

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	46.36	0.63	47.49	45.53	45.65	18,938	460,438	WTI Crude
HOA	144.4000	2.1500	146.5	141.59	141.59	968	77,944	Heating Oil
RBA	120.3	1.79	121.84	118.2	118.2	817	72,555	Unleaded Gas
NGA	44.88	-0.0200	45.15	44.75	44.85	843	112,198	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.

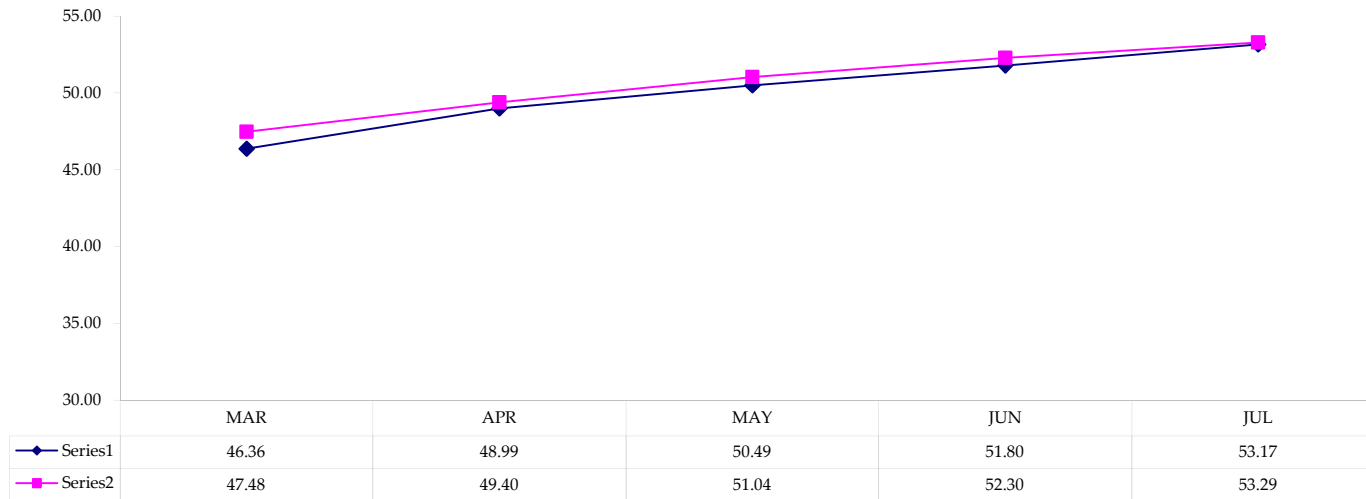
Economic Release Estimates, from Bloomberg

<HELP> for explanation. P060 n ComdtyECO
 9<GO> to set as default calendar

1) Custom Calendars		2) Options		Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commodities		
Date	01/27/09		05:28:06	United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
29)	01/27 15:30	API U.S. Crude Oil Inventories	JAN 23	--	--	--	--
30)	01/27 15:30	API U.S. Gasoline Inventories	JAN 23	--	--	--	--
31)	01/27 15:30	API U.S. Distillate Inventory	JAN 23	--	--	--	--
32)	01/28 09:30	DOE U.S. Crude Oil Inventories	JAN 23	2500K	--	--	--
33)	01/28 09:30	DOE U.S. Gasoline Inventories	JAN 23	2200K	--	--	--
34)	01/28 09:30	DOE U.S. Distillate Inventory	JAN 23	-1250K	--	--	--
35)	01/28 09:30	DOE U.S. Refinery Utilization	JAN 23	-0.60%	--	--	--
36)	01/28 09:30	DOE Cushing OK Crude Inventory	JAN 23	--	--	--	--
37)	01/28 09:30	DOE No.2 Heat Oil Inventories	JAN 23	--	--	--	--
38)	01/28 09:30	DOE Crude Oil Implied Demand	JAN 23	--	--	--	--
39)	01/28 09:30	DOE Gasoline Implied Demand	JAN 23	--	--	--	--
40)	01/28 09:30	DOE Distillate Implied Demand	JAN 23	--	--	--	--
41)	01/29 09:30	EIA Natural Gas Storage Change	JAN 23	--	--	-176	--
42)	01/30 12:00	Baker Hughes U.S. Rig Count	JAN 30	--	--	1515	--
43)	02/03 15:30	API U.S. Crude Oil Inventories	JAN 30	--	--	--	--
44)	02/03 15:30	API U.S. Gasoline Inventories	JAN 30	--	--	--	--
45)	02/03 15:30	API U.S. Distillate Inventory	JAN 30	--	--	--	--
46)	02/04 09:30	DOE U.S. Crude Oil Inventories	JAN 30	--	--	--	--
47)	02/04 09:30	DOE U.S. Gasoline Inventories	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					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month		Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAH09	46.36	0.00	247,405	13,993	MAR	F.QOH09	47.48	141,088	107,577	18,259	MAR
F.CLAJ09	48.99				APR	F.QOJ09	49.40				APR
F.CLAK09	50.49	0.00	31,150	1,582	MAY	F.QOK09	51.04	53,381	25,689	7,495	MAY
F.CLAM09	51.80	0.00	34,249	951	JUN	F.QOM09	52.30	43,185		5,088	JUN
F.CLAN09	53.17	0.00	13,620	323	JUL	F.QON09	53.29	18,972	5,152	1,306	JUL
F.CLAQ09	52.70	0.00	7,486	215	AUG	F.QOQ09	54.10	14,873	3,293	662	AUG
F.CLAU09	54.68	0.00	4,771	111	SEP	F.QOU09	54.85	12,863	2,643	542	SEP
F.CLAV09	54.90	0.00	3,720	84	OCT	F.QOV09	55.54	11,333	1,892	291	OCT
F.CLAX09	55.42	0.00	3,596	101	NOV	F.QOX09	56.18	12,088	1,822	240	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.