

The Morning Email: Oil

Table of Contents

Pg 1 Quotes

Pg 2 Economic Releases

Pg 3 Spreads - WTI and BRENT

Want something added? Let me know: jgoulding@ghco.com

Disclaimer: All information within this newsletter is meant for internal use at HTG Capital Partners, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	65.83	-1.4	67.01	65.38	66.68	29,263	374,177	WTI Crude
HOA	177.66	-1.18	179	176.23	178.55	1,948	75,708	Heating Oil
RBA	186.65	-1.27	188.48	185.15	187.81	1,912	58,948	Unleaded Gas
NGA	35.08	-0.27	35.48	34.85	35.45	2,161	180,051	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
 Screen Printed

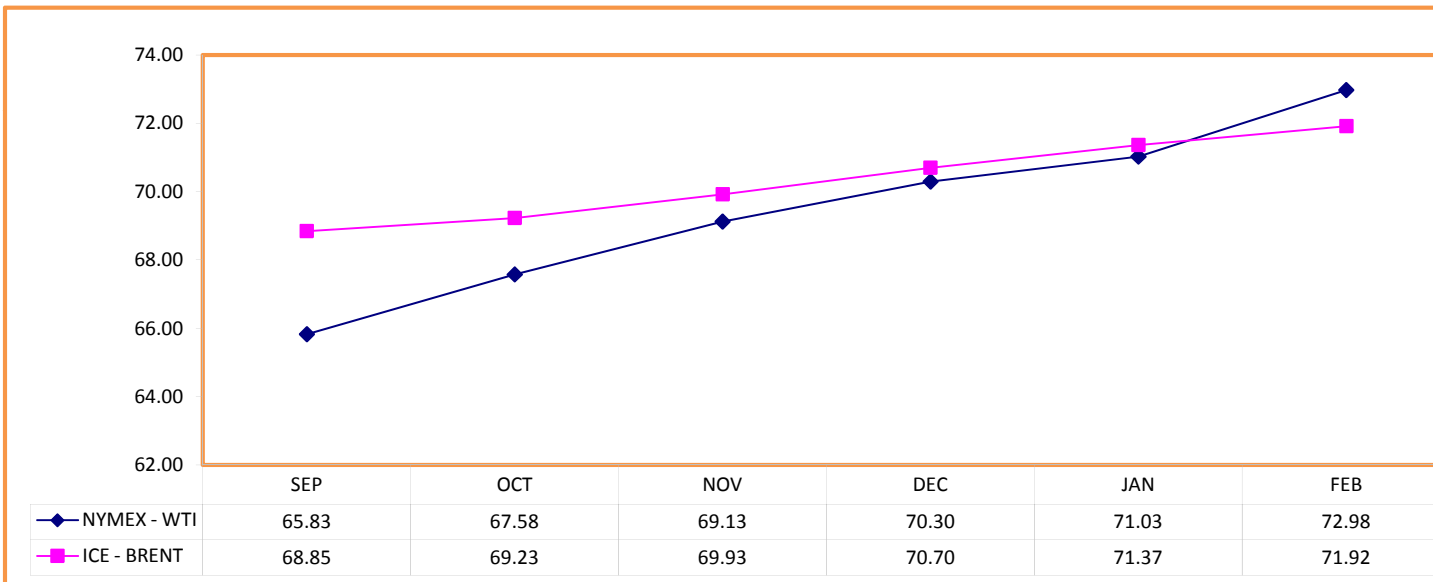
Custom Calenda | 2) Settings | 3) Alerts | 4) Export | Economic Calendars

Region North America Country United States Type Energy / Commodities 
 Date 07/29/09 05:21:08 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
28)	07/28	15:30		API U.S. Crude Oil Inventories	JUL 24	- -	4067K	3098K	- -
29)	07/28	15:30		API U.S. Gasoline Inventories	JUL 24	- -	-47K	1333K	- -
30)	07/28	15:30		API U.S. Distillate Inventory	JUL 24	- -	116K	147K	- -
31)	07/29	09:30		DOE U.S. Crude Oil Inventories	JUL 24	-1500K	- -	-1796K	- -
32)	07/29	09:30		DOE U.S. Gasoline Inventories	JUL 24	0K	- -	813K	- -
33)	07/29	09:30		DOE U.S. Distillate Inventory	JUL 24	1000K	- -	1218K	- -
34)	07/29	09:30		DOE U.S. Heat Oil Inventories	JUL 24	- -	- -	326K	- -
35)	07/29	09:30		DOE U.S. Refinery Utilization	JUL 24	0.00%	- -	-2.03%	- -
36)	07/29	09:30		DOE Cushing OK Crude Inventory	JUL 24	- -	- -	8K	- -
37)	07/29	09:30		DOE No.2 Heat Oil Inventories	JUL 24	- -	- -	46161K	- -
38)	07/29	09:30		DOE Crude Oil Implied Demand	JUL 24	- -	- -	14636	- -
39)	07/29	09:30		DOE Gasoline Implied Demand	JUL 24	- -	- -	9410.0	- -
40)	07/29	09:30		DOE Distillate Implied Demand	JUL 24	- -	- -	4130.0	- -
41)	07/29	10:00		ConocoPhillips Executives Review Results					
42)	07/29	12:00		Southern Executives Review Results: Teleconference					
43)	07/30	09:30		EIA Natural Gas Storage Change	JUL 24	74	- -	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	- -	- -	4067K	- -
46)	08/04	15:30		API U.S. Gasoline Inventories	JUL 31	- -	- -	-47K	- -

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.
 H367-55-0 29-Jul-09 5:21:07

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	64.81	na				F.QOQ09					
F.CLAU09	65.83	na	236,311	26,531	SEP	F.QOU09	68.85	134,746	118,353	36,384	SEP
F.CLAV09	67.58	na	53,937	5,558	OCT	F.QOV09	69.23	125,118	69,430	25,530	OCT
F.CLAX09	69.13	na	19,309	1,852	NOV	F.QOX09	69.93	52,153	30,295	10,309	NOV
F.CLAZ09	70.30	na	32,047	1,878	DEC	F.QOZ09	70.70	100,603	32,323	10,373	DEC
F.CLAF10	71.03	na	6,276	462	JAN	F.QOF10	71.37	31,475	8,422	2,689	JAN
F.CLAG10	72.98	na	3,533	494	FEB	F.QOG10	71.92	16,729	4,254	1,457	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.