

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	65.05	-0.35	65.73	64.91	65.4	22,484	589,914	WTI Crude
HOA	173.5	-0.54	175.52	173.4	174.55	1,002	98,641	Heating Oil
RBA	181.57	0.12	182.28	180.99	181.48	1,931	99,945	Unleaded Gas
NGA	38.33	0.4	38.6	37.88	38.2	1,610	213,672	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<GO> to set as default calendar

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

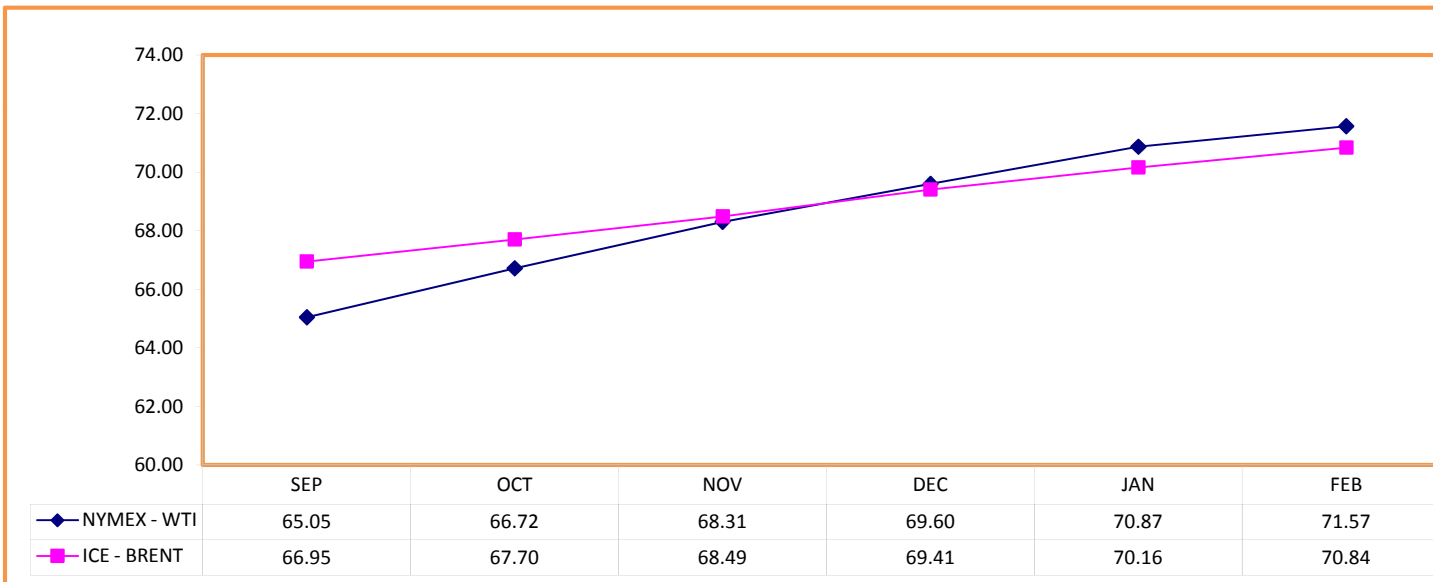
Region North America Country United States Type Energy / Commodities

Date 07/23/09 05:20:14 United States: Energy / Commodities

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
27)	07/23	09:30	<input checked="" type="checkbox"/>		EIA Natural Gas Storage Change	JUL 17	66	--	90	--
28)	07/23	10:30			Occidental Executives Review Results: Teleconf.					
29)	07/24	12:00	<input checked="" type="checkbox"/>		Baker Hughes U.S. Rig Count	JUL 24	--	--	920	--
30)	07/28	15:30	<input checked="" type="checkbox"/>		API U.S. Crude Oil Inventories	JUL 24	--	--	3098K	--
31)	07/28	15:30	<input checked="" type="checkbox"/>		API U.S. Gasoline Inventories	JUL 24	--	--	1333K	--
32)	07/28	15:30	<input checked="" type="checkbox"/>		API U.S. Distillate Inventory	JUL 24	--	--	147K	--
33)	07/29	09:30	<input checked="" type="checkbox"/>		DOE U.S. Crude Oil Inventories	JUL 24	--	--	-1796K	--
34)	07/29	09:30	<input checked="" type="checkbox"/>		DOE U.S. Gasoline Inventories	JUL 24	--	--	813K	--
35)	07/29	09:30	<input checked="" type="checkbox"/>		DOE U.S. Distillate Inventory	JUL 24	--	--	1218K	--
36)	07/29	09:30	<input checked="" type="checkbox"/>		DOE U.S. Heat Oil Inventories	JUL 24	--	--	326K	--
37)	07/29	09:30	<input checked="" type="checkbox"/>		DOE U.S. Refinery Utilization	JUL 24	--	--	-2.03%	--
38)	07/29	09:30	<input checked="" type="checkbox"/>		DOE Cushing OK Crude Inventory	JUL 24	--	--	8K	--
39)	07/29	09:30	<input checked="" type="checkbox"/>		DOE No.2 Heat Oil Inventories	JUL 24	--	--	46161K	--
40)	07/29	09:30	<input checked="" type="checkbox"/>		DOE Crude Oil Implied Demand	JUL 24	--	--	14636	--
41)	07/29	09:30	<input checked="" type="checkbox"/>		DOE Gasoline Implied Demand	JUL 24	--	--	9410.0	--
42)	07/29	09:30	<input checked="" type="checkbox"/>		DOE Distillate Implied Demand	JUL 24	--	--	4130.0	--
43)	07/30	09:30	<input checked="" type="checkbox"/>		EIA Natural Gas Storage Change	JUL 24	--	--	--	--
44)	07/31	12:00	<input checked="" type="checkbox"/>		Baker Hughes U.S. Rig Count	JUL 31	--	--	--	--
45)	08/04	15:30	<input checked="" type="checkbox"/>		API U.S. Crude Oil Inventories	JUL 31	--	--	--	--

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	#VALUE!	na				F.QOQ09				
F.CLAU09	65.05	na	300,573	15,074	SEP	F.QOU09	66.95	148,789	117,196	20,741
F.CLAV09	66.72	na	86,429	4,939	OCT	F.QOV09	67.70	115,728	55,058	13,274
F.CLAX09	68.31	na	35,957	3,045	NOV	F.QOX09	68.49	41,438	28,806	7,644
F.CLAZ09	69.60	na	56,957	2,922	DEC	F.QOZ09	69.41	96,195	47,471	7,285
F.CLAF10	70.87	na	9,837	553	JAN	F.QOF10	70.16	28,504	14,140	1,651
F.CLAG10	71.57	na	3,942	291	FEB	F.QOG10	70.84	16,495	7,847	923



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.