

## 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>   | 71.24       | 1.23       | 71.65       | 70.43      | 70.51       | 31,585        | 530,008          | WTI Crude       |
| <b>HOA</b>   | 182.86      | 2.1        | 183.67      | 181.23     | 181.3       | 1,311         | 82,512           | Heating Oil     |
| <b>RBA</b>   | 198.97      | 2.3        | 199.4       | 197.4      | 198.03      | 1,420         | 93,886           | Unleaded Gas    |
| <b>NGA</b>   | 38.26       | 0.95       | 38.4        | 37.37      | 37.77       | 3,279         | 191,608          | 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. Index ECO  
 9<GO> to set as default calendar

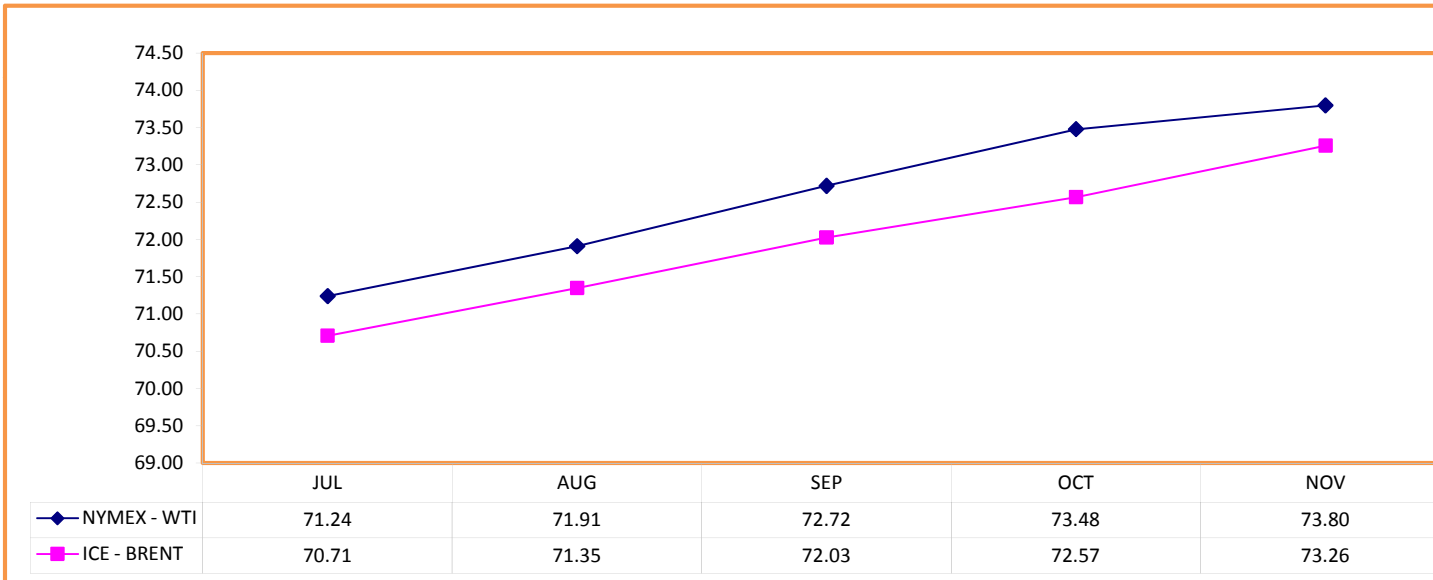
Custom Calendar 2) Settings 3) Alerts 4) Export Economic Calendars

