

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	68.5	0.45	68.99	67.68	68.05	26,565	382,918	WTI Crude
HOA	182.09	1.26	182.89	179.9	180.8	744	59,663	Heating Oil
RBA	190	1.2	191.08	188.1	189.7	1,367	73,534	Unleaded Gas
NGA	36.21	-0.74	36.68	36.04	36.66	3,210	166,601	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. ComdtyECO
 NO SCHEDULED EVENT FOR TODAY, 9<GO> to set as default calendar

Region Country Type 
 Date 05:26:18 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
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	-	-	66	-
44)	07/31	12:00		Baker Hughes U.S. Rig Count	JUL 31	-	-	943	-
45)	08/04	15:30		API U.S. Crude Oil Inventories	JUL 31	-	-	-	-
46)	08/04	15:30		API U.S. Gasoline Inventories	JUL 31	-	-	-	-
47)	08/04	15:30		API U.S. Distillate Inventory	JUL 31	-	-	-	-
48)	08/05	09:30		DOE U.S. Crude Oil Inventories	JUL 31	-	-	-	-

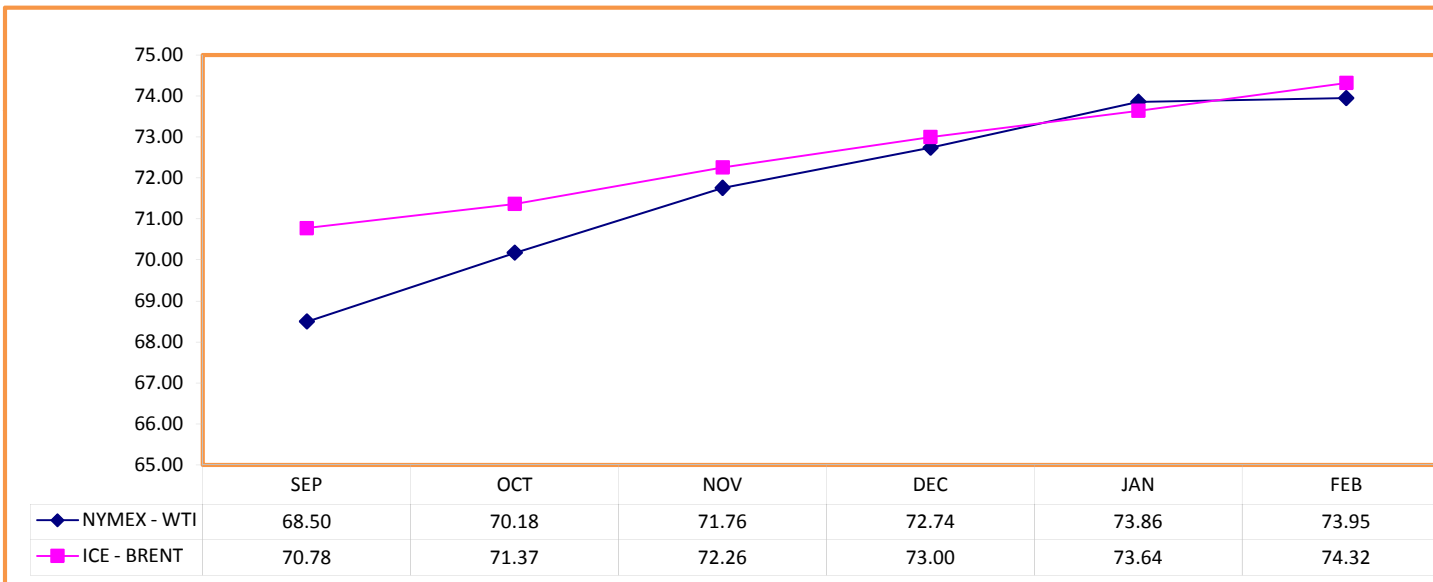
Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P.
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NYMEX - WTI

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAQ09	#VALUE!	na			
F.CLAU09	68.50	na	217,270	14,453	SEP
F.CLAV09	70.18	na	57,392	3,273	OCT
F.CLAX09	71.76	na	29,215	2,159	NOV
F.CLAZ09	72.74	na	34,479	2,493	DEC
F.CLAF10	73.86	na	7,151	989	JAN
F.CLAG10	73.95	na	5,365	994	FEB

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOQ09					
F.QOU09	70.78	142,751	83,024	19,956	SEP
F.QOV09	71.37	114,914	43,938	13,735	OCT
F.QOX09	72.26	48,058	18,749	4,376	NOV
F.QOZ09	73.00	97,184	20,328	3,996	DEC
F.QOF10	73.64	29,339	6,229	1,077	JAN
F.QOG10	74.32	17,896	2,883	673	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.