

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	67.58	-0.86	68.32	66.78	68.32	27,229	678,724	WTI Crude
HOA	174.83	-2.18	176.74	174.16	176.74	1,076	60,807	Heating Oil
RBA	192.9	-2.56	195.23	192.19	195.15	1,530	71,346	Unleaded Gas
NGA	37.94	-0.74	38.82	37.75	38.7	3,154	206,043	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.

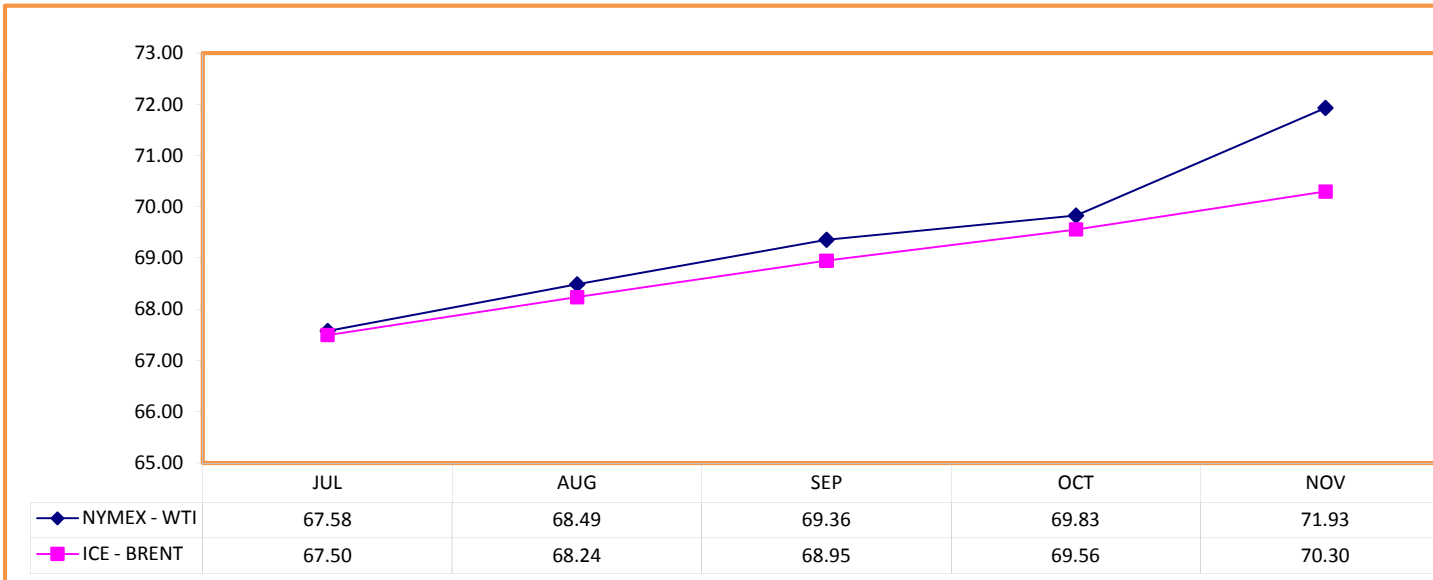
Economic Release Estimates, from Bloomberg

<HELP> for explanation. Corp ECO
 NO SCHEDULED EVENT FOR TODAY, 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	06/08/09	05:23:26		United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
26)	06/09	☒ DOE Short-Term Crude Outlook	JUN	--	--	58	--
27)	06/09	☒ DOE Short-Term Diesel Outlook	JUN	--	--	2.48	--
28)	06/09	☒ DOE Short-Term Ht Oil Outlook	JUN	--	--	2.42	--
29)	06/09	☒ DOE Short-Term NatGas Outlook	JUN	--	--	11.22	--
30)	06/09	☒ DOE Short-Term Mogas Outlook	JUN	--	--	2.30	--
31)	06/09 15:30	☒ API U.S. Crude Oil Inventories	JUN 5	--	--	-828K	--
32)	06/09 15:30	☒ API U.S. Gasoline Inventories	JUN 5	--	--	99K	--
33)	06/09 15:30	☒ API U.S. Distillate Inventory	JUN 5	--	--	3446K	--
34)	06/10 09:30	☒ DOE U.S. Crude Oil Inventories	JUN 5	--	--	2866K	--
35)	06/10 09:30	☒ DOE U.S. Gasoline Inventories	JUN 5	--	--	-215K	--
36)	06/10 09:30	☒ DOE U.S. Distillate Inventory	JUN 5	--	--	1661K	--
37)	06/10 09:30	☒ DOE U.S. Heat Oil Inventories	JUN 5	--	--	-237K	--
38)	06/10 09:30	☒ DOE U.S. Refinery Utilization	JUN 5	--	--	1.15%	--
39)	06/10 09:30	☒ DOE Cushing OK Crude Inventory	JUN 5	--	--	-766K	--
40)	06/10 09:30	☒ DOE No.2 Heat Oil Inventories	JUN 5	--	--	--	--
41)	06/10 09:30	☒ DOE Crude Oil Implied Demand	JUN 5	--	--	14595	--
42)	06/10 09:30	☒ DOE Gasoline Implied Demand	JUN 5	--	--	9168.0	--
43)	06/10 09:30	☒ DOE Distillate Implied Demand	JUN 5	--	--	4023.0	--
44)	06/11 09:30	☒ EIA Natural Gas Storage Change	JUN 5	--	--	124	--

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	67.58	na	329,259	18,732	JUL	F.QON09	67.50	103,547	100,316	18,332	JUL
F.CLAQ09	68.49	na	126,443	4,827	AUG	F.QOQ09	68.24	157,686	66,601	13,036	AUG
F.CLAU09	69.36	na	52,540	2,638	SEP	F.QOU09	68.95	94,742	35,195	5,732	SEP
F.CLAV09	69.83	na	18,681	247	OCT	F.QOV09	69.56	58,957	12,476	2,355	OCT
F.CLAX09	71.93	na	13,417	144	NOV	F.QOX09	70.30	19,423	7,246	653	NOV
F.CLAZ09	71.69	na	46,635	472	DEC	F.QOZ09	71.08	78,372	16,955	1,439	DEC
F.CLAF10	73.19	na	4,173	3	JAN	F.QOF10	71.72	22,679	5,290	446	JAN
F.CLAG10	73.55	na	2,521	0	FEB	F.QOG10	72.27	13,423	3,001	403	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.