

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	71.06	0.83	71.29	70.2	70.34	15,819	418,582	WTI Crude
HOA	183.91	1.55	184.35	182.62	182.9	1,088	86,971	Heating Oil
RBA	192.59	2.43	193.03	189.76	190.69	1,984	91,519	Unleaded Gas
NGA	38.77	0.33	38.87	38.5	38.73	1,591	210,857	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. Corp ECO
 9<GO> to set as default calendar

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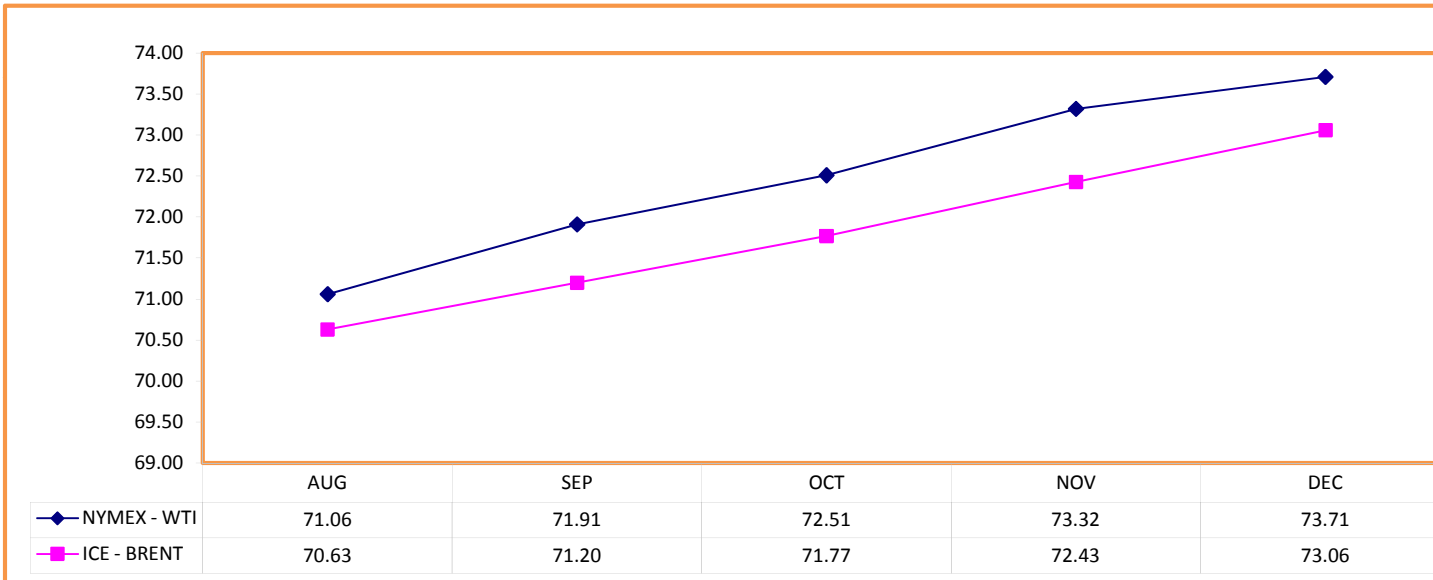
Region North America Country United States Type Energy / Commodities

Date 06/25/09 05:17:43 United States: Energy / Commodities

	Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
26)	06/25	09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	JUN 19	100	--	114	--
27)	06/26	12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	JUN 26	--	--	899	--
28)	06/30	15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	JUN 26	--	--	-72K	--
29)	06/30	15:30	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	JUN 26	--	--	3693K	--
30)	06/30	15:30	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	JUN 26	--	--	2343K	--
31)	07/01	09:30	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	JUN 26	--	--	-3868K	--
32)	07/01	09:30	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	JUN 26	--	--	3871K	--
33)	07/01	09:30	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	JUN 26	--	--	2077K	--
34)	07/01	09:30	<input checked="" type="checkbox"/> DOE U.S. Heat Oil Inventories	JUN 26	--	--	-101K	--
35)	07/01	09:30	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	JUN 26	--	--	1.15%	--
36)	07/01	09:30	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	JUN 26	--	--	-733K	--
37)	07/01	09:30	<input checked="" type="checkbox"/> DOE No.2 Heat Oil Inventories	JUN 26	--	--	40497K	--
38)	07/01	09:30	<input checked="" type="checkbox"/> DOE Crude Oil Implied Demand	JUN 26	--	--	15094	--
39)	07/01	09:30	<input checked="" type="checkbox"/> DOE Gasoline Implied Demand	JUN 26	--	--	9279.0	--
40)	07/01	09:30	<input checked="" type="checkbox"/> DOE Distillate Implied Demand	JUN 26	--	--	4061.0	--
41)	07/02	09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	JUN 26	--	--	--	--
42)	07/03	12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	JUL 3	--	--	--	--
43)	07/07	15:30	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	JUL 3	--	--	--	--
44)	07/07	15:30	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	JUL 3	--	--	--	--

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	#VALUE!				
F.CLAQ09	71.06	na	254,942	12,628	AUG	F.QOQ09	70.63	151,734	128,023	26,248	AUG
F.CLAU09	71.91	na	61,989	2,018	SEP	F.QOU09	71.20	125,981	50,481	12,960	SEP
F.CLAV09	72.51	na	22,334	552	OCT	F.QOV09	71.77	59,871	25,113	4,207	OCT
F.CLAX09	73.32	na	8,359	235	NOV	F.QOX09	72.43	25,196	13,503	1,406	NOV
F.CLAZ09	73.71	na	45,751	586	DEC	F.QOZ09	73.06	79,437	22,742	2,374	DEC
F.CLAF10	74.06	na	9,176	48	JAN	F.QOF10	72.95	23,257	5,457	484	JAN
F.CLAG10	73.90	na	7,111	9	FEB	F.QOG10	73.81	14,829	2,189	227	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.