

## 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

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	68.25	-0.3	68.95	67.83	68.25	19,450	473,482	WTI Crude
<b>HOA</b>	177.3	-2.49	179.95	176.5	177.73	1,378	101,573	Heating Oil
<b>RBA</b>	191.51	-1.01	194	191.1	192.25	1,256	77,508	Unleaded Gas
<b>NGA</b>	41.28	0.08	41.39	40.86	41.13	2,849	165,435	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

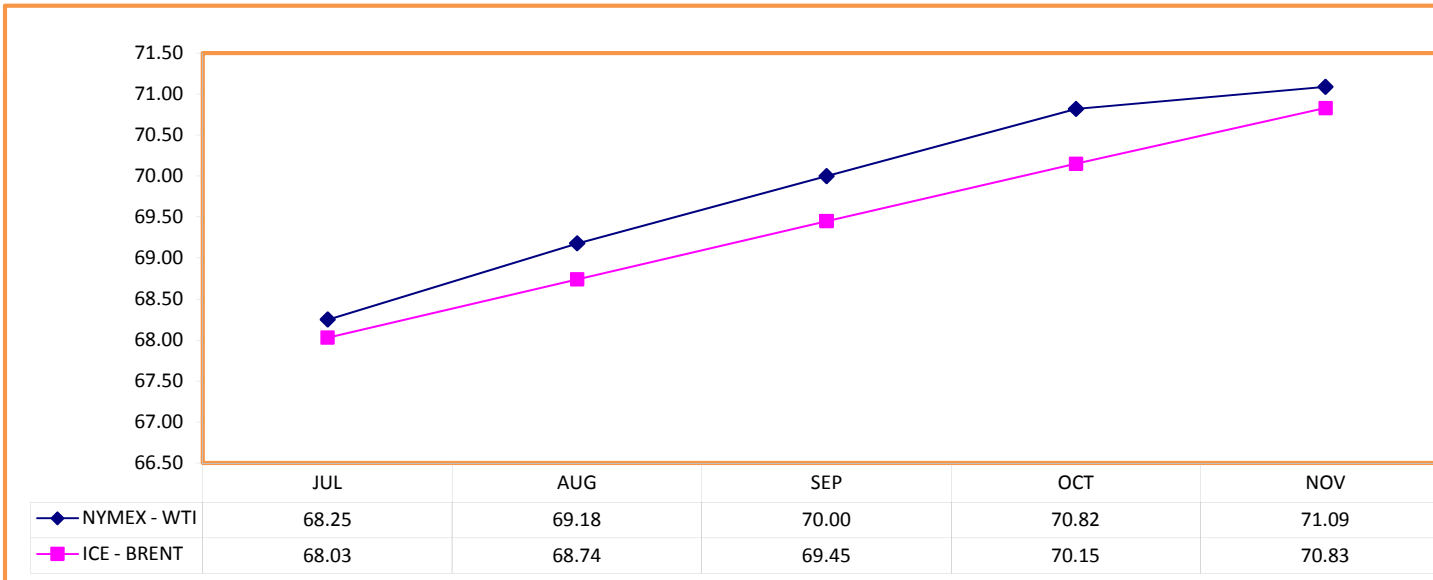
<HELP> for explanation.  
9<G0> to set as default calendar

Index **ECO**

1) Custom Calendars		2) Settings		3) All		Economic Calendars		
Region	North America	Country	United States	Type	Energy / Commodity	🇺🇸		
Date	06/03/09	05:20:09		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	--	-828K	-2821K	--
27)	06/02	15:30	API U.S. Gasoline Inventories	MAY 29	--	99K	-758K	--
28)	06/02	15:30	API U.S. Distillate Inventory	MAY 29	--	3446K	1420K	--
29)	06/03	09:30	DOE U.S. Crude Oil Inventories	MAY 29	-1500K	--	-5413K	--
30)	06/03	09:30	DOE U.S. Gasoline Inventories	MAY 29	650K	--	-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	0.50%	--	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	117	--	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.  
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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	68.25	na	244,016	15,911	JUL	F.QON09	68.03	137,665	113,237	25,044	JUL
F.CLAQ09	69.18	na	66,718	4,023	AUG	F.QOQ09	68.74	131,891	74,321	15,621	AUG
F.CLAU09	70.00	na	29,809	1,833	SEP	F.QOU09	69.45	78,449	43,075	6,780	SEP
F.CLAV09	70.82	na	12,371	357	OCT	F.QOV09	70.15	48,567	20,683	2,484	OCT
F.CLAX09	71.09	na	8,961	265	NOV	F.QOX09	70.83	21,190	10,902	1,537	NOV
F.CLAZ09	71.90	na	42,743	1,158	DEC	F.QOZ09	71.45	77,437	19,853	3,454	DEC
F.CLAF10	72.55	na	6,026	110	JAN	F.QOF10	71.70	22,287	4,326	556	JAN
F.CLAG10	73.12	na	4,647	90	FEB	F.QOG10	72.21	12,458	2,650	364	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.