

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

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

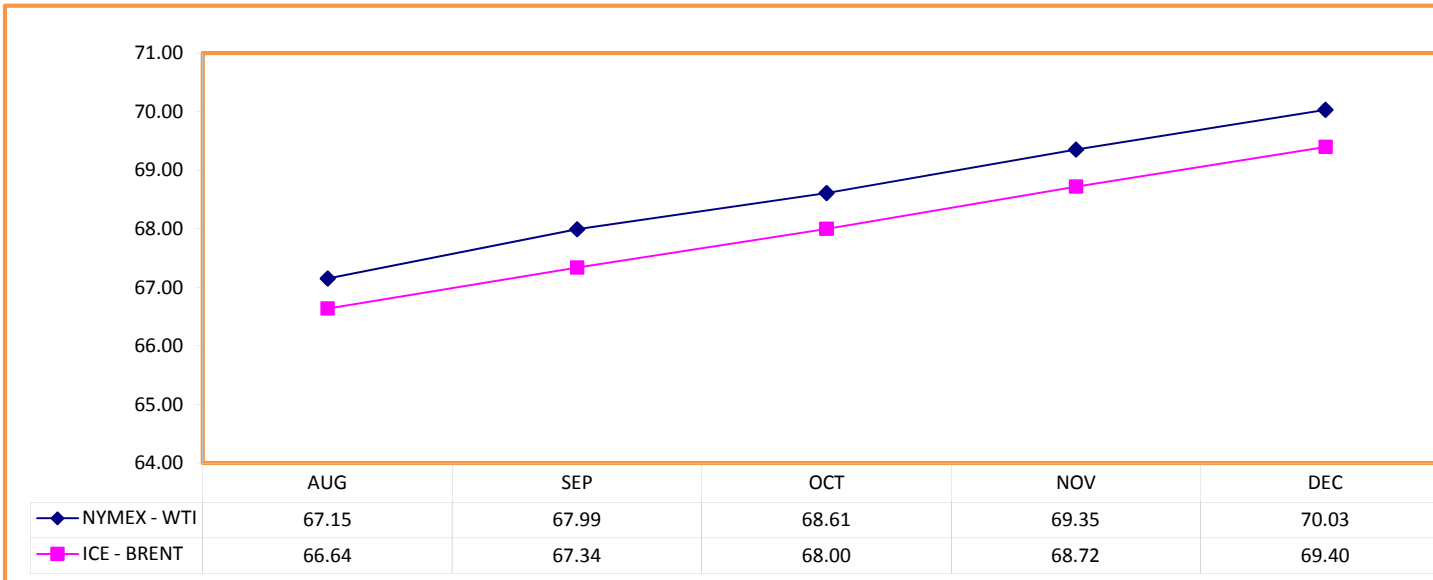
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	67.15	-0.35	67.49	66.37	67.15	22,448	436,360	WTI Crude
HOA	172.45	-0.3	173.2	170.72	172.95	1,486	76,722	Heating Oil
RBA	185.5	-0.47	185.99	183.68	185.78	1,183	120,704	Unleaded Gas
NGA	39.23	-0.1	40	38.82	39.33	2,331	193,355	Natural Gas

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

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	66.75	na	26,204	0	JUL	F.QON09	69.39				
F.CLAQ09	67.15	na	262,049	20,773	AUG	F.QOQ09	66.64	149,388	139,238	28,022	AUG
F.CLAU09	67.99	na	53,328	3,060	SEP	F.QOU09	67.34	118,946	45,409	9,817	SEP
F.CLAV09	68.61	na	15,757	949	OCT	F.QOV09	68.00	56,851	23,019	7,242	OCT
F.CLAX09	69.35	na	7,561	312	NOV	F.QOX09	68.72	24,552	11,650	5,174	NOV
F.CLAZ09	70.03	na	33,388	849	DEC	F.QOZ09	69.40	81,484	24,260	3,743	DEC
F.CLAF10	70.00	na	4,382	74	JAN	F.QOF10	69.86	23,164	5,050	819	JAN
F.CLAG10	71.08	na	2,342	20	FEB	F.QOG10	70.21	15,052	3,290	157	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.