

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	61.85	-0.17	62.35	61.5	62.24	23,901	574,192	WTI Crude
HOA	158.4	-1.54	160	157.82	159.95	998	103,187	Heating Oil
RBA	171.17	-0.18	172.7	170.53	172	655	63,620	Unleaded Gas
NGA	35.96	-0.72	36.31	35.8	36.16	3,058	311,145	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. Corp ECO
 9<G0> to set as default calendar

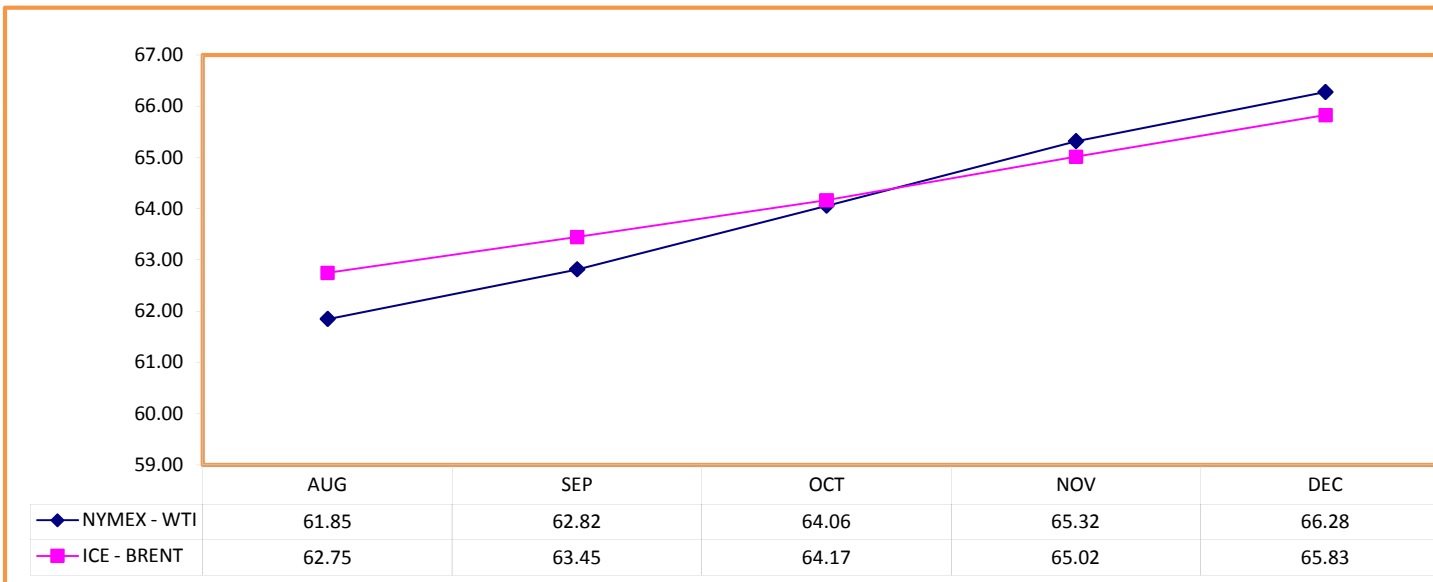
Custom Calendar | 2) Settings | 3) Alerts | 4) Export | Economic Calendars

Region North America Country United States Type Energy / Commodities 
 Date 07/17/09 05:18:41 United States: Energy / Commodities

	Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
26)	07/17	12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	JUL 17	--	--	916	--
27)	07/21	15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	JUL 17	--	--	-1158K	--
28)	07/21	15:30	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	JUL 17	--	--	-69K	--
29)	07/21	15:30	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	JUL 17	--	--	656K	--
30)	07/22	09:30	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	JUL 17	--	--	-2813K	--
31)	07/22	09:30	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	JUL 17	--	--	1438K	--
32)	07/22	09:30	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	JUL 17	--	--	553K	--
33)	07/22	09:30	<input checked="" type="checkbox"/> DOE U.S. Heat Oil Inventories	JUL 17	--	--	517K	--
34)	07/22	09:30	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	JUL 17	--	--	1.07%	--
35)	07/22	09:30	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	JUL 17	--	--	619K	--
36)	07/22	09:30	<input checked="" type="checkbox"/> DOE No.2 Heat Oil Inventories	JUL 17	--	--	45835K	--
37)	07/22	09:30	<input checked="" type="checkbox"/> DOE Crude Oil Implied Demand	JUL 17	--	--	15122	--
38)	07/22	09:30	<input checked="" type="checkbox"/> DOE Gasoline Implied Demand	JUL 17	--	--	9318.0	--
39)	07/22	09:30	<input checked="" type="checkbox"/> DOE Distillate Implied Demand	JUL 17	--	--	4114.0	--
40)	07/23	09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	JUL 17	--	--	90	--
41)	07/24	12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	JUL 24	--	--	--	--
42)	07/28	15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	JUL 24	--	--	--	--
43)	07/28	15:30	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	JUL 24	--	--	--	--
44)	07/28	15:30	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	JUL 24	--	--	--	--

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	61.85	na	217,621	10,914	AUG	F.QOQ09	62.75				
F.CLAU09	62.82	na	142,885	11,692	SEP	F.QOU09	63.45	146,522	133,525	21,790	
F.CLAV09	64.06	na	36,893	1,250	OCT	F.QOV09	64.17	107,773	60,305	12,762	
F.CLAX09	65.32	na	23,982	319	NOV	F.QOX09	65.02	32,107	23,648	8,359	
F.CLAZ09	66.28	na	46,809	671	DEC	F.QOZ09	65.83	98,063	29,464	9,148	
F.CLAF10	66.90	na	5,677	73	JAN	F.QOF10	66.45	24,472	6,916	3,111	
F.CLAG10	68.03	na	4,056	49	FEB	F.QOG10	67.15	15,762	2,379	1,339	



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.