

## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

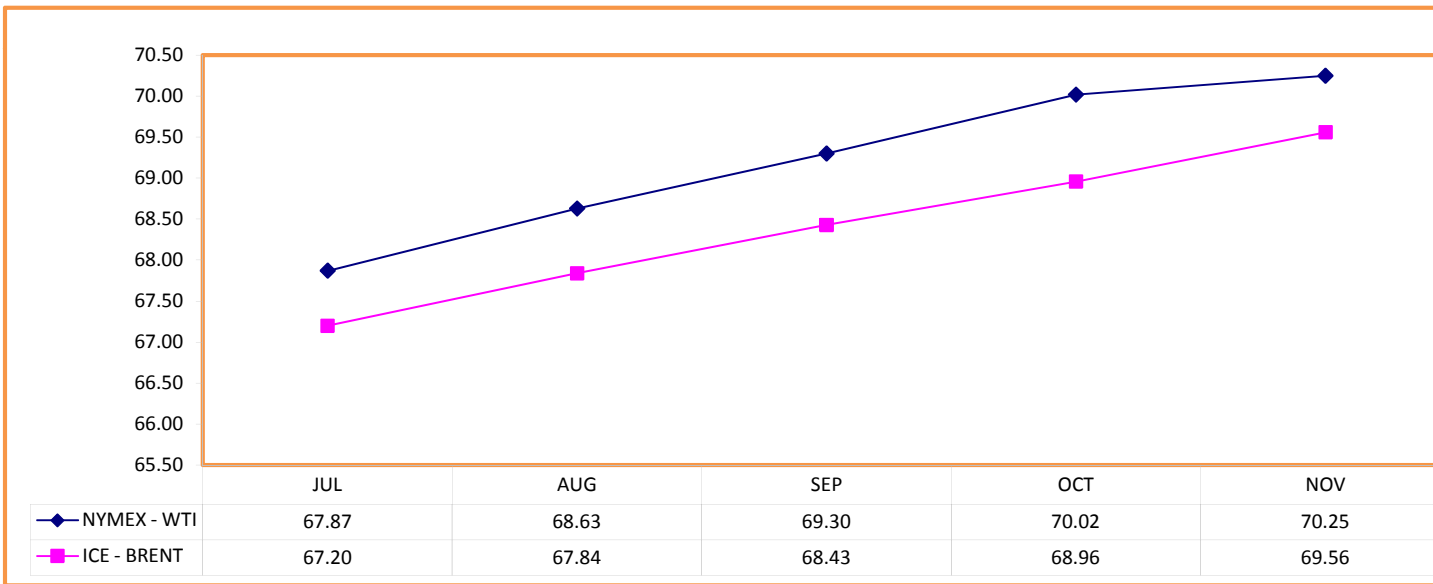
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	67.87	1.56	68.29	66.23	66.48	29,692	456,860	WTI Crude
HOA	172.14	4.38	172.15	167.8	168.01	1,255	88,607	Heating Oil
RBA	193	2.66	192.19	189.45	190.5	1,216	84,076	Unleaded Gas
NGA	40.04	1.69	40.1	38.44	38.69	3,866	163,522	Natural Gas

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**

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.CLAN09	67.87	na	261,370	19,635	JUL	F.QON09	67.20	154,670	101,714	24,471	JUL
F.CLAQ09	68.63	na	62,920	3,971	AUG	F.QOQ09	67.84	125,251	47,706	12,759	AUG
F.CLAU09	69.30	na	20,180	687	SEP	F.QOU09	68.43	0	21,736	3,883	SEP
F.CLAV09	70.02	na	10,799	190	OCT	F.QOV09	68.96	0	11,320	1,542	OCT
F.CLAX09	70.25	na	10,788	643	NOV	F.QOX09	69.56	0	6,836	1,078	NOV
F.CLAZ09	70.75	na	36,469	456	DEC	F.QOZ09	70.11	0	15,417	2,075	DEC
F.CLAF10	69.58	na	4,078	75	JAN	F.QOF10	70.64	0	2,860	719	JAN
F.CLAG10	69.92	na	3,308	101	FEB	F.QOG10	71.11	0	1,807	950	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.