

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	43.35	1.7	43.57	41.04	41.38	37,095	400,169	WTI Crude
HOA	120.08	2.12	120.08	116.46	117.58	893	63,187	Heating Oil
RBA	134.75	2.81	135.55	130.5	132.35	1,528	50,375	Unleaded Gas
NGA	42.75	-0.07	42.99	42.58	42.99	892	117,922	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.

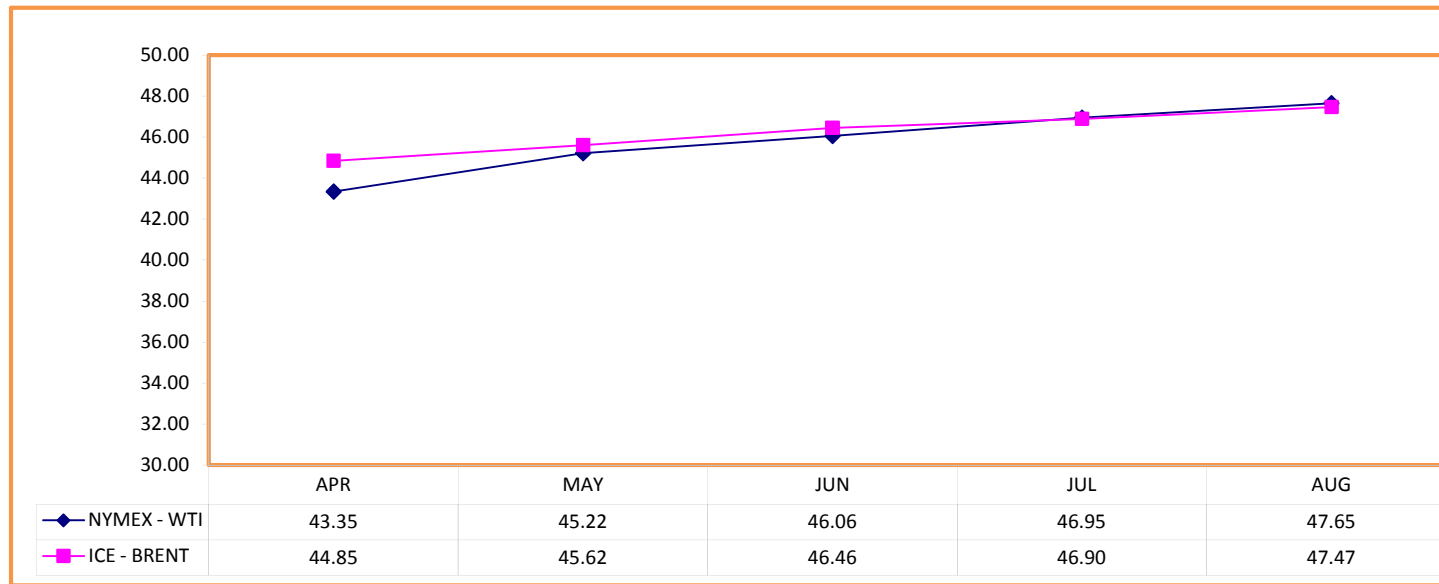
Economic Release Estimates, from Bloomberg

<HELP> for explanation. N090 n ComdtyECO
 9<GO> to set as default calendar

1) Custom Calendars		2) Options		3) All		Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commoditie				
Date	03/04/09	05:16:00		United States: Energy / Commodities					
Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
25)	03/04	09:30	<input checked="" type="checkbox"/>	DOE U.S. Crude Oil Inventories	FEB 27	1000K	--	717K	--
26)	03/04	09:30	<input checked="" type="checkbox"/>	DOE U.S. Gasoline Inventories	FEB 27	-800K	--	-3322K	--
27)	03/04	09:30	<input checked="" type="checkbox"/>	DOE U.S. Distillate Inventory	FEB 27	-1000K	--	882K	--
28)	03/04	09:30	<input checked="" type="checkbox"/>	DOE U.S. Heat Oil Inventories	FEB 27	--	--	-278K	--
29)	03/04	09:30	<input checked="" type="checkbox"/>	DOE U.S. Refinery Utilization	FEB 27	0.04%	--	-0.89%	--
30)	03/04	09:30	<input checked="" type="checkbox"/>	DOE Cushing OK Crude Inventory	FEB 27	--	--	-358K	--
31)	03/04	09:30	<input checked="" type="checkbox"/>	DOE Crude Oil Implied Demand	FEB 27	--	--	13967	--
32)	03/04	09:30	<input checked="" type="checkbox"/>	DOE Gasoline Implied Demand	FEB 27	--	--	9148.0	--
33)	03/04	09:30	<input checked="" type="checkbox"/>	DOE Distillate Implied Demand	FEB 27	--	--	4369.0	--
34)	03/05	09:30	<input checked="" type="checkbox"/>	EIA Natural Gas Storage Change	FEB 27	-95	--	-101	--
35)	03/06	12:00	<input checked="" type="checkbox"/>	Baker Hughes U.S. Rig Count	MAR 6	--	--	1243	--
36)	03/10		<input checked="" type="checkbox"/>	DOE Short-Term Crude Outlook	MAR	--	--	55	--
37)	03/10		<input checked="" type="checkbox"/>	DOE Short-Term Diesel Outlook	MAR	--	--	2.55	--
38)	03/10		<input checked="" type="checkbox"/>	DOE Short-Term Ht Oil Outlook	MAR	--	--	2.45	--
39)	03/10		<input checked="" type="checkbox"/>	DOE Short-Term NatGas Outlook	MAR	--	--	11.53	--
40)	03/10		<input checked="" type="checkbox"/>	DOE Short-Term Mogas Outlook	MAR	--	--	2.19	--
41)	03/10	15:30	<input checked="" type="checkbox"/>	API U.S. Crude Oil Inventories	MAR 6	--	--	-463K	--
42)	03/10	15:30	<input checked="" type="checkbox"/>	API U.S. Gasoline Inventories	MAR 6	--	--	-642K	--
43)	03/10	15:30	<input checked="" type="checkbox"/>	API U.S. Distillate Inventory	MAR 6	--	--	1646K	--

Australia 61 2 9277 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					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAJ09	43.35	na	241,538	22,610	APR	F.QOJ09	44.85	129,392	101,135	22,574	APR
F.CLAK09	45.22	na	80,355	10,749	MAY	F.QOK09	45.62	155,215	65,548	21,478	MAY
F.CLAM09	46.06	na	37,885	4,625	JUN	F.QOM09	46.46	77,601		10,544	JUN
F.CLAN09	46.95	na	14,389	1,002	JUL	F.QON09	46.90	29,355	8,046	3,460	JUL
F.CLAQ09	47.65	na	11,430	478	AUG	F.QOQ09	47.47	18,371	3,587	1,379	AUG
F.CLAU09	48.33	na	10,212	402	SEP	F.QOU09	48.00	18,090	3,245	896	SEP
F.CLAV09	48.24	na	4,884	229	OCT	F.QOV09	48.52	12,602	2,623	1,228	OCT
F.CLAX09	49.01	na	4,881	166	NOV	F.QOX09	49.01	13,598	5,035	1,093	NOV
F.CLAZ09	50.30	na	20,226	319	DEC	F.QOZ09	49.68	71,264	21,259	2,982	DEC



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.