

## 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

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	71.96	0.63	72.3	71.32	71.46	24,098	599,479	WTI Crude
<b>HOA</b>	184.85	1.59	185.58	183.09	183.26	1,325	97,480	Heating Oil
<b>RBA</b>	203.1	1.57	203.69	201.7	201.7	1,489	115,140	Unleaded Gas
<b>NGA</b>	37.48	0.4	37.66	36.76	36.87	2,926	218,785	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

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

Region North America Country United States Type Energy / Commoditie

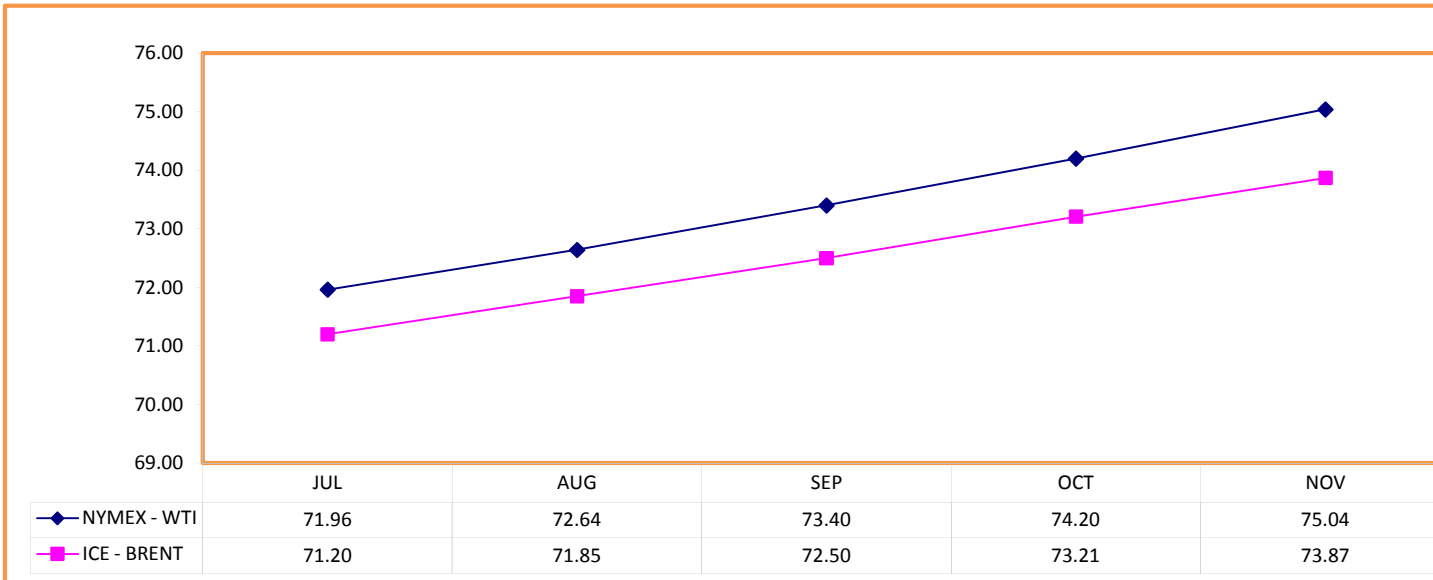
Date 06/11/09 05:16:26 United States: Energy / Commodities

	Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
21)	06/10	09:30	DOE U.S. Crude Oil Inventories	JUN 5	100K	-4382K	2866K	--
22)	06/10	09:30	DOE U.S. Gasoline Inventories	JUN 5	750K	-1553K	-215K	--
23)	06/10	09:30	DOE U.S. Distillate Inventory	JUN 5	1500K	-318K	1661K	--
24)	06/10	09:30	DOE U.S. Heat Oil Inventories	JUN 5	--	-830K	-237K	--
25)	06/10	09:30	DOE U.S. Refinery Utilization	JUN 5	0.20%	-0.41%	1.15%	--
26)	06/10	09:30	DOE Cushing OK Crude Inventory	JUN 5	--	-942K	-766K	--
27)	06/10	09:30	DOE No.2 Heat Oil Inventories	JUN 5	--	39957K	--	--
28)	06/10	09:30	DOE Crude Oil Implied Demand	JUN 5	--	14954	14595	--
29)	06/10	09:30	DOE Gasoline Implied Demand	JUN 5	--	9289.0	9168.0	--
30)	06/10	09:30	DOE Distillate Implied Demand	JUN 5	--	4140.0	4023.0	--
31)	06/11	09:30	EIA Natural Gas Storage Change	JUN 5	110	--	124	--
32)	06/12	12:00	Baker Hughes U.S. Rig Count	JUN 12	--	--	887	--
33)	06/16	15:30	API U.S. Crude Oil Inventories	JUN 12	--	--	-5959K	--
34)	06/16	15:30	API U.S. Gasoline Inventories	JUN 12	--	--	27K	--
35)	06/16	15:30	API U.S. Distillate Inventory	JUN 12	--	--	19K	--
36)	06/17	09:30	DOE U.S. Crude Oil Inventories	JUN 12	--	--	-4382K	--
37)	06/17	09:30	DOE U.S. Gasoline Inventories	JUN 12	--	--	-1553K	--
38)	06/17	09:30	DOE U.S. Distillate Inventory	JUN 12	--	--	-318K	--
39)	06/17	09:30	DOE U.S. Heat Oil Inventories	JUN 12	--	--	-830K	--

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.  
 G722-55-0 11-Jun-09 5:16:26

Spreads - WTI and BRENT

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	71.96	na	302,713	20,914	JUL	F.QON09	71.20	63,036	95,629	23,135	JUL
F.CLAQ09	72.64	na	139,445	7,608	AUG	F.QOQ09	71.85	165,444	86,193	19,460	AUG
F.CLAU09	73.40	na	56,384	3,729	SEP	F.QOU09	72.50	107,047	42,101	7,806	SEP
F.CLAV09	74.20	na	17,248	816	OCT	F.QOV09	73.21	58,474	19,032	3,084	OCT
F.CLAX09	75.04	na	9,259	587	NOV	F.QOX09	73.87	19,928	12,795	1,788	NOV
F.CLAZ09	75.02	na	37,020	1,616	DEC	F.QOZ09	74.46	82,289	21,541	2,984	DEC
F.CLAF10	75.27	na	2,871	174	JAN	F.QOF10	75.02	22,204	4,216	648	JAN
F.CLAG10	75.79	na	1,623	106	FEB	F.QOG10	75.49	14,605	1,989	295	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.