

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

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

ENERGY MATRIX - NYMEX PRODUCTS

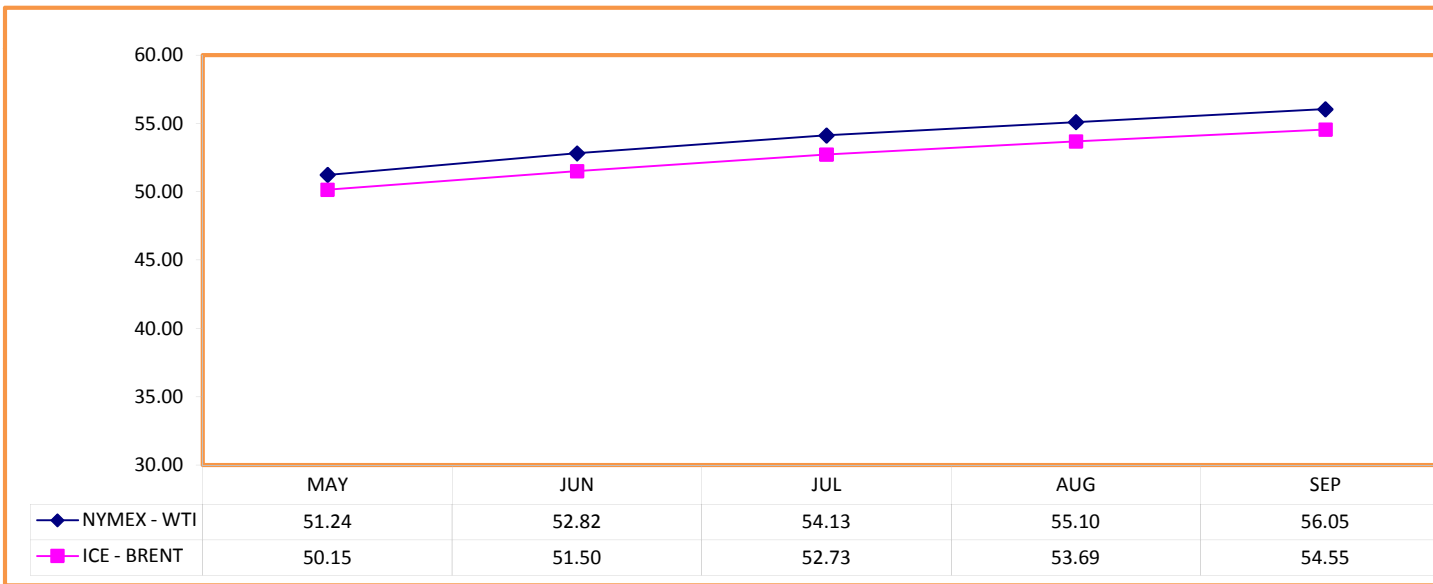
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	51.24	-0.8	52.34	51.02	51.68	12,200	491,966	WTI Crude
HOA	134.75	-0.88	136.52	134	135.02	1,472	67,935	Heating Oil
RBA	144.32	-1.31	146.06	143.55	145.75	674	72,785	Unleaded Gas
NGA	42.01	0.27	42.09	41.39	42	1,377	230,260	Natural Gas

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	Yest. Int Volume	Today's Volume	Contract Month		Last	Yest. Open	Yest. Int Volume	Today's Volume	Contract Month
F.CLAJ09	50.72	na	61,062	2,539	APR	F.QOJ09	#VALUE!				
F.CLAK09	51.24	na	258,263	10,929	MAY	F.QOK09	50.15	150,512	113,956	15,910	MAY
F.CLAM09	52.82	na	76,570	2,122	JUN	F.QOM09	51.50	121,808		7,914	JUN
F.CLAN09	54.13	na	23,646	532	JUL	F.QON09	52.73	51,779	34,349	2,216	JUL
F.CLAQ09	55.10	na	8,760	280	AUG	F.QOQ09	53.69	24,768	13,783	1,538	AUG
F.CLAU09	56.05	na	8,960	300	SEP	F.QOU09	54.55	23,329	9,992	1,524	SEP
F.CLAV09	57.11	na	7,118	329	OCT	F.QOV09	55.42	14,611	7,192	1,321	OCT
F.CLAX09	57.91	na	4,974	439	NOV	F.QOX09	56.26	13,793	5,485	1,177	NOV
F.CLAZ09	58.66	na	24,977	756	DEC	F.QOZ09	57.10	78,132	28,036	2,583	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.