	49.51	na	18,563	241	DEC

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOJ09	42.63	142,696	115,305	19,056	APR
F.QOK09	43.86	142,006	68,298	12,873	MAY
F.QOM09	45.05	70,986		7,431	JUN
F.QON09	45.95	24,927	15,088	1,272	JUL
F.QOQ09	46.68	18,112	8,690	580	AUG
F.QOU09	47.36	15,527	6,932	822	SEP
F.QOV09	48.04	12,676	3,379	735	OCT
F.QOX09	48.72	13,828	3,045	485	NOV
F.QOZ09	49.39	63,553	13,645	1,469	DEC



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.