

## 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>	68.74	-0.5	69.18	68.06	68.55	17,994	364,752	WTI Crude
<b>HOA</b>	175.18	-1.72	175.7	173.6	175.7	2,030	78,671	Heating Oil
<b>RBA</b>	185.8	-3.3	186.55	185.4	186.19	3,293	81,193	Unleaded Gas
<b>NGA</b>	39.1	-0.08	38.87	38.55	38.71	2,235	191,876	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. EquityECO  
 9<G0> to set as default calendar

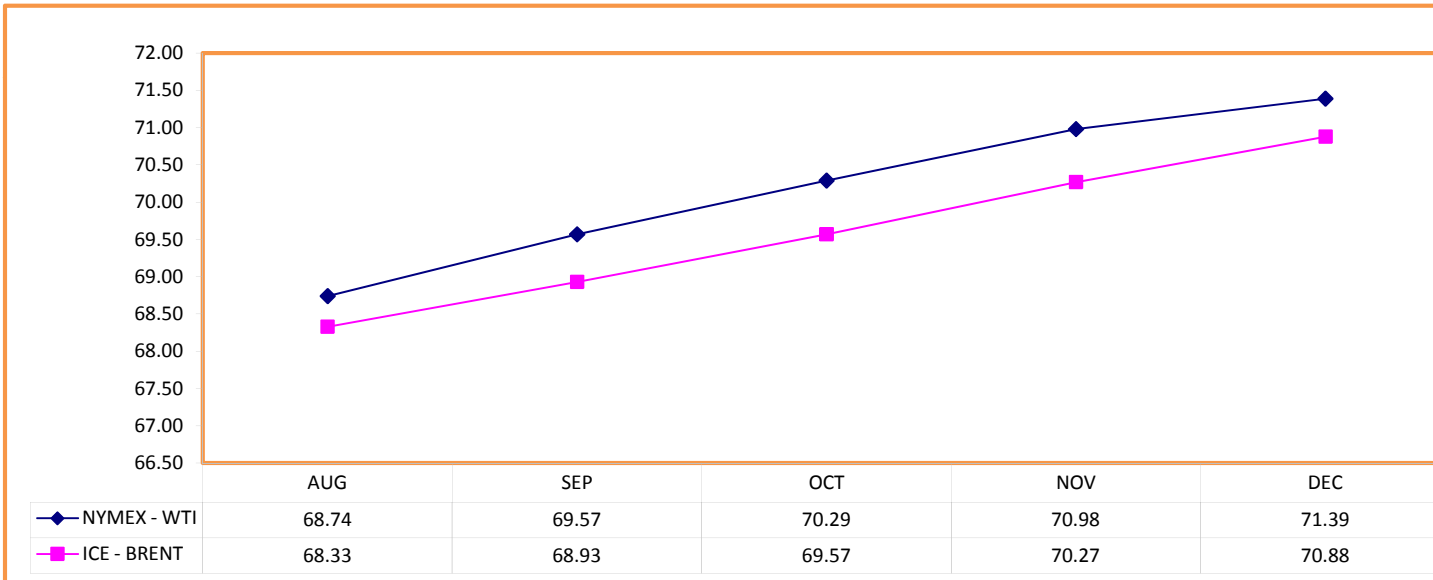
Custom Calendar | 2) Settings | 3) Alerts | 4) Export | Economic Calendars

Region North America Country United States Type Energy / Commodities   
 Date 06/24/09 05:16:03 United States: Energy / Commodities

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
23)	06/23	15:30			API U.S. Crude Oil Inventories	JUN 19	--	-72K	-1262K	--
24)	06/23	15:30			API U.S. Gasoline Inventories	JUN 19	--	3693K	2140K	--
25)	06/23	15:30			API U.S. Distillate Inventory	JUN 19	--	2343K	881K	--
26)	06/24	09:30			DOE U.S. Crude Oil Inventories	JUN 19	-950K	--	-3874K	--
27)	06/24	09:30			DOE U.S. Gasoline Inventories	JUN 19	1000K	--	3385K	--
28)	06/24	09:30			DOE U.S. Distillate Inventory	JUN 19	850K	--	308K	--
29)	06/24	09:30			DOE U.S. Heat Oil Inventories	JUN 19	--	--	641K	--
30)	06/24	09:30			DOE U.S. Refinery Utilization	JUN 19	0.05%	--	0.05%	--
31)	06/24	09:30			DOE Cushing OK Crude Inventory	JUN 19	--	--	-5K	--
32)	06/24	09:30			DOE No.2 Heat Oil Inventories	JUN 19	--	--	--	--
33)	06/24	09:30			DOE Crude Oil Implied Demand	JUN 19	--	--	14863	--
34)	06/24	09:30			DOE Gasoline Implied Demand	JUN 19	--	--	9504.0	--
35)	06/24	09:30			DOE Distillate Implied Demand	JUN 19	--	--	4062.0	--
36)	06/25	09:30			EIA Natural Gas Storage Change	JUN 19	101	--	114	--
37)	06/26	12:00			Baker Hughes U.S. Rig Count	JUN 26	--	--	899	--
38)	06/30	15:30			API U.S. Crude Oil Inventories	JUN 26	--	--	-72K	--
39)	06/30	15:30			API U.S. Gasoline Inventories	JUN 26	--	--	3693K	--
40)	06/30	15:30			API U.S. Distillate Inventory	JUN 26	--	--	2343K	--
41)	07/01	09:30			DOE U.S. Crude Oil 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	66.75	na				F.QON09	69.39				
F.CLAQ09	68.74	na	258,245	16,095	AUG	F.QOQ09	68.33	0	137,446	AUG	
F.CLAU09	69.57	na	40,636	3,013	SEP	F.QOU09	68.93	0	52,028	SEP	
F.CLAV09	70.29	na	11,649	1,268	OCT	F.QOV09	69.57	0	28,002	OCT	
F.CLAX09	70.98	na	5,328	318	NOV	F.QOX09	70.27	0	13,569	NOV	
F.CLAZ09	71.39	na	21,800	501	DEC	F.QOZ09	70.88	0	20,983	DEC	
F.CLAF10	71.95	na	1,940	3	JAN	F.QOF10	71.32	0	4,739	JAN	
F.CLAG10	72.77	na	1,613	10	FEB	F.QOG10	72.35	0	2,953	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.