

## 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

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	45.13	-0.58	46.04	45.05	45.57	11,891	543,320	WTI Crude
<b>HOA</b>	118.24	-1.63	120.88	118.2	119.8	853	83,432	Heating Oil
<b>RBA</b>	127.21	-2.51	129.58	127	128.5	1,121	69,342	Unleaded Gas
<b>NGA</b>	38.8	0.4	38.9	38.49	38.5	447	124,946	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.

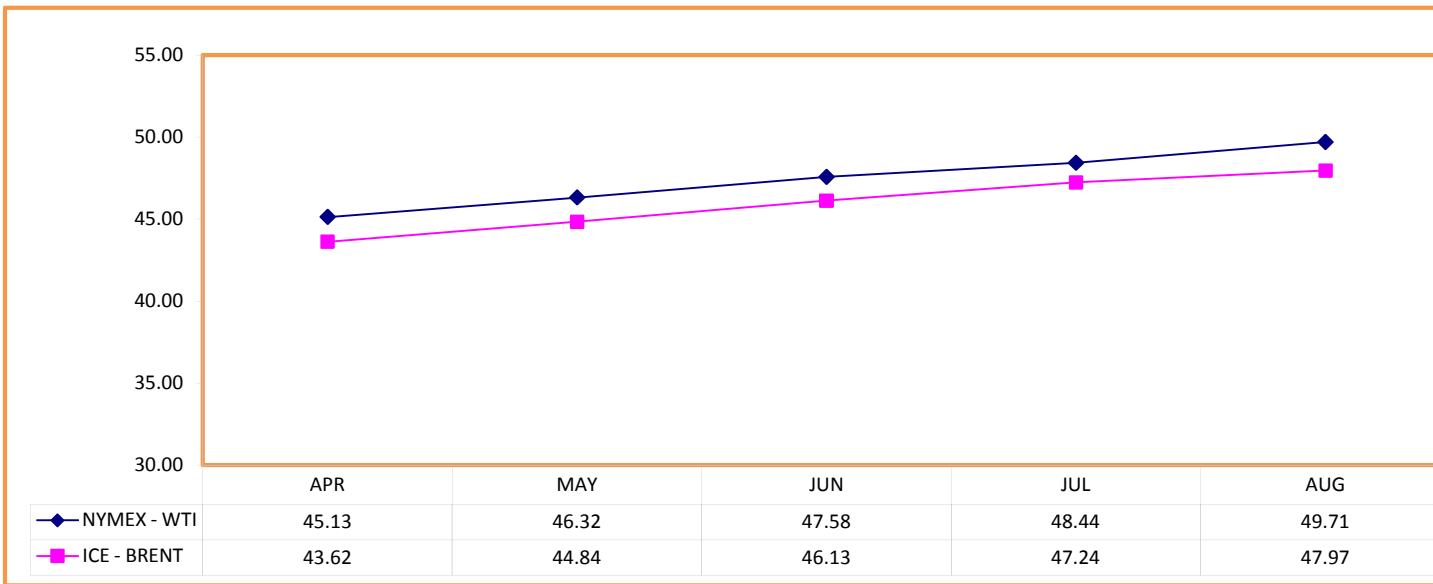
Economic Release Estimates, from Bloomberg

<HELP> for explanation. Corp ECO  
 9<GO> to set as default calendar

1) Custom Calendars		2) Options		3) A		Economic Calendars		
Region	North America	Country	United States	Type	Energy / Commodities			
Date	03/11/09		05:26:29	United States:	Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised	
23)	03/10	☒ DOE Short-Term Crude Outlook	MAR	--	53	55	--	
24)	03/10	☒ DOE Short-Term Diesel Outlook	MAR	--	2.51	2.55	--	
25)	03/10	☒ DOE Short-Term Ht Oil Outlook	MAR	--	2.41	2.45	--	
26)	03/10	☒ DOE Short-Term MatGas Outlook	MAR	--	11.59	11.53	--	
27)	03/10	☒ DOE Short-Term Mogas Outlook	MAR	--	2.18	2.19	--	
28)	03/10 15:30	☒ API U.S. Crude Oil Inventories	MAR 6	--	-419K	-463K	--	
29)	03/10 15:30	☒ API U.S. Gasoline Inventories	MAR 6	--	1653K	-642K	--	
30)	03/10 15:30	☒ API U.S. Distillate Inventory	MAR 6	--	-279K	1646K	--	
31)	03/11 07:30	ConocoPhillips Executives Speak at Analyst Meeting						
32)	03/11 09:30	☒ DOE U.S. Crude Oil Inventories	MAR 6	250K	--	-757K	--	
33)	03/11 09:30	☒ DOE U.S. Gasoline Inventories	MAR 6	-1000K	--	168K	--	
34)	03/11 09:30	☒ DOE U.S. Distillate Inventory	MAR 6	200K	--	1662K	--	
35)	03/11 09:30	☒ DOE U.S. Heat Oil Inventories	MAR 6	--	--	870K	--	
36)	03/11 09:30	☒ DOE U.S. Refinery Utilization	MAR 6	0.00%	--	1.76%	--	
37)	03/11 09:30	☒ DOE Cushing OK Crude Inventory	MAR 6	--	--	-553K	--	
38)	03/11 09:30	☒ DOE Crude Oil Implied Demand	MAR 6	--	--	14509	--	
39)	03/11 09:30	☒ DOE Gasoline Implied Demand	MAR 6	--	--	9342.0	--	
40)	03/11 09:30	☒ DOE Distillate Implied Demand	MAR 6	--	--	4145.0	--	
41)	03/12 09:30	☒ EIA Natural Gas Storage Change	MAR 6	-106	--	-102	--	

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.CLAJ09	45.13	na	289,157	8,081	APR	F.QOJ09	43.62	81,021	93,907	14,068	APR
F.CLAK09	46.32	na	171,678	4,088	MAY	F.QOK09	44.84	162,797	111,618	13,926	MAY
F.CLAM09	47.58	na	72,652	1,255	JUN	F.QOM09	46.13	112,756		7,802	JUN
F.CLAN09	48.44	na	23,240	377	JUL	F.QON09	47.24	45,204	14,257	3,616	JUL
F.CLAQ09	49.71	na	11,748	270	AUG	F.QOQ09	47.97	19,641	8,430	2,210	AUG
F.CLAU09	50.43	na	9,008	229	SEP	F.QOU09	48.57	19,186	5,445	1,707	SEP
F.CLAV09	51.03	na	6,942	122	OCT	F.QOV09	49.17	13,229	3,801	1,256	OCT
F.CLAX09	51.76	na	4,642	163	NOV	F.QOX09	49.71	12,865	3,037	849	NOV
F.CLAZ09	51.11	na	24,568	357	DEC	F.QOZ09	50.18	73,311	16,940	1,850	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.