

## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

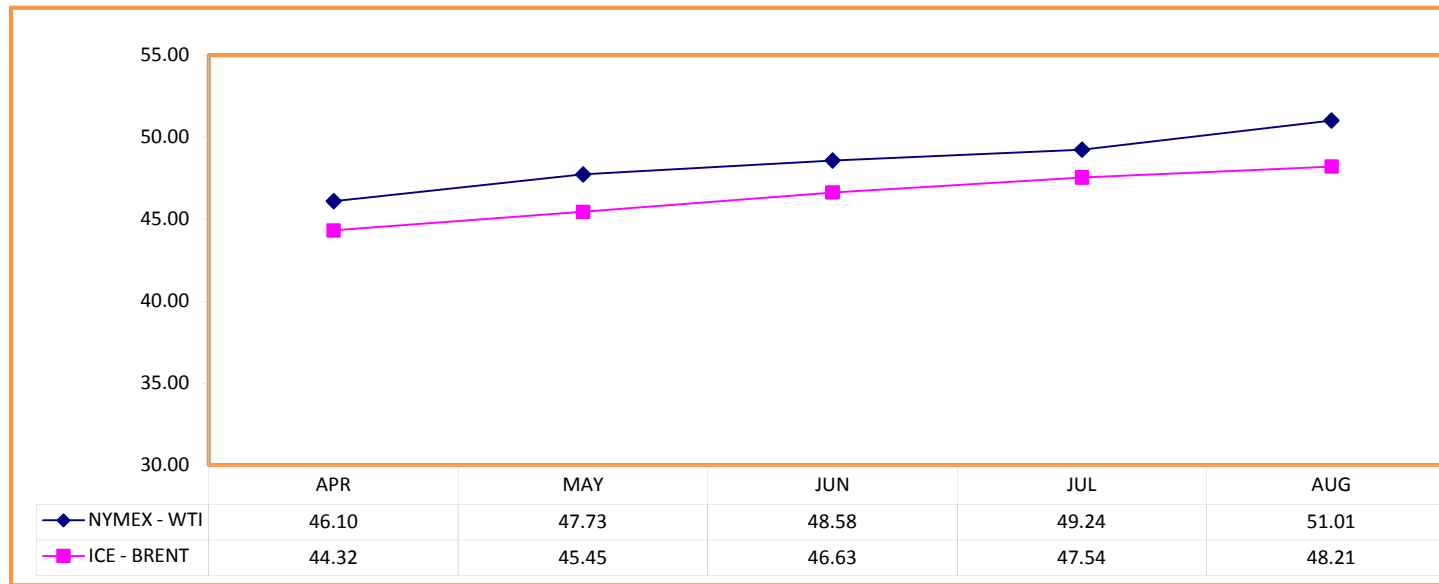
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	46.1	0.58	47.03	45.53	45.76	17,954	612,913	WTI Crude
<b>HOA</b>	123.52	0.58	125	121.64	122.61	611	82,335	Heating Oil
<b>RBA</b>	132.78	-0.44	135.63	132.5	132.63	541	62,597	Unleaded Gas
<b>NGA</b>	39.54	0.09	39.65	38.82	38.82	1,844	138,725	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**

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.CLAJ09	46.10	na	306,347	18,184	APR	F.QOJ09	44.32	0	96,691	17,527	APR
F.CLAK09	47.73	na	169,690	11,047	MAY	F.QOK09	45.45	0	106,034	17,708	MAY
F.CLAM09	48.58	na	53,928	3,398	JUN	F.QOM09	46.63	0		6,929	JUN
F.CLAN09	49.24	na	15,071	565	JUL	F.QON09	47.54	0	14,310	1,770	JUL
F.CLAQ09	51.01	na	10,388	335	AUG	F.QOQ09	48.21	0	4,398	395	AUG
F.CLAU09	50.98	na	9,794	278	SEP	F.QOU09	48.74	0	3,872	561	SEP
F.CLAV09	51.26	na	6,117	91	OCT	F.QOV09	49.28	0	2,636	267	OCT
F.CLAX09	52.00	na	3,446	71	NOV	F.QOX09	49.75	0	2,986	349	NOV
F.CLAZ09	51.71	na	19,776	469	DEC	F.QOZ09	50.19	0	10,092	1,448	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.