

## 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>	71.2	1.31	71.28	70.08	70.45	23,064	477,403	WTI Crude
<b>HOA</b>	180.69	1.92	181.57	179.35	180.2	1,464	92,339	Heating Oil
<b>RBA</b>	193.43	3.23	194	191	191	1,758	74,419	Unleaded Gas
<b>NGA</b>	38.43	0.08	38.87	38.36	38.49	3,116	142,675	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. Index **ECO**  
 9<G0> to set as default calendar

1) Custom Calendar 2) Settings 3) Alerts 4) Export Economic Calendars

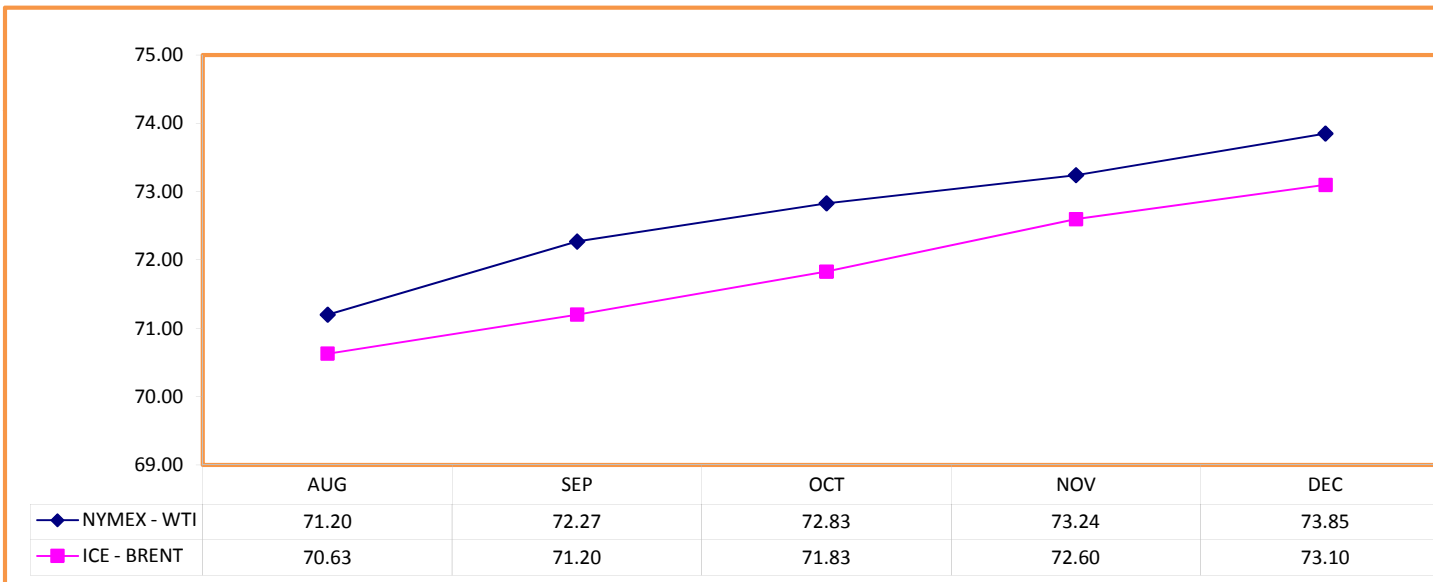
Region North America Country United States Type Energy / Commodities

Date 07/01/09 05:18:41 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
23)	06/30	15:30		API U.S. Crude Oil Inventories	JUN 26	--	-6817K	-72K	--
24)	06/30	15:30		API U.S. Gasoline Inventories	JUN 26	--	209K	3693K	--
25)	06/30	15:30		API U.S. Distillate Inventory	JUN 26	--	723K	2343K	--
26)	07/01	09:30		DOE U.S. Crude Oil Inventories	JUN 26	-2000K	--	-3868K	--
27)	07/01	09:30		DOE U.S. Gasoline Inventories	JUN 26	2000K	--	3871K	--
28)	07/01	09:30		DOE U.S. Distillate Inventory	JUN 26	1500K	--	2077K	--
29)	07/01	09:30		DOE U.S. Heat Oil Inventories	JUN 26	--	--	-101K	--
30)	07/01	09:30		DOE U.S. Refinery Utilization	JUN 26	0.05%	--	1.15%	--
31)	07/01	09:30		DOE Cushing OK Crude Inventory	JUN 26	--	--	-733K	--
32)	07/01	09:30		DOE No.2 Heat Oil Inventories	JUN 26	--	--	40497K	--
33)	07/01	09:30		DOE Crude Oil Implied Demand	JUN 26	--	--	15094	--
34)	07/01	09:30		DOE Gasoline Implied Demand	JUN 26	--	--	9279.0	--
35)	07/01	09:30		DOE Distillate Implied Demand	JUN 26	--	--	4061.0	--
36)	07/02	09:30		EIA Natural Gas Storage Change	JUN 26	70	--	94	--
37)	07/03	12:00		Baker Hughes U.S. Rig Count	JUL 3	--	--	917	--
38)	07/07	15:30		API U.S. Crude Oil Inventories	JUL 3	--	--	-6817K	--
39)	07/07	15:30		API U.S. Gasoline Inventories	JUL 3	--	--	209K	--
40)	07/07	15:30		API U.S. Distillate Inventory	JUL 3	--	--	723K	--
41)	07/08	09:30		DOE U.S. Crude Oil Inventories	JUL 3	--	--	--	--

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.CLAQ09	71.20	na	298,802	19,596	AUG	F.QOQ09	70.63	141,458	166,257	26,740	AUG
F.CLAU09	72.27	na	23,968	2,367	SEP	F.QOU09	71.20	130,970	65,668	15,096	SEP
F.CLAV09	72.83	na	19,985	1,896	OCT	F.QOV09	71.83	62,009	28,549	7,394	OCT
F.CLAX09	73.24	na	8,842	836	NOV	F.QOX09	72.60	28,247	9,594	3,459	NOV
F.CLAZ09	73.85	na	35,527	1,646	DEC	F.QOZ09	73.10	80,761	19,663	3,459	DEC
F.CLAF10	73.13	na	4,168	56	JAN	F.QOF10	73.37	23,429	4,223	834	JAN
F.CLAG10	73.42	na	2,430	41	FEB	F.QOG10	73.78	15,684	2,639	209	FEB



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.