

The Morning Email: Oil

Table of Contents

Pg 1 Quotes

Pg 2 Economic Releases

Pg 3 Spreads - WTI and BRENT

Want something added? Let me know: jgoulding@ghco.com

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	60.97	-0.57	62.01	60.75	62	42,106	617,775	WTI Crude
HOA	156.44	-1.77	159.69	155.85	159.05	3,077	98,657	Heating Oil
RBA	168.9	-1.91	171.9	168.5	171.58	1,128	102,274	Unleaded Gas
NGA	32.96	0.13	33.04	32.5	32.96	2,257	278,160	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. Govt **ECO**
 9<GO> to set as default calendar

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

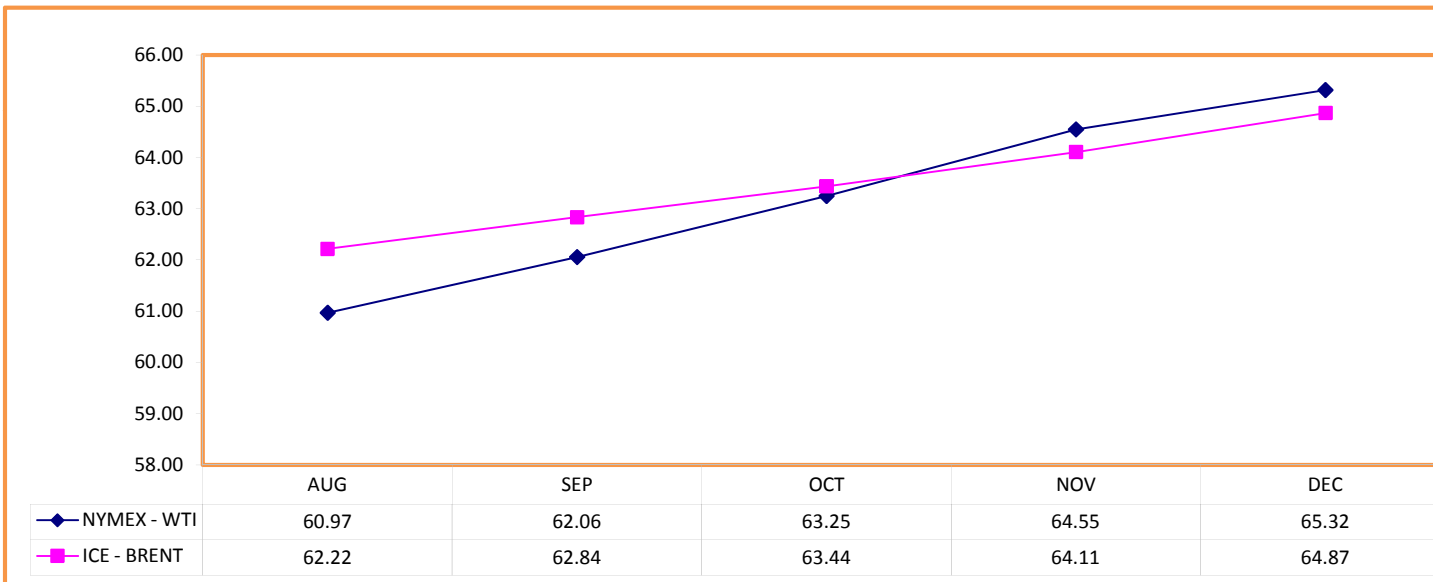
Region North America Country United States Type Energy / Commodities

Date 07/16/09 05:59:59 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
13)	07/14	15:30		API U.S. Crude Oil Inventories	JUL 10	--	-1158K	-1398K	-1802K
14)	07/14	15:30		API U.S. Gasoline Inventories	JUL 10	--	-69K	767K	--
15)	07/14	15:30		API U.S. Distillate Inventory	JUL 10	--	656K	3416K	--
16)	07/15	09:30		DOE U.S. Crude Oil Inventories	JUL 10	-2100K	-2813K	-2896K	--
17)	07/15	09:30		DOE U.S. Gasoline Inventories	JUL 10	875K	1438K	1902K	--
18)	07/15	09:30		DOE U.S. Distillate Inventory	JUL 10	2000K	553K	3739K	--
19)	07/15	09:30		DOE U.S. Heat Oil Inventories	JUL 10	--	517K	1986K	--
20)	07/15	09:30		DOE U.S. Refinery Utilization	JUL 10	-0.13%	1.07%	-0.19%	--
21)	07/15	09:30		DOE Cushing OK Crude Inventory	JUL 10	--	619K	1583K	--
22)	07/15	09:30		DOE No.2 Heat Oil Inventories	JUL 10	--	45835K	45318K	--
23)	07/15	09:30		DOE Crude Oil Implied Demand	JUL 10	--	15122	14809	--
24)	07/15	09:30		DOE Gasoline Implied Demand	JUL 10	--	9318.0	9379.0	--
25)	07/15	09:30		DOE Distillate Implied Demand	JUL 10	--	4114.0	3717.0	--
26)	07/16	09:30		EIA Natural Gas Storage Change	JUL 10	92	--	75	--
27)	07/17	12:00		Baker Hughes U.S. Rig Count	JUL 17	--	--	916	--
28)	07/21	15:30		API U.S. Crude Oil Inventories	JUL 17	--	--	-1158K	--
29)	07/21	15:30		API U.S. Gasoline Inventories	JUL 17	--	--	-69K	--
30)	07/21	15:30		API U.S. Distillate Inventory	JUL 17	--	--	656K	--
31)	07/22	09:30		DOE U.S. Crude Oil Inventories	JUL 17	--	--	-2813K	--

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.
 6722-55-0 16-Jul-09 5:59:59

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	60.97	na	279,729	18,464	AUG	F.QOQ09	62.22	16,858	51,880	4,242	AUG
F.CLAU09	62.06	na	163,263	13,571	SEP	F.QOU09	62.84	145,782	156,621	34,229	SEP
F.CLAV09	63.25	na	46,206	4,083	OCT	F.QOV09	63.44	106,927	62,921	17,173	OCT
F.CLAX09	64.55	na	27,781	2,807	NOV	F.QOX09	64.11	31,767	22,476	7,115	NOV
F.CLAZ09	65.32	na	54,918	2,254	DEC	F.QOZ09	64.87	98,403	39,882	8,568	DEC
F.CLAF10	66.60	na	7,654	288	JAN	F.QOF10	65.73	24,633	6,083	2,305	JAN
F.CLAG10	67.25	na	4,616	154	FEB	F.QOG10	66.34	15,799	3,089	1,128	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.