

## 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>	70.12	-0.35	71.28	69.91	70.26	23,101	453,030	WTI Crude
<b>HOA</b>	182.11	-0.39	184.53	181.58	182.25	1,424	62,944	Heating Oil
<b>RBA</b>	203.53	-3.58	207.18	202.96	205.41	1,998	81,987	Unleaded Gas
<b>NGA</b>	41.2	-0.09	41.49	40.94	41.09	3,007	273,423	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

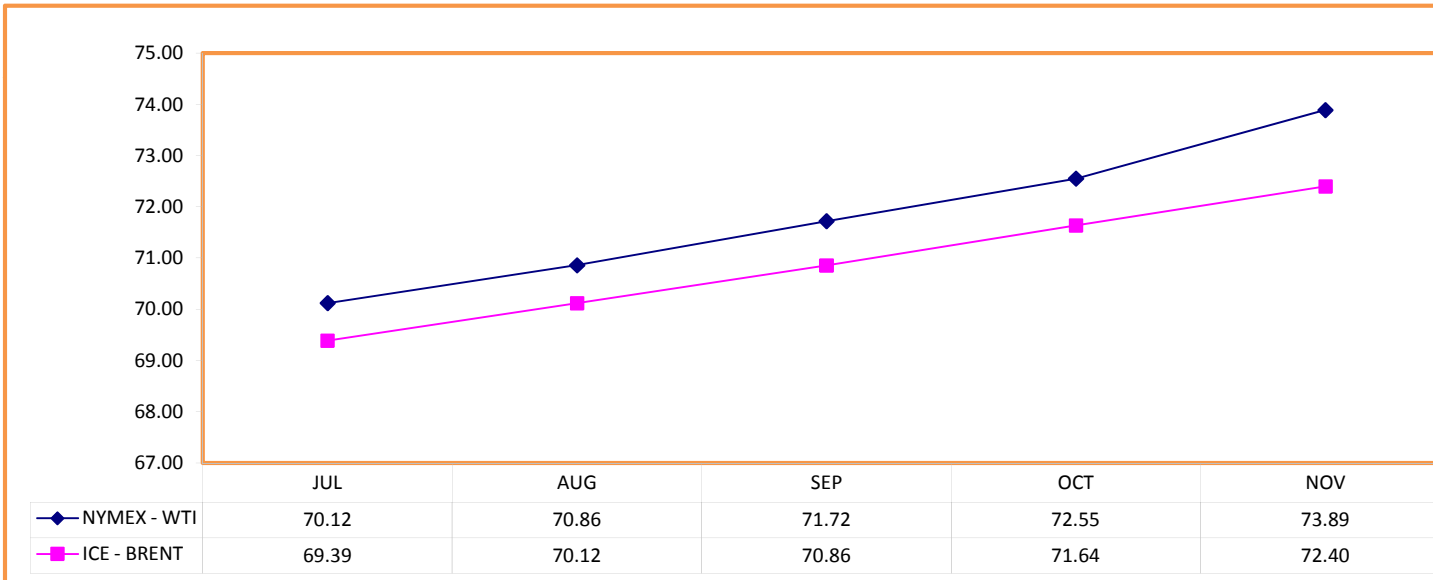
1) Custom Calendar | 2) Settings | 3) Alerts | 4) Export | Economic Calendars

Region: North America | Country: United States | Type: Energy / Commodities   
 Date: 06/17/09 | 05:12:14 | United States: Energy / Commodities

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
23)	06/16	15:30			API U.S. Crude Oil Inventories	JUN 12	--	-1262K	-5959K	--
24)	06/16	15:30			API U.S. Gasoline Inventories	JUN 12	--	2140K	27K	--
25)	06/16	15:30			API U.S. Distillate Inventory	JUN 12	--	881K	19K	--
26)	06/17	09:30			DOE U.S. Crude Oil Inventories	JUN 12	-2000K	--	-4382K	--
27)	06/17	09:30			DOE U.S. Gasoline Inventories	JUN 12	550K	--	-1553K	--
28)	06/17	09:30			DOE U.S. Distillate Inventory	JUN 12	1000K	--	-318K	--
29)	06/17	09:30			DOE U.S. Heat Oil Inventories	JUN 12	--	--	-830K	--
30)	06/17	09:30			DOE U.S. Refinery Utilization	JUN 12	0.13%	--	-0.41%	--
31)	06/17	09:30			DOE Cushing OK Crude Inventory	JUN 12	--	--	-942K	--
32)	06/17	09:30			DOE No.2 Heat Oil Inventories	JUN 12	--	--	--	--
33)	06/17	09:30			DOE Crude Oil Implied Demand	JUN 12	--	--	14954	--
34)	06/17	09:30			DOE Gasoline Implied Demand	JUN 12	--	--	9289.0	--
35)	06/17	09:30			DOE Distillate Implied Demand	JUN 12	--	--	4140.0	--
36)	06/18	09:30			EIA Natural Gas Storage Change	JUN 12	100	--	106	--
37)	06/19	12:00			Baker Hughes U.S. Rig Count	JUN 19	--	--	876	--
38)	06/23	15:30			API U.S. Crude Oil Inventories	JUN 19	--	--	-1262K	--
39)	06/23	15:30			API U.S. Gasoline Inventories	JUN 19	--	--	2140K	--
40)	06/23	15:30			API U.S. Distillate Inventory	JUN 19	--	--	881K	--
41)	06/24	09:30			DOE U.S. Crude Oil Inventories	JUN 19	--	--	--	--

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	70.12	na	236,772	14,610	JUL	F.QON09	69.39				
F.CLAQ09	70.86	na	108,534	10,312	AUG	F.QOQ09	70.12	172,932	108,242	24,020	AUG
F.CLAU09	71.72	na	30,080	2,191	SEP	F.QOU09	70.86	115,259	36,062	10,218	SEP
F.CLAV09	72.55	na	12,330	711	OCT	F.QOV09	71.64	56,697	20,214	5,537	OCT
F.CLAX09	73.89	na	7,662	543	NOV	F.QOX09	72.40	23,024	12,237	3,409	NOV
F.CLAZ09	73.67	na	30,799	1,257	DEC	F.QOZ09	73.05	84,946	19,900	5,089	DEC
F.CLAF10	74.23	na	3,622	159	JAN	F.QOF10	73.58	22,297	4,696	1,513	JAN
F.CLAG10	74.71	na	2,015	54	FEB	F.QOG10	74.07	14,475	2,847	718	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.