

## 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**

<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>	71.17	0.14	71.73	70.8	70.82	23,556	502,973	WTI Crude
<b>HOA</b>	186.3	0	187.45	185.5	186.08	980	77,233	Heating Oil
<b>RBA</b>	203.24	-0.02	203.98	201.47	202.15	2,161	125,782	Unleaded Gas
<b>NGA</b>	42.91	0.38	43.27	42.48	42.63	3,132	246,502	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. Govt ECO  
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1) Custom Calendar 2) Settings 3) Alerts 4) Export Economic Calendars

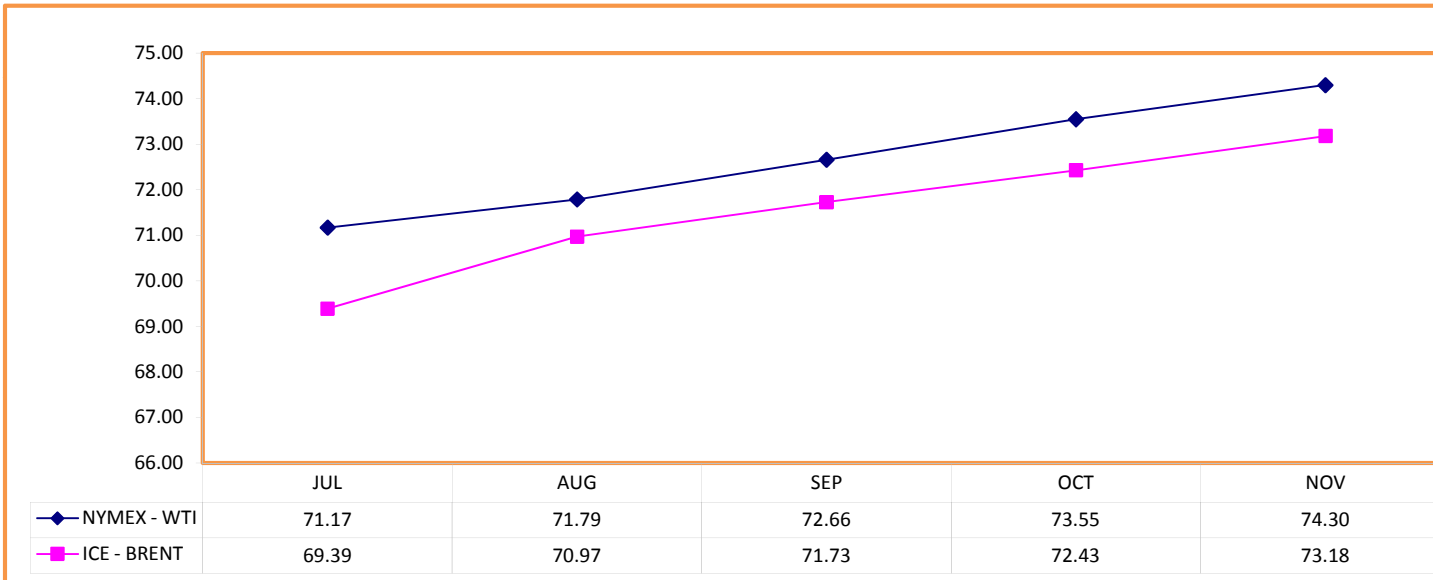
Region North America Country United States Type Energy / Commodities

Date 06/18/09 05:23:03 United States: Energy / Commodities

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
26)	06/18	09:30			EIA Natural Gas Storage Change	JUN 12	105	- -	106	- -
27)	06/19	12:00			Baker Hughes U.S. Rig Count	JUN 19	- -	- -	876	- -
28)	06/23	15:30			API U.S. Crude Oil Inventories	JUN 19	- -	- -	-1262K	- -
29)	06/23	15:30			API U.S. Gasoline Inventories	JUN 19	- -	- -	2140K	- -
30)	06/23	15:30			API U.S. Distillate Inventory	JUN 19	- -	- -	881K	- -
31)	06/24	09:30			DOE U.S. Crude Oil Inventories	JUN 19	- -	- -	-3874K	- -
32)	06/24	09:30			DOE U.S. Gasoline Inventories	JUN 19	- -	- -	3385K	- -
33)	06/24	09:30			DOE U.S. Distillate Inventory	JUN 19	- -	- -	308K	- -
34)	06/24	09:30			DOE U.S. Heat Oil Inventories	JUN 19	- -	- -	641K	- -
35)	06/24	09:30			DOE U.S. Refinery Utilization	JUN 19	- -	- -	0.05%	- -
36)	06/24	09:30			DOE Cushing OK Crude Inventory	JUN 19	- -	- -	-5K	- -
37)	06/24	09:30			DOE No.2 Heat Oil Inventories	JUN 19	- -	- -	- -	- -
38)	06/24	09:30			DOE Crude Oil Implied Demand	JUN 19	- -	- -	14863	- -
39)	06/24	09:30			DOE Gasoline Implied Demand	JUN 19	- -	- -	9504.0	- -
40)	06/24	09:30			DOE Distillate Implied Demand	JUN 19	- -	- -	4062.0	- -
41)	06/25	09:30			EIA Natural Gas Storage Change	JUN 19	- -	- -	- -	- -
42)	06/26	12:00			Baker Hughes U.S. Rig Count	JUN 26	- -	- -	- -	- -
43)	06/30	15:30			API U.S. Crude Oil Inventories	JUN 26	- -	- -	- -	- -
44)	06/30	15:30			API U.S. Gasoline Inventories	JUN 26	- -	- -	- -	- -

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	71.17	na	233,468	10,831	JUL	F.QON09	69.39				
F.CLAQ09	71.79	na	138,992	12,708	AUG	F.QOQ09	70.97	176,014	111,361	24,876	AUG
F.CLAU09	72.66	na	48,392	2,216	SEP	F.QOU09	71.73	113,659	47,245	8,740	SEP
F.CLAV09	73.55	na	15,578	533	OCT	F.QOV09	72.43	56,344	22,396	2,793	OCT
F.CLAX09	74.30	na	8,629	310	NOV	F.QOX09	73.18	22,840	12,157	1,838	NOV
F.CLAZ09	74.58	na	27,521	578	DEC	F.QOZ09	73.93	85,849	20,464	4,164	DEC
F.CLAF10	74.93	na	2,697	34	JAN	F.QOF10	74.76	23,232	5,426	1,423	JAN
F.CLAG10	74.70	na	1,585	18	FEB	F.QOG10	75.09	14,459	2,013	518	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.