

## 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**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	67.37	0.21	67.68	66.46	66.62	21,494	567,074	WTI Crude
<b>HOA</b>	180.13	0.73	181.24	178.28	178.3	612	97,327	Heating Oil
<b>RBA</b>	189	0.87	189.02	187.5	187.67	826	83,354	Unleaded Gas
<b>NGA</b>	35.85	0.35	36	35.24	35.29	3,494	258,756	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

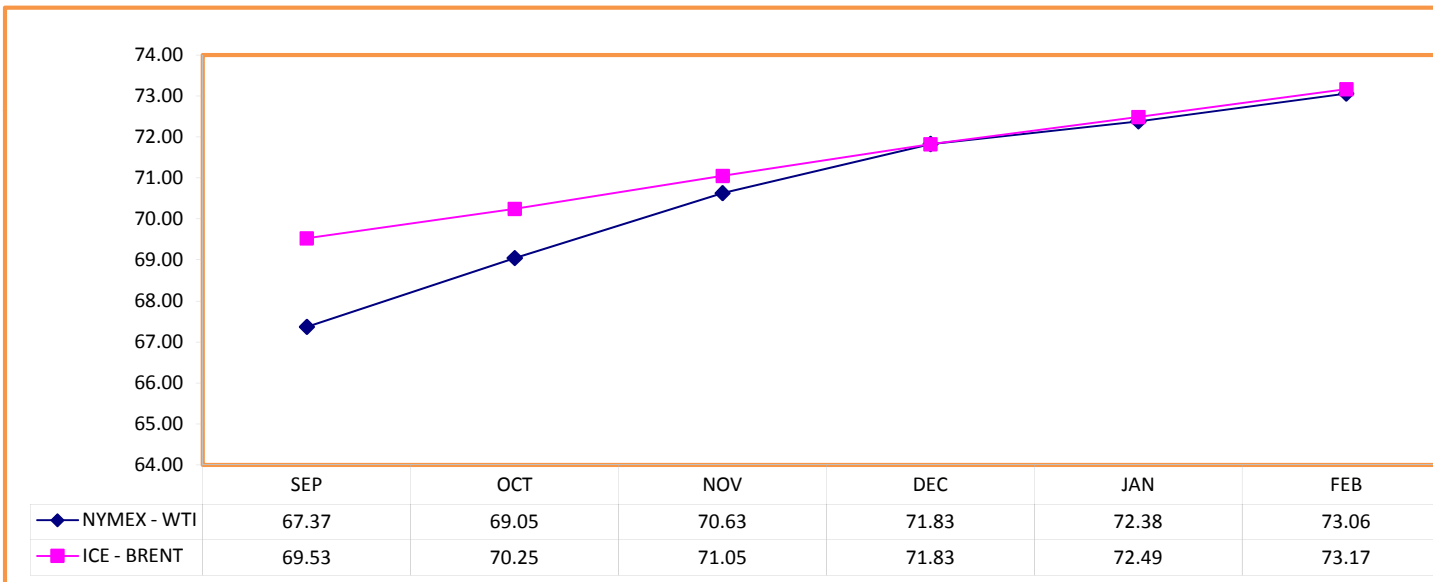
Date 07/23/09 05:20:14 United States: Energy / Commodities

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
27)	07/23	09:30			EIA Natural Gas Storage Change	JUL 17	66	- -	90	- -
28)	07/23	10:30			Occidental Executives Review Results: Teleconf.					
29)	07/24	12:00			Baker Hughes U.S. Rig Count	JUL 24	- -	- -	920	- -
30)	07/28	15:30			API U.S. Crude Oil Inventories	JUL 24	- -	- -	3098K	- -
31)	07/28	15:30			API U.S. Gasoline Inventories	JUL 24	- -	- -	1333K	- -
32)	07/28	15:30			API U.S. Distillate Inventory	JUL 24	- -	- -	147K	- -
33)	07/29	09:30			DOE U.S. Crude Oil Inventories	JUL 24	- -	- -	-1796K	- -
34)	07/29	09:30			DOE U.S. Gasoline Inventories	JUL 24	- -	- -	813K	- -
35)	07/29	09:30			DOE U.S. Distillate Inventory	JUL 24	- -	- -	1218K	- -
36)	07/29	09:30			DOE U.S. Heat Oil Inventories	JUL 24	- -	- -	326K	- -
37)	07/29	09:30			DOE U.S. Refinery Utilization	JUL 24	- -	- -	-2.03%	- -
38)	07/29	09:30			DOE Cushing OK Crude Inventory	JUL 24	- -	- -	8K	- -
39)	07/29	09:30			DOE No.2 Heat Oil Inventories	JUL 24	- -	- -	46161K	- -
40)	07/29	09:30			DOE Crude Oil Implied Demand	JUL 24	- -	- -	14636	- -
41)	07/29	09:30			DOE Gasoline Implied Demand	JUL 24	- -	- -	9410.0	- -
42)	07/29	09:30			DOE Distillate Implied Demand	JUL 24	- -	- -	4130.0	- -
43)	07/30	09:30			EIA Natural Gas Storage Change	JUL 24	- -	- -	- -	- -
44)	07/31	12:00			Baker Hughes U.S. Rig Count	JUL 31	- -	- -	- -	- -
45)	08/04	15:30			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.  
 6722-55-0 23-Jul-09 5:20:14

Spreads - WTI and BRENT

NYMEX - WTI					ICE - BRENT						
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAQ09	#VALUE!	na			F.QOQ09						
F.CLAU09	67.37	na	304,280	17,683	SEP	F.QOU09	69.53	144,058	139,815	21,813	SEP
F.CLAV09	69.05	na	89,368	5,060	OCT	F.QOV09	70.25	117,413	81,364	11,353	OCT
F.CLAX09	70.63	na	37,600	1,941	NOV	F.QOX09	71.05	45,672	45,521	4,085	NOV
F.CLAZ09	71.83	na	60,822	2,033	DEC	F.QOZ09	71.83	95,127	51,221	4,643	DEC
F.CLAF10	72.38	na	13,863	435	JAN	F.QOF10	72.49	28,078	12,237	1,168	JAN
F.CLAG10	73.06	na	7,186	190	FEB	F.QOG10	73.17	18,121	9,326	314	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.