

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	61.15	1.01	61.47	60.34	60.38	23,580	555,515	WTI Crude
HOA	156.3	2.51	156.58	154.54	154.54	2,774	104,231	Heating Oil
RBA	166.63	3.3	167	164.15	164.9	1,739	115,470	Unleaded Gas
NGA	34.49	0.96	34.49	33.71	33.86	3,381	135,608	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. ComdtyECO
 9<GO> to set as default calendar

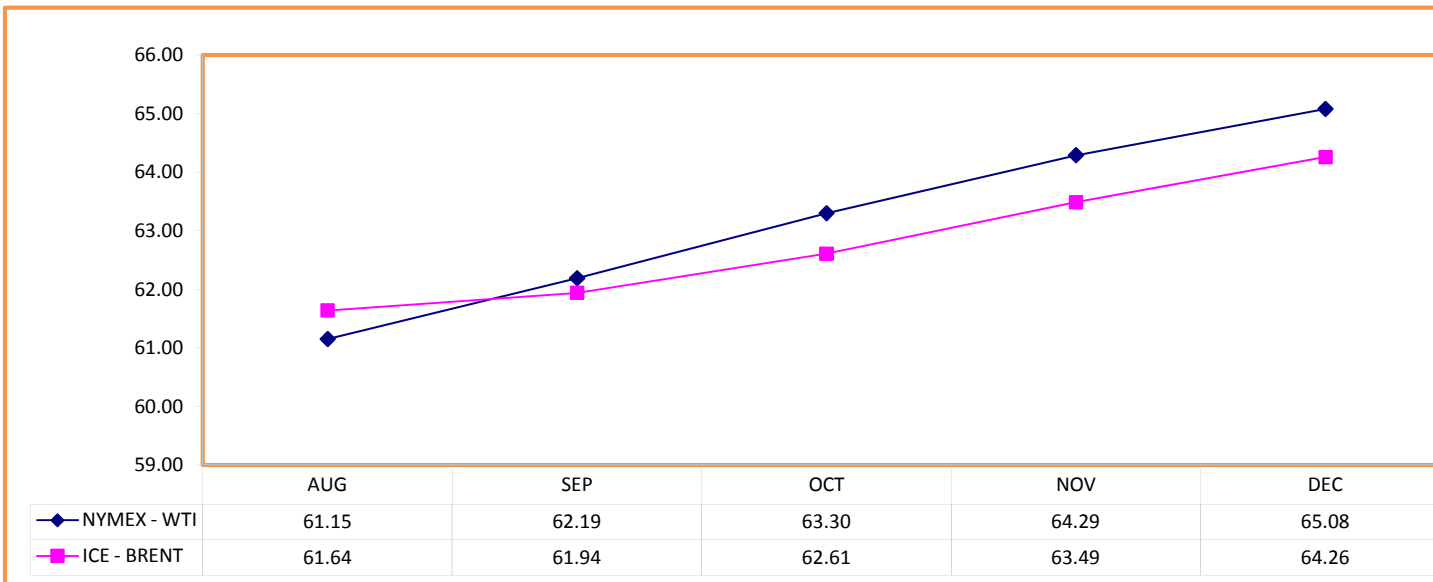
1) Custom Calendar 2) Settings 3) Alerts 4) Export Economic Calendars

Region North America Country United States Type Energy / Commoditie
 Date 07/09/09 05:27:22 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
27)	07/09	09:30		EIA Natural Gas Storage Change	JUL 3	85	- -	70	- -
28)	07/10	12:00		Baker Hughes U.S. Rig Count	JUL 10	- -	- -	928	- -
29)	07/14			DOE Short-Term Crude Outlook	JUL	- -	- -	67.42	- -
30)	07/14			DOE Short-Term Diesel Outlook	JUL	- -	- -	2.67	- -
31)	07/14			DOE Short-Term Ht Oil Outlook	JUL	- -	- -	2.66	- -
32)	07/14			DOE Short-Term NatGas Outlook	JUL	- -	- -	11.38	- -
33)	07/14			DOE Short-Term Mogas Outlook	JUL	- -	- -	2.56	- -
34)	07/14	15:30		API U.S. Crude Oil Inventories	JUL 10	- -	- -	-1398K	- -
35)	07/14	15:30		API U.S. Gasoline Inventories	JUL 10	- -	- -	767K	- -
36)	07/14	15:30		API U.S. Distillate Inventory	JUL 10	- -	- -	3416K	- -
37)	07/15	09:30		DOE U.S. Crude Oil Inventories	JUL 10	- -	- -	-2896K	- -
38)	07/15	09:30		DOE U.S. Gasoline Inventories	JUL 10	- -	- -	1902K	- -
39)	07/15	09:30		DOE U.S. Distillate Inventory	JUL 10	- -	- -	3739K	- -
40)	07/15	09:30		DOE U.S. Heat Oil Inventories	JUL 10	- -	- -	1986K	- -
41)	07/15	09:30		DOE U.S. Refinery Utilization	JUL 10	- -	- -	-0.19%	- -
42)	07/15	09:30		DOE Cushing OK Crude Inventory	JUL 10	- -	- -	1583K	- -
43)	07/15	09:30		DOE No.2 Heat Oil Inventories	JUL 10	- -	- -	45318K	- -
44)	07/15	09:30		DOE Crude Oil Implied Demand	JUL 10	- -	- -	14809	- -
45)	07/15	09:30		DOE Gasoline Implied Demand	JUL 10	- -	- -	9379.0	- -

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	Month		Last	Open Int	Volume	Month		
F.CLAQ09	61.15	na	299,276	AUG	F.QOQ09	61.64	85,027	155,148	AUG		
F.CLAU09	62.19	na	113,374	SEP	F.QOU09	61.94	152,582	118,492	SEP		
F.CLAV09	63.30	na	34,757	OCT	F.QOV09	62.61	76,597	50,668	OCT		
F.CLAX09	64.29	na	16,263	NOV	F.QOX09	63.49	32,064	23,432	NOV		
F.CLAZ09	65.08	na	43,302	DEC	F.QOZ09	64.26	86,252	29,283	DEC		
F.CLAF10	64.72	na	7,330	JAN	F.QOF10	65.16	23,139	5,859	JAN		
F.CLAG10	65.25	na	4,654	FEB	F.QOG10	65.79	15,980	2,654	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.