

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	42.98	0.65	43.16	42.51	42.73	14,477	636,763	WTI Crude
HOA	114.15	0.84	114.76	112.75	113.6	421	94,917	Heating Oil
RBA	126.88	1.76	126.9	125.26	125.26	949	108,294	Unleaded Gas
NGA	38.06	0.08	38.24	37.95	37.98	464	127,940	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. N310 n Index ECO
 9<GO> to set as default calendar

1) Custom Calendars 2) Options 3) A Economic Calendars

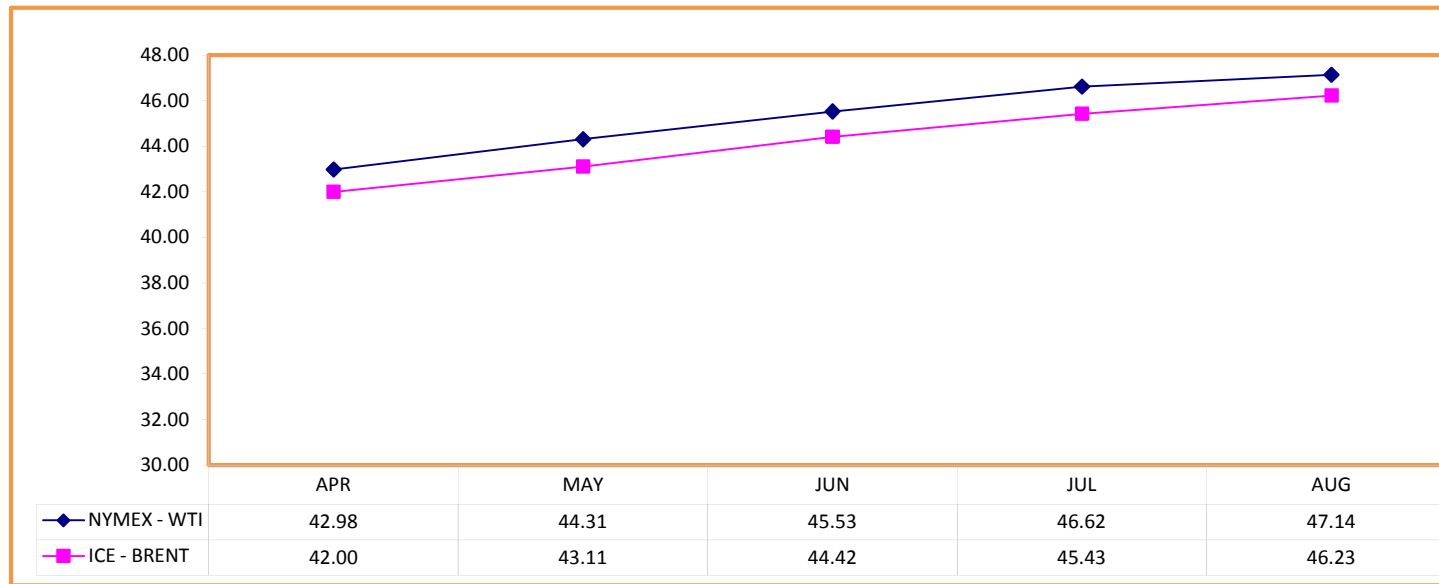
Region North America Country United States Type Energy / Commodities 

Date 03/12/09 05:23:34 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
32)	03/12	09:30		<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	MAR 6	-104	--	-102	--
33)	03/13	12:00		<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	MAR 13	--	--	1170	--
34)	03/15			OPEC Conference - Vienna, Austria					
35)	03/17	15:30		<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	MAR 13	--	--	-419K	--
36)	03/17	15:30		<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	MAR 13	--	--	1653K	--
37)	03/17	15:30		<input checked="" type="checkbox"/> API U.S. Distillate Inventory	MAR 13	--	--	-279K	--
38)	03/18	09:30		<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	MAR 13	--	--	749K	--
39)	03/18	09:30		<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	MAR 13	--	--	2108K	--
40)	03/18	09:30		<input checked="" type="checkbox"/> DOE U.S. Heat Oil Inventories	MAR 13	--	--	--	--
41)	03/18	09:30		<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	MAR 13	--	--	-0.43%	--
42)	03/18	09:30		<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	MAR 13	--	--	-401K	--
43)	03/18	09:30		<input checked="" type="checkbox"/> DOE Crude Oil Implied Demand	MAR 13	--	--	14415	--
44)	03/18	09:30		<input checked="" type="checkbox"/> DOE Gasoline Implied Demand	MAR 13	--	--	9116.0	--
45)	03/18	09:30		<input checked="" type="checkbox"/> DOE Distillate Implied Demand	MAR 13	--	--	4244.0	--
46)	03/19	09:30		<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	MAR 13	--	--	--	--
47)	03/20	12:00		<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	MAR 20	--	--	--	--
48)	03/24	15:30		<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	MAR 20	--	--	--	--
49)	03/24	15:30		<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	MAR 20	--	--	--	--
50)	03/24	15:30		<input checked="" type="checkbox"/> API U.S. Distillate Inventory	MAR 20	--	--	--	--

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	42.98	na	339,876	8,627	APR	F.QOJ09	42.00	75,698	89,247	12,995	APR
F.CLAK09	44.31	na	204,145	4,859	MAY	F.QOK09	43.11	159,828	110,193	17,897	MAY
F.CLAM09	45.53	na	75,233	1,151	JUN	F.QOM09	44.42	121,492		8,232	JUN
F.CLAN09	46.62	na	24,907	368	JUL	F.QON09	45.43	47,460	18,450	2,200	JUL
F.CLAQ09	47.14	na	11,788	97	AUG	F.QOQ09	46.23	21,035	8,858	1,146	AUG
F.CLAU09	48.20	na	8,387	68	SEP	F.QOU09	46.90	18,896	6,499	695	SEP
F.CLAV09	48.66	na	6,944	65	OCT	F.QOV09	47.54	13,182	3,964	233	OCT
F.CLAX09	49.00	na	5,574	52	NOV	F.QOX09	48.13	13,035	3,184	106	NOV
F.CLAZ09	49.71	na	29,644	193	DEC	F.QOZ09	48.70	73,349	17,568	2,157	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.