

## 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](mailto:jgoulding@ghco.com)

**Disclaimer:** All information within this newsletter is meant for internal use at GH Trader's LLC, 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**

<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>	68.17	-0.41	68.58	67.59	68.04	23,131	408,648	WTI Crude
<b>HOA</b>	175.71	-1.94	177.15	175.02	176.5	2,016	87,835	Heating Oil
<b>RBA</b>	191.38	-1.33	193.25	190.95	191.72	1,163	71,490	Unleaded Gas
<b>NGA</b>	42.34	-0.15	42.34	41.6	42.03	3,335	173,443	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.

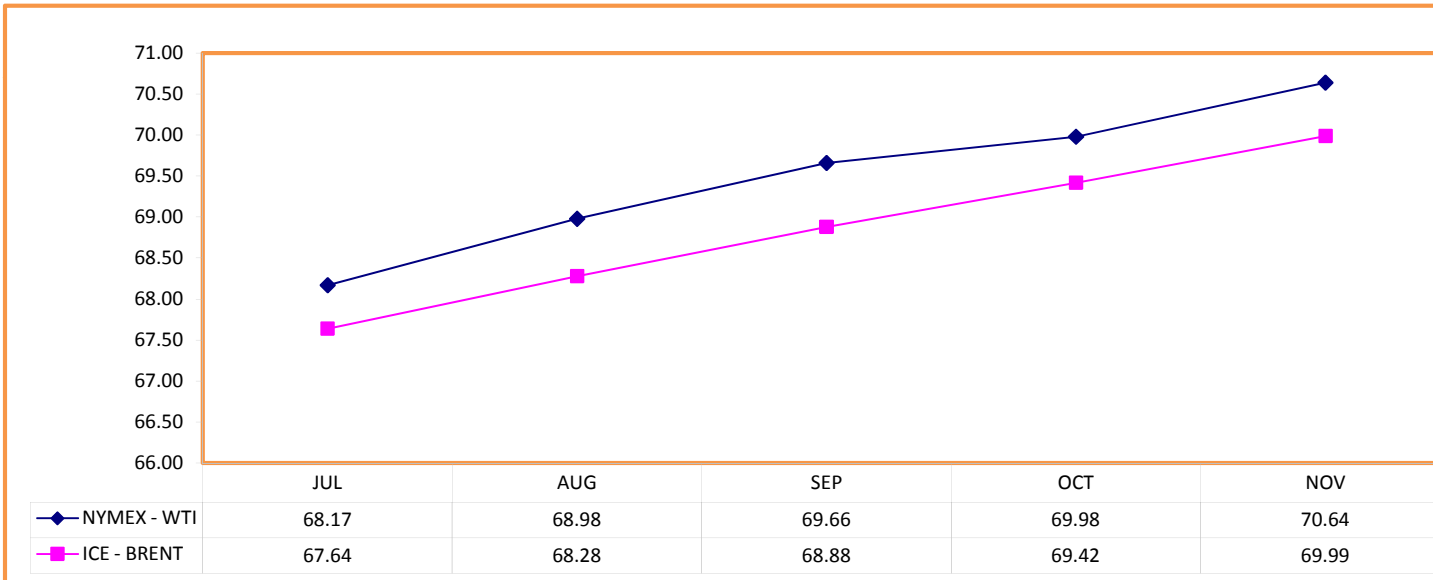
Economic Release Estimates, from Bloomberg

<HELP> for explanation. EquityECO  
 9<GO> to set as default calendar

1) Custom Calendars		2) Settings		3) Alerts		Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commodities				
Date	06/02/09	05:20:47		United States: Energy / Commodities					
Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
26)	06/02	15:30		API U.S. Crude Oil Inventories	MAY 29	--	--	-2821K	--
27)	06/02	15:30		API U.S. Gasoline Inventories	MAY 29	--	--	-758K	--
28)	06/02	15:30		API U.S. Distillate Inventory	MAY 29	--	--	1420K	--
29)	06/03	09:30		DOE U.S. Crude Oil Inventories	MAY 29	-1750K	--	-5413K	--
30)	06/03	09:30		DOE U.S. Gasoline Inventories	MAY 29	130K	--	-537K	--
31)	06/03	09:30		DOE U.S. Distillate Inventory	MAY 29	900K	--	248K	--
32)	06/03	09:30		DOE U.S. Heat Oil Inventories	MAY 29	--	--	1147K	--
33)	06/03	09:30		DOE U.S. Refinery Utilization	MAY 29	0.35%	--	3.30%	--
34)	06/03	09:30		DOE Cushing OK Crude Inventory	MAY 29	--	--	1064K	--
35)	06/03	09:30		DOE No.2 Heat Oil Inventories	MAY 29	--	--	--	--
36)	06/03	09:30		DOE Crude Oil Implied Demand	MAY 29	--	--	14915	--
37)	06/03	09:30		DOE Gasoline Implied Demand	MAY 29	--	--	9686.0	--
38)	06/03	09:30		DOE Distillate Implied Demand	MAY 29	--	--	4204.0	--
39)	06/04	09:30		EIA Natural Gas Storage Change	MAY 29	--	--	106	--
40)	06/05	12:00		Baker Hughes U.S. Rig Count	JUN 5	--	--	899	--
41)	06/09			DOE Short-Term Crude Outlook	JUN	--	--	58	--
42)	06/09			DOE Short-Term Diesel Outlook	JUN	--	--	2.48	--
43)	06/09			DOE Short-Term Ht Oil Outlook	JUN	--	--	2.42	--
44)	06/09			DOE Short-Term NatGas Outlook	JUN	--	--	11.22	--

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.  
 H367-55-1 02-Jun-09 5:20:47

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	68.17	na	214,764	17,061	JUL	F.QON09	67.64	146,955	100,752	21,508	JUL
F.CLAQ09	68.98	na	57,035	949	AUG	F.QOQ09	68.28	130,985	59,927	10,647	AUG
F.CLAU09	69.66	na	20,674	335	SEP	F.QOU09	68.88	0	31,636	143	SEP
F.CLAV09	69.98	na	9,500	43	OCT	F.QOV09	69.42	0	15,621	51	OCT
F.CLAX09	70.64	na	8,072	178	NOV	F.QOX09	69.99	0	7,981	52	NOV
F.CLAZ09	71.16	na	27,479	212	DEC	F.QOZ09	70.57	0	15,325	2,404	DEC
F.CLAF10	71.55	na	2,127	3	JAN	F.QOF10	70.85	0	3,559	12	JAN
F.CLAG10	71.90	na	1,677	2	FEB	F.QOG10	71.38	0	2,405	3	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.