

The Morning Email: Oil

Table of Contents

Pg 1 Quotes

Pg 2 Economic Releases

Pg 3 Spreads - WTI and BRENT

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	48.47	-0.69	49.15	48.32	48.67	13,321	469,552	WTI Crude
HOA	127.65	0.29	129.47	126.4	126.8	1,301	78,160	Heating Oil
RBA	141.43	-0.95	142.52	141.05	141.54	745	78,962	Unleaded Gas
NGA	38.26	0.18	38.5	38	38.35	353	98,578	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.

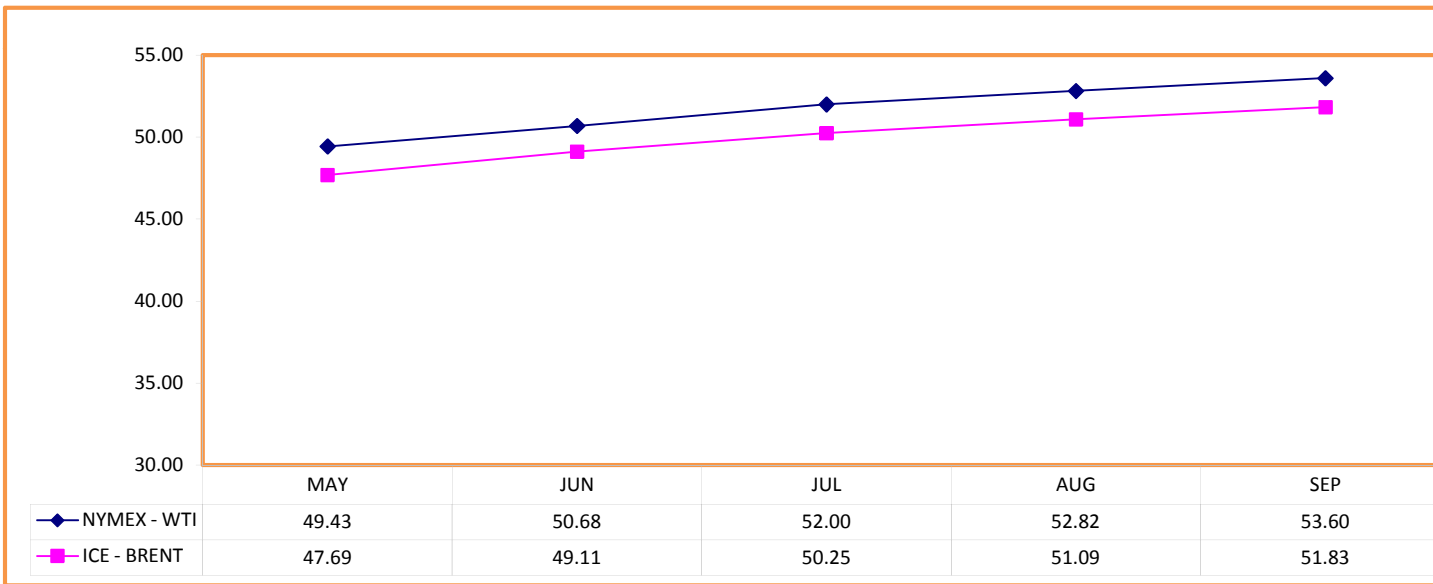
Economic Release Estimates, from Bloomberg

<HELP> for explanation. ComdyECO
 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	03/18/09		05:19:29		United States: Energy / Commodities			
Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
24)	03/17	15:30	API U.S. Crude Oil Inventories	MAR 13	--	4655K	-419K	--
25)	03/17	15:30	API U.S. Gasoline Inventories	MAR 13	--	383K	1653K	--
26)	03/17	15:30	API U.S. Distillate Inventory	MAR 13	--	327K	-279K	--
27)	03/18	09:30	DOE U.S. Crude Oil Inventories	MAR 13	1500K	--	749K	--
28)	03/18	09:30	DOE U.S. Gasoline Inventories	MAR 13	-1500K	--	-2993K	--
29)	03/18	09:30	DOE U.S. Distillate Inventory	MAR 13	1000K	--	2108K	--
30)	03/18	09:30	DOE U.S. Heat Oil Inventories	MAR 13	--	--	1376K	--
31)	03/18	09:30	DOE U.S. Refinery Utilization	MAR 13	-0.10%	--	-0.43%	--
32)	03/18	09:30	DOE Cushing OK Crude Inventory	MAR 13	--	--	-401K	--
33)	03/18	09:30	DOE Crude Oil Implied Demand	MAR 13	--	--	14415	--
34)	03/18	09:30	DOE Gasoline Implied Demand	MAR 13	--	--	9116.0	--
35)	03/18	09:30	DOE Distillate Implied Demand	MAR 13	--	--	4244.0	--
36)	03/19	09:30	EIA Natural Gas Storage Change	MAR 13	-32	--	-112	--
37)	03/20	12:00	Baker Hughes U.S. Rig Count	MAR 20	--	--	1126	--
38)	03/24	15:30	API U.S. Crude Oil Inventories	MAR 20	--	--	4655K	--
39)	03/24	15:30	API U.S. Gasoline Inventories	MAR 20	--	--	383K	--
40)	03/24	15:30	API U.S. Distillate Inventory	MAR 20	--	--	327K	--
41)	03/25	09:30	DOE U.S. Crude Oil Inventories	MAR 20	--	--	--	--
42)	03/25	09:30	DOE U.S. Gasoline Inventories	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	48.47	na	179,453	4,751	APR	F.QOJ09	#VALUE!				
F.CLAK09	49.43	na	149,436	9,293	MAY	F.QOK09	47.69	0	108,599	17,358	MAY
F.CLAM09	50.68	na	48,299	2,452	JUN	F.QOM09	49.11	0		11,796	JUN
F.CLAN09	52.00	na	18,163	673	JUL	F.QON09	50.25	0	22,990	5,723	JUL
F.CLAQ09	52.82	na	9,187	316	AUG	F.QOQ09	51.09	0	10,125	2,702	AUG
F.CLAU09	53.60	na	11,541	305	SEP	F.QOU09	51.83	0	8,686	1,481	SEP
F.CLAV09	53.99	na	7,823	183	OCT	F.QOV09	52.55	0	6,782	1,232	OCT
F.CLAX09	54.53	na	7,014	142	NOV	F.QOX09	53.22	0	5,778	1,227	NOV
F.CLAZ09	55.32	na	22,330	783	DEC	F.QOZ09	53.89	0	21,449	3,354	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.