

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	53.23	-0.57	53.85	53.12	53.83	10,336	369,466	WTI Crude
HOA	148.9	0.26	149.45	146.49	148.49	2,263	74,402	Heating Oil
RBA	150.3	-0.62	151.6	149.88	151	870	72,148	Unleaded Gas
NGA	42.95	0.17	43.45	43.09	43.45	1,029	94,582	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.

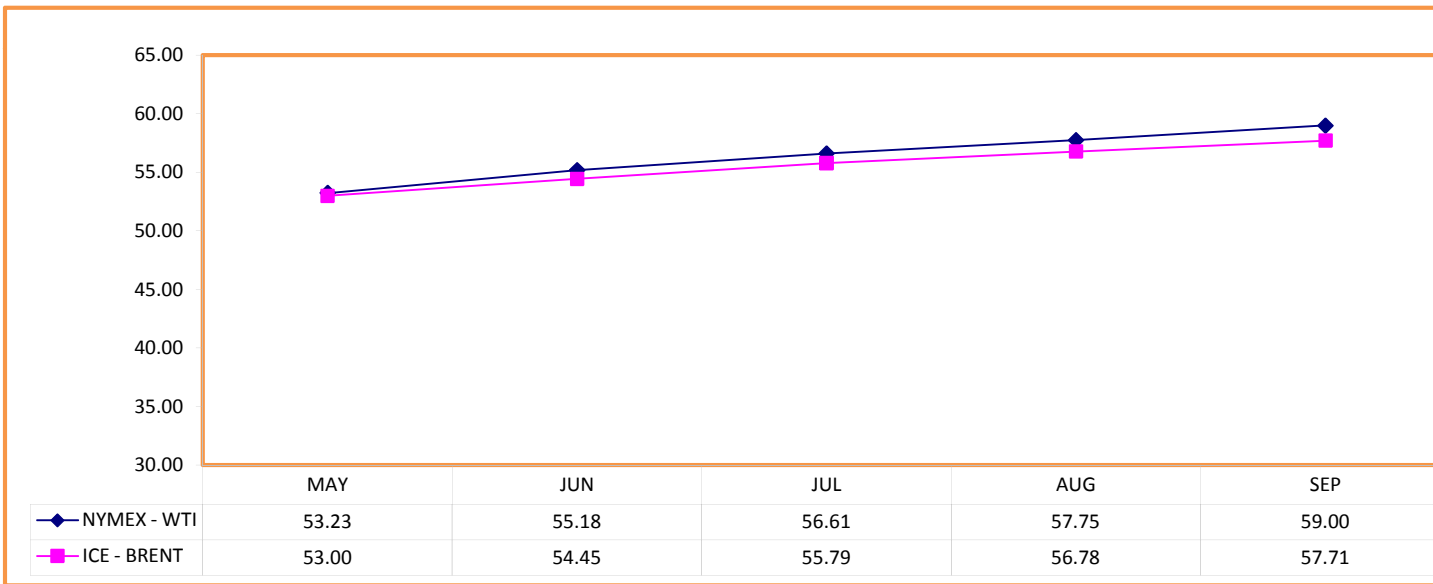
Economic Release Estimates, from Bloomberg

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

1) Custom Calendars		2) Options		3) Alerts		Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commodities				
Date	03/24/09	05:21:43		United States: Energy / Commodities					
Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
25)	03/24	15:30		API U.S. Crude Oil Inventories	MAR 20	--	--	4655K	--
26)	03/24	15:30		API U.S. Gasoline Inventories	MAR 20	--	--	383K	--
27)	03/24	15:30		API U.S. Distillate Inventory	MAR 20	--	--	327K	--
28)	03/25	09:30		DOE U.S. Crude Oil Inventories	MAR 20	1100K	--	1942K	--
29)	03/25	09:30		DOE U.S. Gasoline Inventories	MAR 20	-500K	--	3195K	--
30)	03/25	09:30		DOE U.S. Distillate Inventory	MAR 20	-500K	--	112K	--
31)	03/25	09:30		DOE U.S. Heat Oil Inventories	MAR 20	--	--	--	--
32)	03/25	09:30		DOE U.S. Refinery Utilization	MAR 20	0.00%	--	-0.57%	--
33)	03/25	09:30		DOE Cushing OK Crude Inventory	MAR 20	--	--	368K	--
34)	03/25	09:30		DOE Crude Oil Implied Demand	MAR 20	--	--	14317	--
35)	03/25	09:30		DOE Gasoline Implied Demand	MAR 20	--	--	9099.0	--
36)	03/25	09:30		DOE Distillate Implied Demand	MAR 20	--	--	4181.0	--
37)	03/26	09:30		EIA Natural Gas Storage Change	MAR 20	--	--	-30	--
38)	03/27	12:00		Baker Hughes U.S. Rig Count	MAR 27	--	--	1085	--
39)	03/31	15:30		API U.S. Crude Oil Inventories	MAR 27	--	--	--	--
40)	03/31	15:30		API U.S. Gasoline Inventories	MAR 27	--	--	--	--
41)	03/31	15:30		API U.S. Distillate Inventory	MAR 27	--	--	--	--
42)	04/01	09:30		DOE U.S. Crude Oil Inventories	MAR 27	--	--	--	--
43)	04/01	09:30		DOE U.S. Gasoline Inventories	MAR 27	--	--	--	--

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	51.55	na				F.QOJ09	#VALUE!				
F.CLAK09	53.23	na	207,355	8,331	MAY	F.QOK9	53.00	0	103,662	15,132	MAY
F.CLAM09	55.18	na	74,084	2,236	JUN	F.QOM9	54.45	0		6,749	JUN
F.CLAN09	56.61	na	24,917	611	JUL	F.QON09	55.79	0	28,631	2,337	JUL
F.CLAQ09	57.75	na	8,623	187	AUG	F.QOQ09	56.78	0	12,263	650	AUG
F.CLAU09	59.00	na	7,436	195	SEP	F.QOU09	57.71	0	6,849	364	SEP
F.CLAV09	60.16	na	6,333	153	OCT	F.QOV09	58.60	0	5,175	195	OCT
F.CLAX09	60.78	na	5,311	291	NOV	F.QOX09	59.48	0	3,761	288	NOV
F.CLAZ09	61.40	na	20,203	470	DEC	F.QOZ09	60.37	0	17,623	2	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.