

## 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>	48.53	-0.05	49	47.61	48.41	19,890	500,669	WTI Crude
<b>HOA</b>	163.6700	1.0400	164.78	162	164.78	1,462	88,553	Heating Oil
<b>RBA</b>	118.79	-0.13	120	117.2	118.63	1,264	53,911	Unleaded Gas
<b>NGA</b>	60.27	0.4400	60.5	59.18	59.85	1,452	111,847	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.

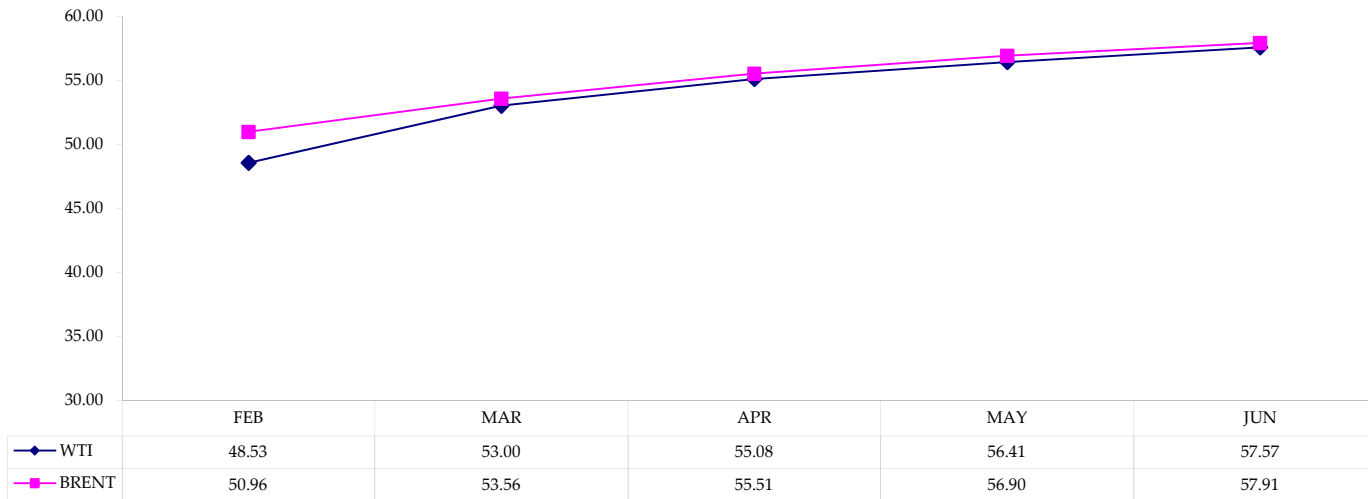
Economic Release Estimates, from Bloomberg

<HELP> for explanation. N310 n Index ECO  
 9<GO> 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					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAG09	48.53	0.00	331,307	12,929	FEB	F.QOG09	50.96	87,238	119,831	20,883	FEB
F.CLAH09	53.00	0.00	183,802	5,635	MAR	F.QOH09	53.56	167,997	87,664	17,532	MAR
F.CLAJ09	55.08	0.00	331,307	12,929	APR	F.QOJ09	55.51	87,238	119,831	20,883	APR
F.CLAK09	56.41	0.00	17,981	775	MAY	F.QOK9	56.90	21,670	22,247	2,906	MAY
F.CLAM09	57.57	0.00	26,524	839	JUN	F.QOM9	57.91	40,594	119,831	3,813	JUN
F.CLAN09	59.10	0.00	11,032	280	JUL	F.QON09	58.79	18,461	8,452	2,422	JUL
F.CLAQ09	60.00	0.00	3,194	117	AUG	F.QOQ09	59.64	11,542	3,703	1,603	AUG
F.CLAU09	60.67	0.00	3,206	50	SEP	F.QOU09	60.33	13,985	3,250	1,016	SEP
F.CLAV09	61.28	0.00	2,970	42	OCT	F.QOV09	61.09	9,465	2,674	791	OCT
F.CLAX09	61.86	0.00	2,570	59	NOV	F.QOX09	61.76	11,534	2,104	438	NOV
F.CLAZ09	62.15	0.00	16,005	116	DEC	F.QOZ09	62.50	53,985	18,411	2,558	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.