

## The Morning Email: Oil

### Table of Contents

**Pg 1** Quotes

**Pg 2** Economic Releases

**Pg 3** Spreads - WTI and BRENT

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>	40.28	-2.29	42.63	39.11	42.43	158,863	529,874	WTI Crude
<b>HOA</b>	138.6400	-8.7000	148.65	137.1	146.6	28,761	79,682	Heating Oil
<b>RBA</b>	113.68	-6.19	120.3	113	119.58	21,819	56,727	Unleaded Gas
<b>NGA</b>	46.24	-1.7700	47.61	45.7	47.29	8,817	101,411	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

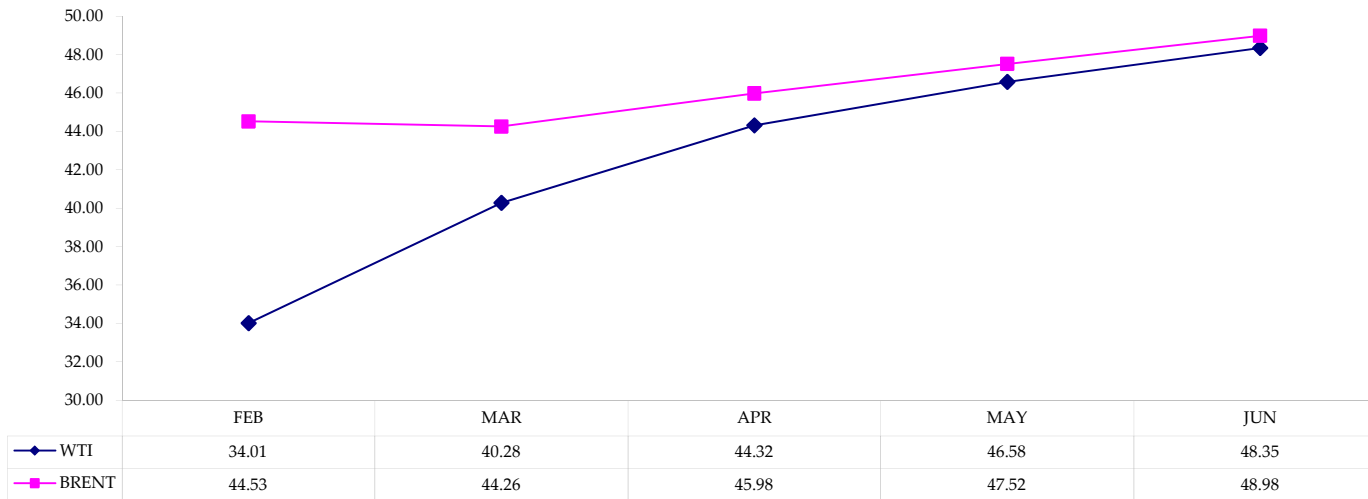
1) Custom Calendars 2) Options Economic Calendars

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		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAG09	34.01	0.00	97,975	9,676	FEB	F.QOG09	44.53				
F.CLAH09	40.28	0.00	258,845	87,138	MAR	F.QOH09	44.26	154,048	69,629	32,678	MAR
F.CLAJ09	44.32	0.00	97,975	9,676	APR	F.QOJ09	45.98				APR
F.CLAK09	46.58	0.00	26,895	11,136	MAY	F.QOK9	47.52	41,773	11,609	6,925	MAY
F.CLAM09	48.35	0.00	28,988	10,544	JUN	F.QOM9	48.98	47,716		4,412	JUN
F.CLAN09	49.26	0.00	9,360	4,116	JUL	F.QON09	50.15	19,828	2,938	1,407	JUL
F.CLAQ09	53.00	0.00	4,755	3,037	AUG	F.QOQ09	51.14	15,827	1,365	627	AUG
F.CLAU09	52.32	0.00	3,574	1,689	SEP	F.QOU09	52.05	14,390	1,150	567	SEP
F.CLAV09	56.10	0.00	1,832	779	OCT	F.QOV09	53.03	10,397	655	572	OCT
F.CLAX09	56.68	0.00	1,821	634	NOV	F.QOX09	53.84	11,850	455	458	NOV
F.CLAZ09	54.50	0.00	16,124	5,134	DEC	F.QOZ09	54.63	55,674	8,143	3,453	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.