

## 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>	50.32	1.51	50.47	47.6	48.4	26,551	395,214	WTI Crude
<b>HOA</b>	163.9600	6.3300	164.47	156.23	157	2,318	72,037	Heating Oil
<b>RBA</b>	121.5	3.26	121.9	116.55	117.5	1,141	53,127	Unleaded Gas
<b>NGA</b>	62.07	1.3500	62.07	60.83	60.83	1,087	89,301	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.

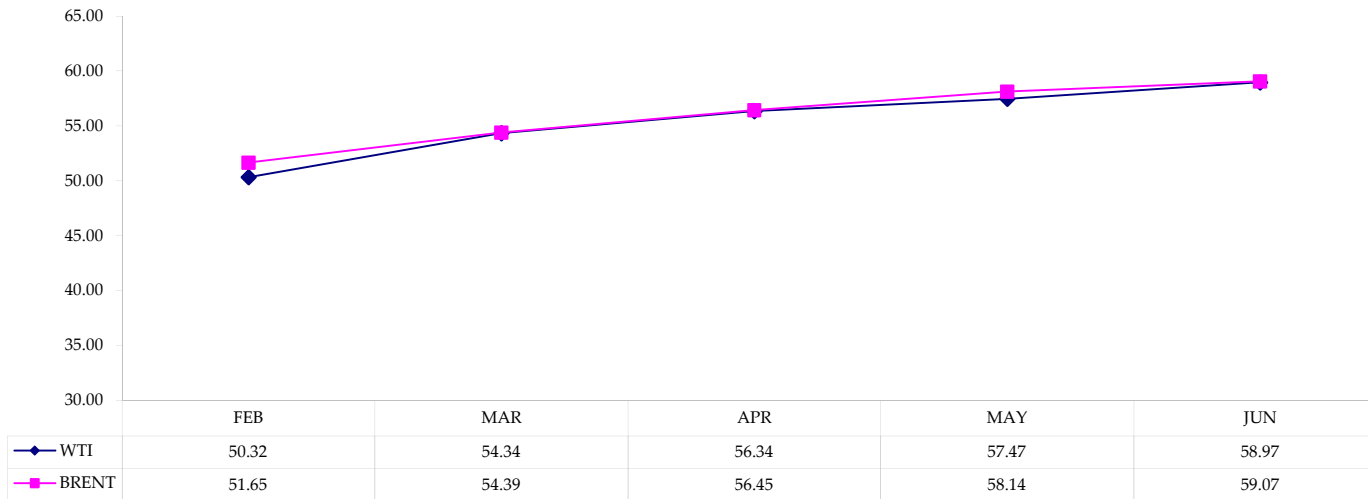
Economic Release Estimates, from Bloomberg

<HELP> for explanation. N310 n Index ECO  
 9<G0> to set as default calendar

1) Custom Calendars		2) Options		3) Alerts		Economic Calendars	
Region	North America	Country	United States	Type	Energy / Commodities		
Date	01/06/09	05:24:21		United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
22)	01/06 13:00	☒ Spending Pulse Gas Demand	JAN 2	--	--	9.13	--
23)	01/07 09:30	☒ DOE U.S. Crude Oil Inventories	JAN 2	1000K	--	549K	--
24)	01/07 09:30	☒ DOE U.S. Gasoline Inventories	JAN 2	1000K	--	808K	--
25)	01/07 09:30	☒ DOE U.S. Distillate Inventory	JAN 2	750K	--	694K	--
26)	01/07 09:30	☒ DOE U.S. Refinery Utilization	JAN 2	0.00%	--	-2.22%	--
27)	01/07 09:30	☒ DOE Cushing OK Crude Inventory	JAN 2	--	--	-541K	--
28)	01/07 09:30	☒ API U.S. Crude Oil Inventories	JAN 2	--	--	7942K	--
29)	01/07 09:30	☒ API U.S. Gasoline Inventories	JAN 2	--	--	1848K	--
30)	01/07 09:30	☒ API U.S. Distillate Inventory	JAN 2	--	--	3852K	--
31)	01/08 09:30	☒ EIA Natural Gas Storage Change	JAN 2	-105	--	-143	--
32)	01/09 12:00	☒ Baker Hughes U.S. Rig Count	JAN 9	--	--	1623	--
33)	01/13 13:00	☒ Spending Pulse Gas Demand	JAN 9	--	--	--	--
34)	01/14 09:30	☒ DOE U.S. Crude Oil Inventories	JAN 9	--	--	--	--
35)	01/14 09:30	☒ DOE U.S. Gasoline Inventories	JAN 9	--	--	--	--
36)	01/14 09:30	☒ DOE U.S. Distillate Inventory	JAN 9	--	--	--	--
37)	01/14 09:30	☒ DOE U.S. Refinery Utilization	JAN 9	--	--	--	--
38)	01/14 09:30	☒ DOE Cushing OK Crude Inventory	JAN 9	--	--	--	--
39)	01/14 09:30	☒ API U.S. Crude Oil Inventories	JAN 9	--	--	--	--
40)	01/14 09:30	☒ API U.S. Gasoline Inventories	JAN 9	--	--	--	--

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 2008 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.CLAG09	50.32	0.00	228,728	21,363	FEB	F.QOG09	51.65	92,580	109,469	28,344	FEB
F.CLAH09	54.34	0.00	74,688	8,196	MAR	F.QOH09	54.39	158,375	84,543	20,195	MAR
F.CLAJ09	56.34	0.00	228,728	21,363	APR	F.QOJ09	56.45	92,580	109,469	28,344	APR
F.CLAK09	57.47	0.00	15,070	998	MAY	F.QOK9	58.14	21,322	12,707	5,110	MAY
F.CLAM09	58.97	0.00	17,794	1,226	JUN	F.QOM9	59.07	38,947	109,469	5,675	JUN
F.CLAN09	59.23	0.00	7,911	693	JUL	F.QON09	59.81	18,787	2,936	2,173	JUL
F.CLAQ09	60.48	0.00	3,296	361	AUG	F.QOQ09	60.22	11,180	2,511	545	AUG
F.CLAU09	58.50	0.00	3,272	178	SEP	F.QOU09	61.05	14,390	2,531	620	SEP
F.CLAV09	58.85	0.00	2,224	120	OCT	F.QOV09	61.83	9,444	1,945	467	OCT
F.CLAX09	60.97	0.00	2,165	178	NOV	F.QOX09	#VALUE!	11,496	1,118	333	NOV
F.CLAZ09	63.15	0.00	10,030	765	DEC	F.QOZ09	63.60	52,023	8,403	2,255	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.