Region North America Country United States Type Energy / Commodities   
 Date 06/10/09 05:13:31 United States: Energy / Commodities

|     | Date  | Time A M | Event                            | Period | Survey | Actual | Prior  | Revised |
|-----|-------|----------|----------------------------------|--------|--------|--------|--------|---------|
| 23) | 06/09 |          | ☒ DOE Short-Term Crude Outlook   | JUN    | -      | 67.42  | 57.75  | -       |
| 24) | 06/09 |          | ☒ DOE Short-Term Diesel Outlook  | JUN    | -      | 2.67   | 2.48   | -       |
| 25) | 06/09 |          | ☒ DOE Short-Term Ht Oil Outlook  | JUN    | -      | 2.66   | 2.42   | -       |
| 26) | 06/09 |          | ☒ DOE Short-Term NatGas Outlook  | JUN    | -      | 11.38  | 11.22  | -       |
| 27) | 06/09 |          | ☒ DOE Short-Term Mogas Outlook   | JUN    | -      | 2.56   | 2.30   | -       |
| 28) | 06/09 | 15:30    | ☒ API U.S. Crude Oil Inventories | JUN 5  | -      | -5959K | -828K  | -       |
| 29) | 06/09 | 15:30    | ☒ API U.S. Gasoline Inventories  | JUN 5  | -      | 27K    | 99K    | -       |
| 30) | 06/09 | 15:30    | ☒ API U.S. Distillate Inventory  | JUN 5  | -      | 19K    | 3446K  | -       |
| 31) | 06/10 | 09:30    | ☒ DOE U.S. Crude Oil Inventories | JUN 5  | 100K   | -      | 2866K  | -       |
| 32) | 06/10 | 09:30    | ☒ DOE U.S. Gasoline Inventories  | JUN 5  | 750K   | -      | -215K  | -       |
| 33) | 06/10 | 09:30    | ☒ DOE U.S. Distillate Inventory  | JUN 5  | 1500K  | -      | 1661K  | -       |
| 34) | 06/10 | 09:30    | ☒ DOE U.S. Heat Oil Inventories  | JUN 5  | -      | -      | -237K  | -       |
| 35) | 06/10 | 09:30    | ☒ DOE U.S. Refinery Utilization  | JUN 5  | 0.20%  | -      | 1.15%  | -       |
| 36) | 06/10 | 09:30    | ☒ DOE Cushing OK Crude Inventory | JUN 5  | -      | -      | -766K  | -       |
| 37) | 06/10 | 09:30    | ☒ DOE No.2 Heat Oil Inventories  | JUN 5  | -      | -      | -      | -       |
| 38) | 06/10 | 09:30    | ☒ DOE Crude Oil Implied Demand   | JUN 5  | -      | -      | 14595  | -       |
| 39) | 06/10 | 09:30    | ☒ DOE Gasoline Implied Demand    | JUN 5  | -      | -      | 9168.0 | -       |
| 40) | 06/10 | 09:30    | ☒ DOE Distillate Implied Demand  | JUN 5  | -      | -      | 4023.0 | -       |
| 41) | 06/11 | 09:30    | ☒ EIA Natural Gas Storage Change | JUN 5  | 110    | -      | 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.  
 6722-55-0 10-Jun-09 5:13:31

| 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    | 71.24 | na             | 272,059      | 24,020         | JUL            | F.QON09     | 70.71 | 78,993         | 100,856      | 22,990         | JUL            |
| F.CLAQ09    | 71.91 | na             | 135,868      | 9,486          | AUG            | F.QOQ09     | 71.35 | 168,585        | 89,751       | 22,502         | AUG            |
| F.CLAU09    | 72.72 | na             | 47,763       | 4,369          | SEP            | F.QOU09     | 72.03 | 104,111        | 48,210       | 10,170         | SEP            |
| F.CLAV09    | 73.48 | na             | 10,677       | 1,464          | OCT            | F.QOV09     | 72.57 | 61,709         | 18,230       | 5,765          | OCT            |
| F.CLAX09    | 73.80 | na             | 7,275        | 656            | NOV            | F.QOX09     | 73.26 | 18,993         | 8,006        | 4,430          | NOV            |
| F.CLAZ09    | 74.78 | na             | 25,953       | 2,310          | DEC            | F.QOZ09     | 74.03 | 81,053         | 17,821       | 5,753          | DEC            |
| F.CLAF10    | 74.30 | na             | 2,992        | 477            | JAN            | F.QOF10     | 74.57 | 22,661         | 2,777        | 1,608          | JAN            |
| F.CLAG10    | 75.03 | na             | 1,681        | 216            | FEB            | F.QOG10     | 75.09 | 14,536         | 1,488        | 826            | 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.