

## 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**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	37.53	0.25	37.99	36.13	37.34	29,129	651,299	WTI Crude
<b>HOA</b>	150.2600	3.9500	151.49	144.23	147	1,766	124,191	Heating Oil
<b>RBA</b>	119.24	2.47	119.5	115.1	116.97	1,171	80,603	Unleaded Gas
<b>NGA</b>	50.05	0.3500	50.3	49.25	49.25	1,590	157,256	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. P060 n Corp ECO  
 9<GO> to set as default calendar

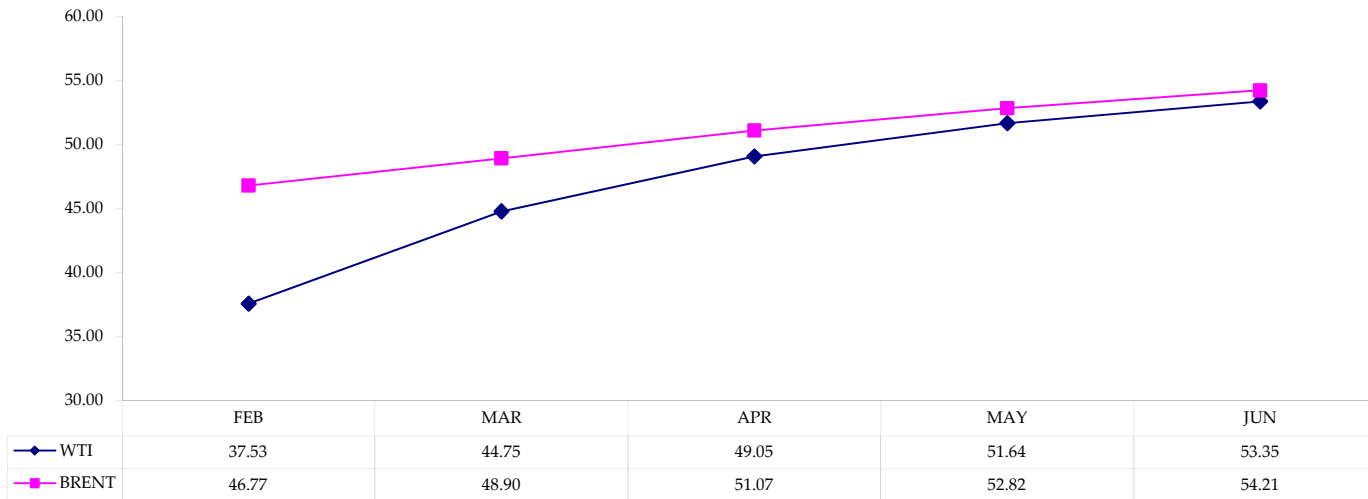
1) Custom Calendars 2) Options Economic Calendars

Region North America Country United States Type Energy / Commodities  
 Date 01/15/09 05:37:30 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
26)	01/15	09:30		EIA Natural Gas Storage Change	JAN 9	-104	-	-	-
27)	01/16	12:00		Baker Hughes U.S. Rig Count	JAN 16	-	-	1589	-
28)	01/20	13:00		Spending Pulse Gas Demand	JAN 16	-	-	8.96	-
29)	01/22	10:00		DOE U.S. Crude Oil Inventories	JAN 16	-	-	1144K	-
30)	01/22	10:00		DOE U.S. Gasoline Inventories	JAN 16	-	-	2068K	-
31)	01/22	10:00		DOE U.S. Distillate Inventory	JAN 16	-	-	6346K	-
32)	01/22	10:00		DOE U.S. Refinery Utilization	JAN 16	-	-	0.66%	-
33)	01/22	10:00		DOE Cushing OK Crude Inventory	JAN 16	-	-	798K	-
34)	01/22	10:00		API U.S. Crude Oil Inventories	JAN 16	-	-	658K	-
35)	01/22	10:00		API U.S. Gasoline Inventories	JAN 16	-	-	3642K	-
36)	01/22	10:00		API U.S. Distillate Inventory	JAN 16	-	-	418K	-
37)	01/22	10:00		DOE Crude Oil Implied Demand	JAN 16	-	-	14483.0	-
38)	01/22	10:00		DOE Gasoline Implied Demand	JAN 16	-	-	8897.0	-
39)	01/22	10:00		DOE Distillate Implied Demand	JAN 16	-	-	3974.0	-
40)	01/23	09:30		EIA Natural Gas Storage Change	JAN 16	-	-	-	-
41)	01/23	12:00		Baker Hughes U.S. Rig Count	JAN 23	-	-	-	-
42)	01/27	13:00		Spending Pulse Gas Demand	JAN 23	-	-	-	-
43)	01/27	15:30		API U.S. Crude Oil Inventories	JAN 23	-	-	-	-
44)	01/27	15:30		API U.S. Gasoline Inventories	JAN 23	-	-	-	-

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 Int	Volume	Volume	Month		Open Int	Volume	Volume	Month		
F.CLAG09	37.53	0.00	252,521	12,606	FEB	F.QOG09	46.77	16,798	53,707	5,670	FEB
F.CLAH09	44.75	0.00	219,363	17,345	MAR	F.QOH09	48.90	168,394	174,326	36,640	MAR
F.CLAJ09	49.05	0.00	252,521	12,606	APR	F.QOJ09	51.07	16,798	53,707	5,670	APR
F.CLAK09	51.64	0.00	32,309	1,491	MAY	F.QOK09	52.82	32,775	28,270	5,437	MAY
F.CLAM09	53.35	0.00	30,333	1,797	JUN	F.QOM09	54.21	47,580	53,707	2,994	JUN
F.CLAN09	55.16	0.00	10,205	510	JUL	F.QON09	55.27	18,586	6,278	932	JUL
F.CLAQ09	56.29	0.00	4,381	317	AUG	F.QOQ09	56.15	14,914	3,725	499	AUG
F.CLAU09	57.15	0.00	3,186	261	SEP	F.QOU09	56.96	14,118	3,107	492	SEP
F.CLAV09	56.20	0.00	3,011	227	OCT	F.QOV09	57.74	10,564	2,590	491	OCT
F.CLAX09	57.30	0.00	2,677	302	NOV	F.QOX09	57.74	12,039	2,282	393	NOV
F.CLAZ09	59.00	0.00	13,240	700	DEC	F.QOZ09	59.09	55,945	10,473	2,646	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.