

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	41.32	-0.38	42.7	40.87	42.45	17,381	547,578	WTI Crude
HOA	150.1600	-1.8000	154.67	149.39	153.72	1,020	110,457	Heating Oil
RBA	108.01	-0.81	110.5	107	110.4	1,523	65,766	Unleaded Gas
NGA	55.91	0.0800	56.25	55.55	56.07	357	158,249	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<GO> to set as default calendar

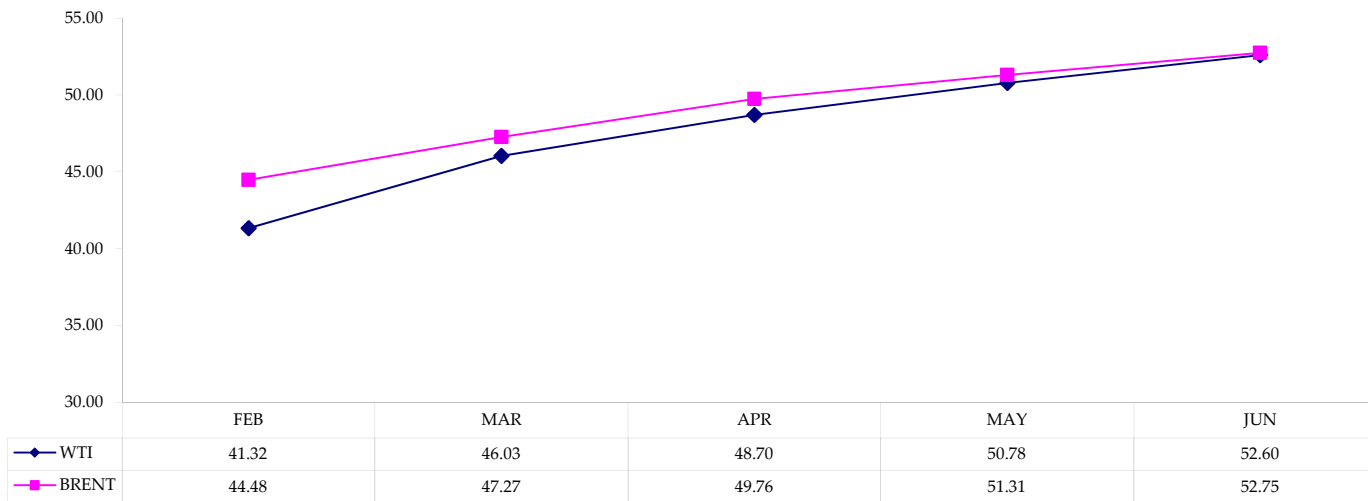
1) Custom Calendars 2) Options 3) All Economic Calendars

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		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAG09	41.32	0.00	277,242	14,203	FEB	F.QOG09	44.48	74,225	118,253	16,751	FEB
F.CLAH09	46.03	0.00	147,548	5,787	MAR	F.QOH09	47.27	164,891	134,670	26,191	MAR
F.CLAJ09	48.70	0.00	277,242	14,203	APR	F.QOJ09	49.76	74,225	118,253	16,751	APR
F.CLAK09	50.78	0.00	20,064	264	MAY	F.QOK9	51.31	25,099	20,827	4,636	MAY
F.CLAM09	52.60	0.00	22,180	1,034	JUN	F.QOM9	52.75	43,602	118,253	2,044	JUN
F.CLAN09	53.43	0.00	10,098	364	JUL	F.QON09	54.22	17,522	11,062	409	JUL
F.CLAQ09	54.85	0.00	4,121	41	AUG	F.QOQ09	55.17	14,636	11,390	182	AUG
F.CLAU09	56.25	0.00	3,437	23	SEP	F.QOU09	56.13	13,439	6,162	120	SEP
F.CLAV09	57.21	0.00	2,741	15	OCT	F.QOV09	56.95	10,221	4,357	305	OCT
F.CLAX09	57.49	0.00	3,076	15	NOV	F.QOX09	58.10	11,633	3,485	454	NOV
F.CLAZ09	57.95	0.00	11,825	200	DEC	F.QOZ09	58.39	53,369	11,848	1,426	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.