

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	41.79	0.35	42.05	41.02	41.65	10,958	390,539	WTI Crude
HOA	144.2100	2.4300	144.29	141.13	141.85	1,242	90,127	Heating Oil
RBA	126.1	1.76	126.7	124.34	124.5	2,599	86,820	Unleaded Gas
NGA	45.71	-0.0700	46.49	45.55	46.07	493	112,077	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

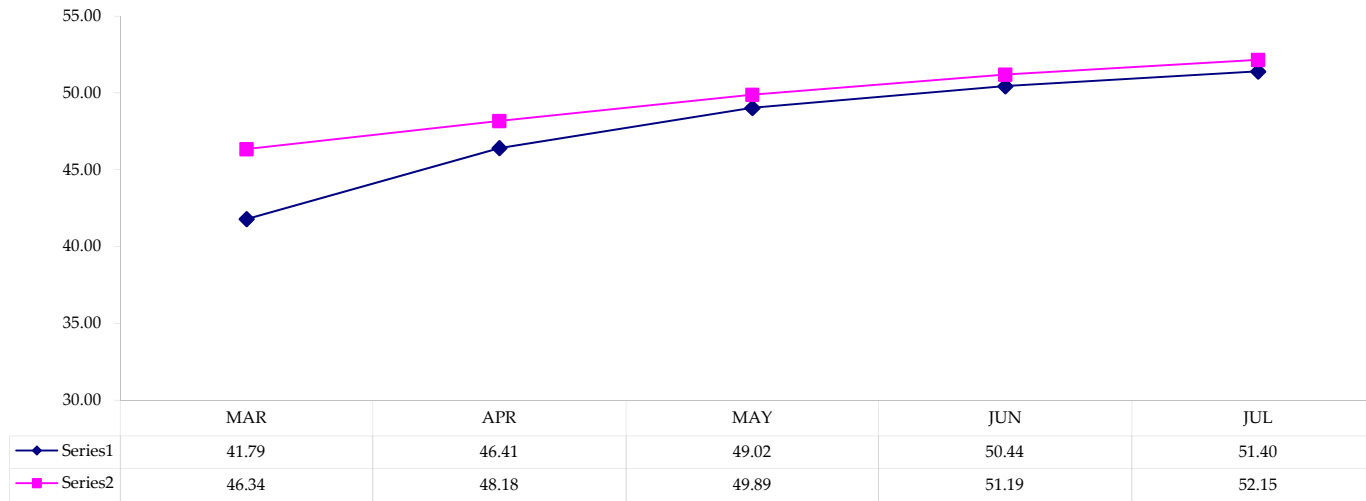
1) Custom Calendars 2) Options Economic Calendars

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	41.79	0.00	214,159	9,756	MAR	F.QOH09	46.34	116,757	119,206	25,197	MAR
F.CLAJ09	46.41				APR	F.QOJ09	48.18				APR
F.CLAK09	49.02	0.00	31,144	569	MAY	F.QOK09	49.89	65,345	36,931	6,994	MAY
F.CLAM09	50.44	0.00	24,082	827	JUN	F.QOM09	51.19	47,731		3,768	JUN
F.CLAN09	51.40	0.00	8,748	152	JUL	F.QON09	52.15	20,230	8,732	1,310	JUL
F.CLAQ09	52.40	0.00	4,916	75	AUG	F.QOQ09	52.92	15,249	5,172	781	AUG
F.CLAU09	53.01	0.00	2,918	82	SEP	F.QOU09	53.67	13,197	4,189	757	SEP
F.CLAV09	53.90	0.00	2,381	87	OCT	F.QOV09	54.29	11,317	2,865	683	OCT
F.CLAX09	54.82	0.00	2,018	92	NOV	F.QOX09	54.85	12,217	2,559	761	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.