

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	42.61	-1.06	43.63	41.93	43.26	14,686	546,622	WTI Crude
HOA	134.2000	-0.3600	135.14	131.62	135.14	1,022	94,375	Heating Oil
RBA	109.55	-2.36	111.28	108	111	1,215	134,697	Unleaded Gas
NGA	46	-0.8100	46.45	45.88	46.37	385	142,313	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.

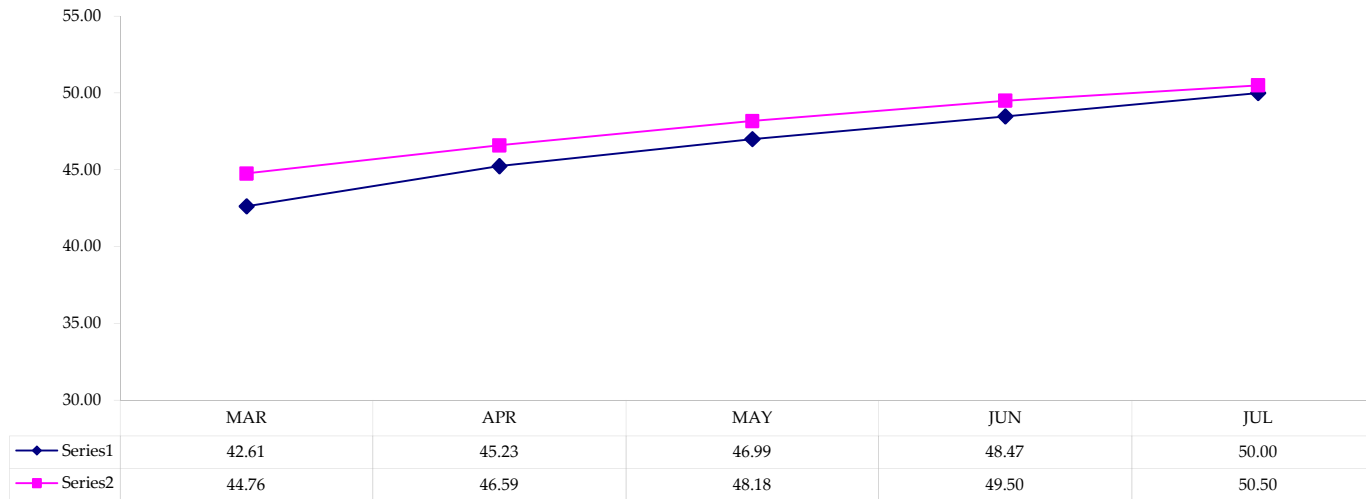
Economic Release Estimates, from Bloomberg

<HELP> for explanation. N310 n Corp ECO
 Screen Printed

1) Custom Calendars		2) Options		Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commodities		
Date	01/23/09		05:25:06	United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
25)	01/23 08:00	Schlumberger Executives Review Results: Teleconf.					
26)	01/23 09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	JAN 16	-175	--	--	--
27)	01/23 12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	JAN 23	--	--	1568	--
28)	01/27 15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	JAN 23	--	--	--	--
29)	01/27 15:30	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	JAN 23	--	--	--	--
30)	01/27 15:30	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	JAN 23	--	--	--	--
31)	01/28 09:30	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	JAN 23	--	--	--	--
32)	01/28 09:30	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	JAN 23	--	--	--	--
33)	01/28 09:30	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	JAN 23	--	--	--	--
34)	01/28 09:30	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	JAN 23	--	--	--	--
35)	01/28 09:30	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	JAN 23	--	--	--	--
36)	01/28 09:30	<input checked="" type="checkbox"/> DOE Crude Oil Implied Demand	JAN 23	--	--	--	--
37)	01/28 09:30	<input checked="" type="checkbox"/> DOE Gasoline Implied Demand	JAN 23	--	--	--	--
38)	01/28 09:30	<input checked="" type="checkbox"/> DOE Distillate Implied Demand	JAN 23	--	--	--	--
39)	01/29 09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	JAN 23	--	--	--	--
40)	01/30 12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	JAN 30	--	--	--	--
41)	02/03 15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	JAN 30	--	--	--	--
42)	02/03 15:30	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	JAN 30	--	--	--	--
43)	02/03 15:30	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	JAN 30	--	--	--	--

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.CLAH09	42.61	0.00	299,188	13,055	MAR	F.QOH09	44.76	148,353	143,531	18,228	MAR
F.CLAJ09	45.23				APR	F.QOJ09	46.59				APR
F.CLAK09	46.99	0.00	36,201	472	MAY	F.QOK09	48.18	49,123	47,929	4,100	MAY
F.CLAM09	48.47	0.00	31,353	248	JUN	F.QOM09	49.50	46,657		3,092	JUN
F.CLAN09	50.00	0.00	12,343	67	JUL	F.QON09	50.50	19,740	8,821	1,325	JUL
F.CLAQ09	50.48	0.00	6,715	42	AUG	F.QOQ09	51.30	15,103	6,155	909	AUG
F.CLAU09	51.01	0.00	5,687	32	SEP	F.QOU09	52.03	13,296	3,772	575	SEP
F.CLAV09	52.45	0.00	5,039	51	OCT	F.QOV09	52.69	11,323	3,424	411	OCT
F.CLAX09	53.38	0.00	4,867	65	NOV	F.QOX09	53.31	11,844	2,908	203	NOV



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.