

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	43.21	0.58	43.48	42.03	42.63	22,526	551,541	WTI Crude
HOA	158.9900	4.6800	159.17	154.04	155	1,923	108,281	Heating Oil
RBA	109.92	2.28	110.35	107.64	107.64	1,302	73,241	Unleaded Gas
NGA	59.84	1.1200	59.84	58.41	58.49	725	109,153	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 EquityECO
 9<G0> to set as default calendar

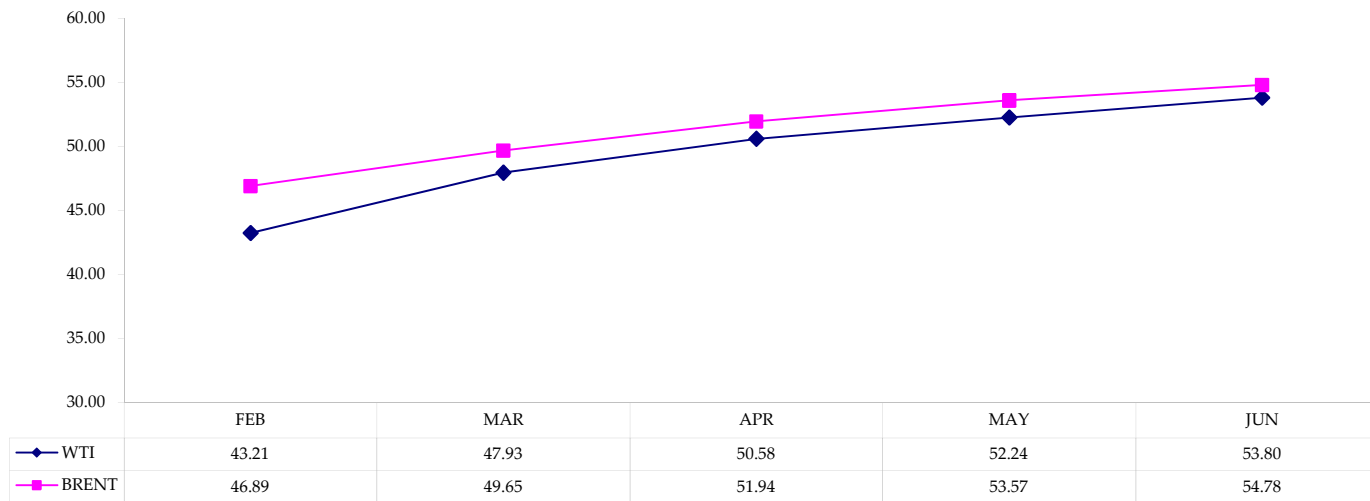
1) Custom Calendars 2) Options 3) All Economic Calendars

Region **North America** Country **United States** Type **Energy / Commodities** 
 Date **01/08/09** 05:17:41 **United States: Energy / Commodities**

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
24)	01/08	09:30			EIA Natural Gas Storage Change	JAN 2	-78	--	-143	--
25)	01/09	12:00			Baker Hughes U.S. Rig Count	JAN 9	--	--	1623	--
26)	01/13	13:00			Spending Pulse Gas Demand	JAN 9	--	--	8.97	--
27)	01/14	09:30			DOE U.S. Crude Oil Inventories	JAN 9	--	--	--	--
28)	01/14	09:30			DOE U.S. Gasoline Inventories	JAN 9	--	--	--	--
29)	01/14	09:30			DOE U.S. Distillate Inventory	JAN 9	--	--	--	--
30)	01/14	09:30			DOE U.S. Refinery Utilization	JAN 9	--	--	--	--
31)	01/14	09:30			DOE Cushing OK Crude Inventory	JAN 9	--	--	--	--
32)	01/14	09:30			API U.S. Crude Oil Inventories	JAN 9	--	--	--	--
33)	01/14	09:30			API U.S. Gasoline Inventories	JAN 9	--	--	--	--
34)	01/14	09:30			API U.S. Distillate Inventory	JAN 9	--	--	--	--
35)	01/14	09:30			DOE Crude Oil Implied Demand	JAN 9	--	--	--	--
36)	01/14	09:30			DOE Gasoline Implied Demand	JAN 9	--	--	--	--
37)	01/14	09:30			DOE Distillate Implied Demand	JAN 9	--	--	--	--
38)	01/15	09:30			EIA Natural Gas Storage Change	JAN 9	--	--	--	--
39)	01/16	12:00			Baker Hughes U.S. Rig Count	JAN 16	--	--	--	--
40)	01/20	13:00			Spending Pulse Gas Demand	JAN 16	--	--	--	--
41)	01/22	10:00			DOE U.S. Crude Oil Inventories	JAN 16	--	--	--	--
42)	01/22	10:00			DOE U.S. Gasoline Inventories	JAN 16	--	--	--	--

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					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
	Open	Volume	Volume	Month		Open	Volume	Volume	Month		
F.CLAG09	43.21	0.00	306,262	15,425	FEB	F.QOG09	46.89	0	130,443	18,969	FEB
F.CLAH09	47.93	0.00	139,807	6,364	MAR	F.QOH09	49.65	0	103,547	16,942	MAR
F.CLAJ09	50.58	0.00	306,262	15,425	APR	F.QOJ09	51.94	0	130,443	18,969	APR
F.CLAK09	52.24	0.00	25,536	496	MAY	F.QOK09	53.57	0	20,914	2,947	MAY
F.CLAM09	53.80	0.00	30,659	380	JUN	F.QOM09	54.78	0	130,443	2,706	JUN
F.CLAN09	54.91	0.00	12,572	192	JUL	F.QON09	55.73	0	10,470	1,866	JUL
F.CLAQ09	55.38	0.00	4,740	60	AUG	F.QOQ09	56.68	0	6,140	2,376	AUG
F.CLAU09	56.11	0.00	3,507	51	SEP	F.QOU09	57.61	0	5,322	1,753	SEP
F.CLAV09	57.00	0.00	2,627	21	OCT	F.QOV09	58.40	0	3,833	1,237	OCT
F.CLAX09	57.93	0.00	3,186	30	NOV	F.QOX09	61.76	0	2,730	646	NOV
F.CLAZ09	59.00	0.00	16,867	148	DEC	F.QOZ09	59.59	0	16,288	1,550	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.