

## 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**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	71.68	0.19	73.38	71.42	71.6	38,590	335,545	WTI Crude
<b>HOA</b>	183.57	0.2	187.32	183.23	183.35	1,781	79,540	Heating Oil
<b>RBA</b>	195.12	1.58	198.07	193.87	193.92	1,346	75,923	Unleaded Gas
<b>NGA</b>	39.55	0.11	39.86	39.31	39.31	1,750	101,161	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  
 9<GO> to set as default calendar

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

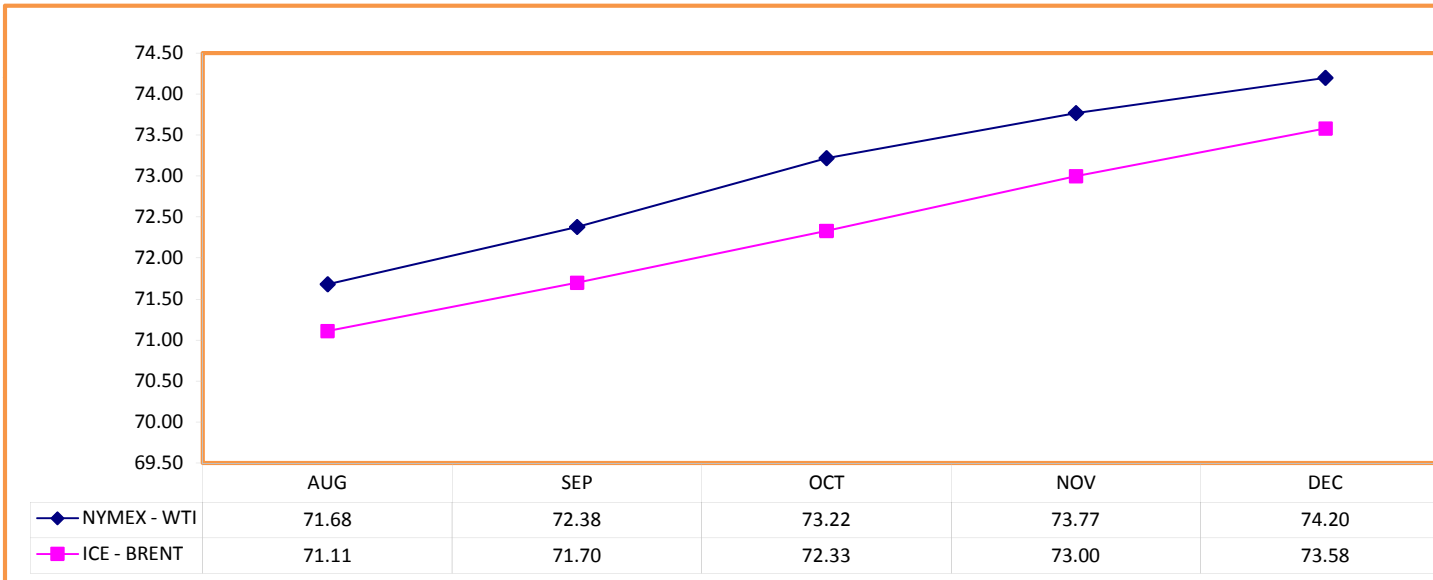
Region North America Country United States Type Energy / Commodities

Date 06/30/09 05:18:58 United States: Energy / Commodities

Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
26)	06/30	15:30		API U.S. Crude Oil Inventories	JUN 26	--	--	-72K	--
27)	06/30	15:30		API U.S. Gasoline Inventories	JUN 26	--	--	3693K	--
28)	06/30	15:30		API U.S. Distillate Inventory	JUN 26	--	--	2343K	--
29)	07/01	09:30		DOE U.S. Crude Oil Inventories	JUN 26	-1600K	--	-3868K	--
30)	07/01	09:30		DOE U.S. Gasoline Inventories	JUN 26	2000K	--	3871K	--
31)	07/01	09:30		DOE U.S. Distillate Inventory	JUN 26	1500K	--	2077K	--
32)	07/01	09:30		DOE U.S. Heat Oil Inventories	JUN 26	--	--	-101K	--
33)	07/01	09:30		DOE U.S. Refinery Utilization	JUN 26	0.10%	--	1.15%	--
34)	07/01	09:30		DOE Cushing OK Crude Inventory	JUN 26	--	--	-733K	--
35)	07/01	09:30		DOE No.2 Heat Oil Inventories	JUN 26	--	--	40497K	--
36)	07/01	09:30		DOE Crude Oil Implied Demand	JUN 26	--	--	15094	--
37)	07/01	09:30		DOE Gasoline Implied Demand	JUN 26	--	--	9279.0	--
38)	07/01	09:30		DOE Distillate Implied Demand	JUN 26	--	--	4061.0	--
39)	07/02	09:30		EIA Natural Gas Storage Change	JUN 26	--	--	94	--
40)	07/03	12:00		Baker Hughes U.S. Rig Count	JUL 3	--	--	917	--
41)	07/07	15:30		API U.S. Crude Oil Inventories	JUL 3	--	--	--	--
42)	07/07	15:30		API U.S. Gasoline Inventories	JUL 3	--	--	--	--
43)	07/07	15:30		API U.S. Distillate Inventory	JUL 3	--	--	--	--
44)	07/08	09:30		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.CLAQ09	71.68	na	208,624	34,731	AUG	F.QOQ09	71.11	145,514	102,023	52,890	AUG
F.CLAU09	72.38	na	17,942	2,108	SEP	F.QOU09	71.70	128,520	46,772	13,787	SEP
F.CLAV09	73.22	na	14,559	2,017	OCT	F.QOV09	72.33	62,381	20,514	3,785	OCT
F.CLAX09	73.77	na	6,349	714	NOV	F.QOX09	73.00	27,262	11,120	2,339	NOV
F.CLAZ09	74.20	na	23,114	3,848	DEC	F.QOZ09	73.58	80,523	10,576	4,238	DEC
F.CLAF10	75.49	na	6,215	279	JAN	F.QOF10	74.69	23,918	2,903	724	JAN
F.CLAG10	74.82	na	4,623	167	FEB	F.QOG10	74.43	15,177	1,753	428	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.