

## 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

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	65.21	-0.08	65.61	64.53	65.36	21,902	549,524	WTI Crude
<b>HOA</b>	169.36	0.42	170	167.44	169.3	1,666	95,960	Heating Oil
<b>RBA</b>	179.47	0.53	179.9	177.8	178.96	1,582	64,633	Unleaded Gas
<b>NGA</b>	36.3	-0.59	36.99	36.06	36.76	1,978	221,459	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

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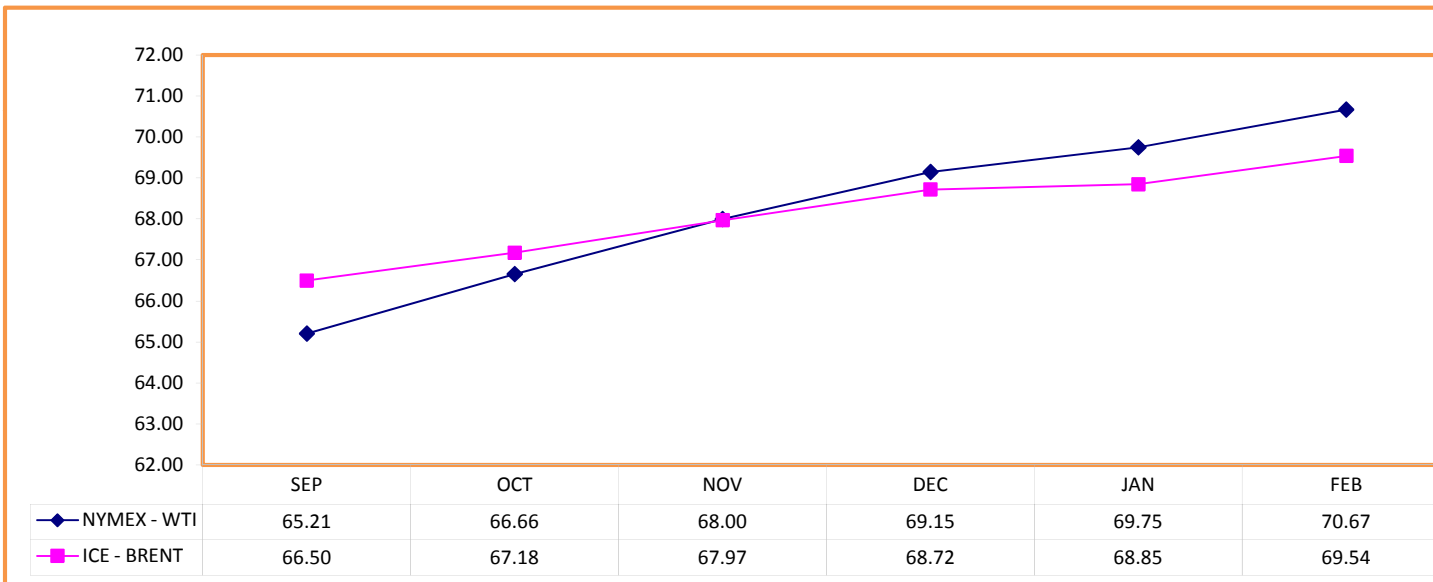
1) Custom Calendar
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4) Export
Economic Calendars

Region North America Country United States Type Energy / Commoditie   
 Date 07/21/09 05:27:41 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
27)	07/21	15:30		API U.S. Crude Oil Inventories	JUL 17	--	--	-1158K	--
28)	07/21	15:30		API U.S. Gasoline Inventories	JUL 17	--	--	-69K	--
29)	07/21	15:30		API U.S. Distillate Inventory	JUL 17	--	--	656K	--
30)	07/22	09:30		DOE U.S. Crude Oil Inventories	JUL 17	-2250K	--	-2813K	--
31)	07/22	09:30		DOE U.S. Gasoline Inventories	JUL 17	850K	--	1438K	--
32)	07/22	09:30		DOE U.S. Distillate Inventory	JUL 17	1500K	--	553K	--
33)	07/22	09:30		DOE U.S. Heat Oil Inventories	JUL 17	--	--	517K	--
34)	07/22	09:30		DOE U.S. Refinery Utilization	JUL 17	-0.43%	--	1.07%	--
35)	07/22	09:30		DOE Cushing OK Crude Inventory	JUL 17	--	--	619K	--
36)	07/22	09:30		DOE No.2 Heat Oil Inventories	JUL 17	--	--	45835K	--
37)	07/22	09:30		DOE Crude Oil Implied Demand	JUL 17	--	--	15122	--
38)	07/22	09:30		DOE Gasoline Implied Demand	JUL 17	--	--	9318.0	--
39)	07/22	09:30		DOE Distillate Implied Demand	JUL 17	--	--	4114.0	--
40)	07/23	09:30		EIA Natural Gas Storage Change	JUL 17	71	--	90	--
41)	07/24	12:00		Baker Hughes U.S. Rig Count	JUL 24	--	--	920	--
42)	07/28	15:30		API U.S. Crude Oil Inventories	JUL 24	--	--	--	--
43)	07/28	15:30		API U.S. Gasoline Inventories	JUL 24	--	--	--	--
44)	07/28	15:30		API U.S. Distillate Inventory	JUL 24	--	--	--	--
45)	07/29	09:30		DOE U.S. Crude Oil Inventories	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	64.14	na	125,148	2,485	AUG	F.QOQ09					
F.CLAU09	65.21	na	254,703	15,159	SEP	F.QOU09	66.50	145,714	105,898	21,315	SEP
F.CLAV09	66.66	na	53,304	2,025	OCT	F.QOV09	67.18	111,318	42,472	9,159	OCT
F.CLAX09	68.00	na	25,179	759	NOV	F.QOX09	67.97	36,764	22,921	4,292	NOV
F.CLAZ09	69.15	na	40,089	1,231	DEC	F.QOZ09	68.72	99,233	32,070	4,714	DEC
F.CLAF10	69.75	na	7,414	198	JAN	F.QOF10	68.85	24,975	7,850	837	JAN
F.CLAG10	70.67	na	5,432	103	FEB	F.QOG10	69.54	15,603	3,282	427	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.