

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	68.62	-1.4	70.3	68.31	70.2	34,159	532,929	WTI Crude
HOA	176.23	-2.44	180.58	175.45	179.25	1,648	69,863	Heating Oil
RBA	190.21	-2.23	193.84	189	192.4	2,084	148,882	Unleaded Gas
NGA	39.73	-0.59	40.5	39.71	40.4	2,943	136,317	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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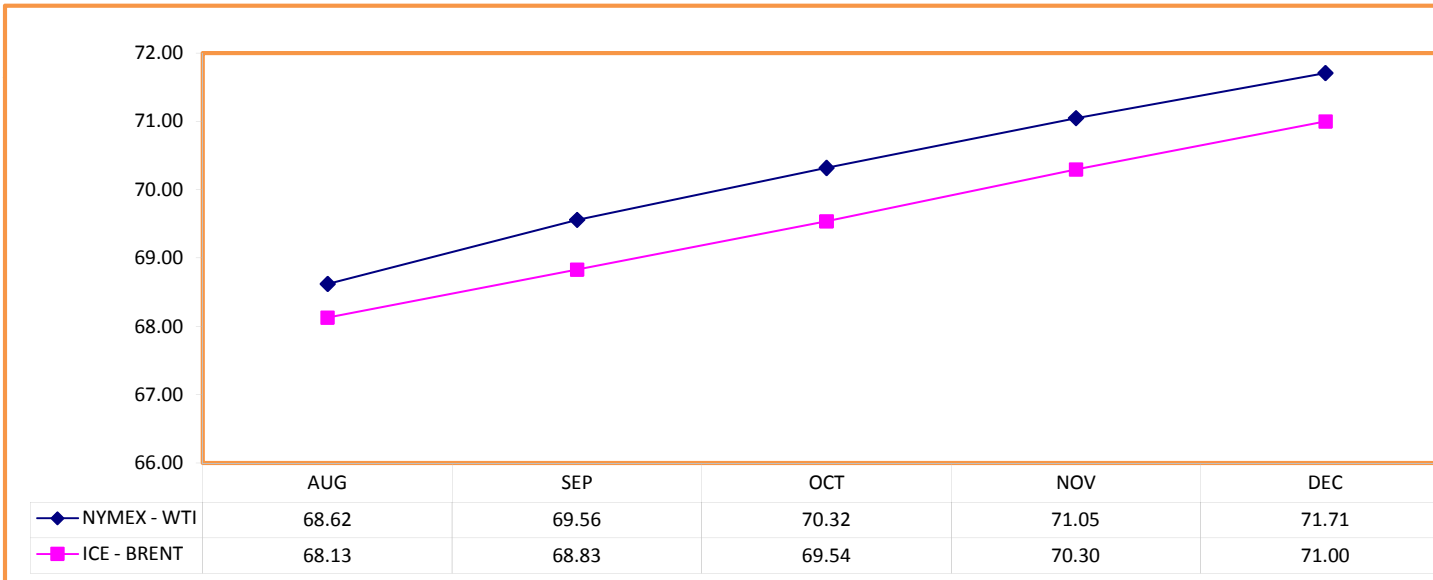
1) Custom Calendar 2) Settings 3) Alerts 4) Export Economic Calendars

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	68.30	na	115,712	3,772	JUL	F.QON09	69.39				
F.CLAQ09	68.62	na	271,060	25,258	AUG	F.QOQ09	68.13	0	99,813	35,885	
F.CLAU09	69.56	na	52,217	3,150	SEP	F.QOU09	68.83	0	36,462	11,099	
F.CLAV09	70.32	na	12,839	898	OCT	F.QOV09	69.54	0	21,903	5,656	
F.CLAX09	71.05	na	9,111	523	NOV	F.QOX09	70.30	0	10,958	3,345	
F.CLAZ09	71.71	na	35,780	1,043	DEC	F.QOZ09	71.00	0	19,055	4,027	
F.CLAF10	73.43	na	3,970	92	JAN	F.QOF10	71.83	0	3,133	893	
F.CLAG10	74.82	na	1,629	26	FEB	F.QOG10	72.31	0	2,180	962	



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.