

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	69.55	0.39	69.67	68.36	69.25	15,679	311,214	WTI Crude
HOA	179.19	1.09	179.19	176.13	178.1	1,381	93,424	Heating Oil
RBA	189	1.81	189	186.06	187.5	1,128	83,462	Unleaded Gas
NGA	40.68	-0.37	40.8	40.19	40.49	1,611	139,455	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. ComdtyECO
 NO SCHEDULED EVENT FOR TODAY, 9<GO> to set as default calendar

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

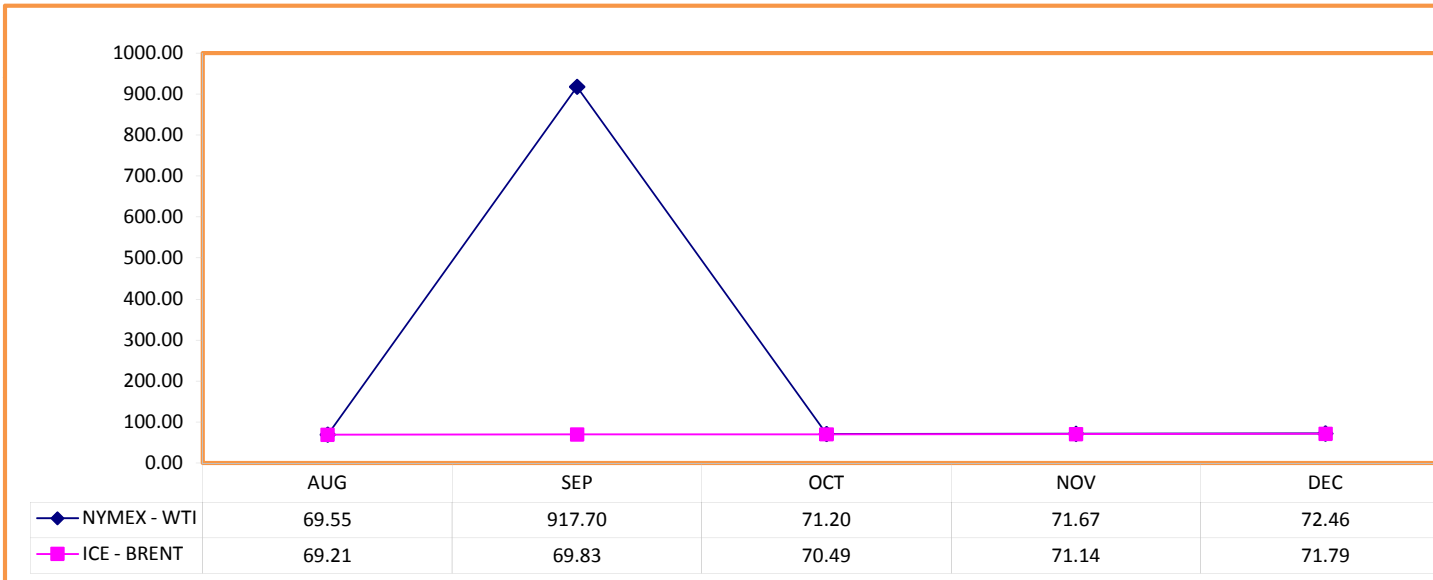
Region North America Country United States Type Energy / Commodities

Date 06/29/09 05:26:17 United States: Energy / Commodities

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
26)	06/30	15:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	API U.S. Crude Oil Inventories	JUN 26	--	--	-72K	--
27)	06/30	15:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	API U.S. Gasoline Inventories	JUN 26	--	--	3693K	--
28)	06/30	15:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	API U.S. Distillate Inventory	JUN 26	--	--	2343K	--
29)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE U.S. Crude Oil Inventories	JUN 26	--	--	-3868K	--
30)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE U.S. Gasoline Inventories	JUN 26	--	--	3871K	--
31)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE U.S. Distillate Inventory	JUN 26	--	--	2077K	--
32)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE U.S. Heat Oil Inventories	JUN 26	--	--	-101K	--
33)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE U.S. Refinery Utilization	JUN 26	--	--	1.15%	--
34)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE Cushing OK Crude Inventory	JUN 26	--	--	-733K	--
35)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE No.2 Heat Oil Inventories	JUN 26	--	--	40497K	--
36)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE Crude Oil Implied Demand	JUN 26	--	--	15094	--
37)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE Gasoline Implied Demand	JUN 26	--	--	9279.0	--
38)	07/01	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE Distillate Implied Demand	JUN 26	--	--	4061.0	--
39)	07/02	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	EIA Natural Gas Storage Change	JUN 26	--	--	94	--
40)	07/03	12:00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Baker Hughes U.S. Rig Count	JUL 3	--	--	917	--
41)	07/07	15:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	API U.S. Crude Oil Inventories	JUL 3	--	--	--	--
42)	07/07	15:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	API U.S. Gasoline Inventories	JUL 3	--	--	--	--
43)	07/07	15:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	API U.S. Distillate Inventory	JUL 3	--	--	--	--
44)	07/08	09:30	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	DOE U.S. Crude Oil 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	#VALUE!	na				F.QON09	#VALUE!				
F.CLAQ09	69.55	na	184,684	13,117	AUG	F.QOQ09	69.21	134,306	102,300	23,737	AUG
F.CLAU09	917.70	na	19,284	2,059	SEP	F.QOU09	69.83	123,092	36,928	11,684	SEP
F.CLAV09	71.20	na	11,498	241	OCT	F.QOV09	70.49	60,716	18,293	4,971	OCT
F.CLAX09	71.67	na	5,737	101	NOV	F.QOX09	71.14	24,918	6,255	3,684	NOV
F.CLAZ09	72.46	na	21,435	329	DEC	F.QOZ09	71.79	82,360	12,591	1,811	DEC
F.CLAF10	72.50	na	3,443	3	JAN	F.QOF10	72.29	23,842	2,553	489	JAN
F.CLAG10	72.65	na	1,380	1	FEB	F.QOG10	72.74	15,205	1,142	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.