

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	53.51	0.74	53.74	52.76	52.84	13,838	469,966	WTI Crude
HOA	148.94	1.41	149.55	147.5	147.5	775	85,826	Heating Oil
RBA	151.9	0.77	152.7	151	151.1	456	80,392	Unleaded Gas
NGA	43.29	0	43.4	42.99	43.25	1,416	123,234	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<G0> to set as default calendar

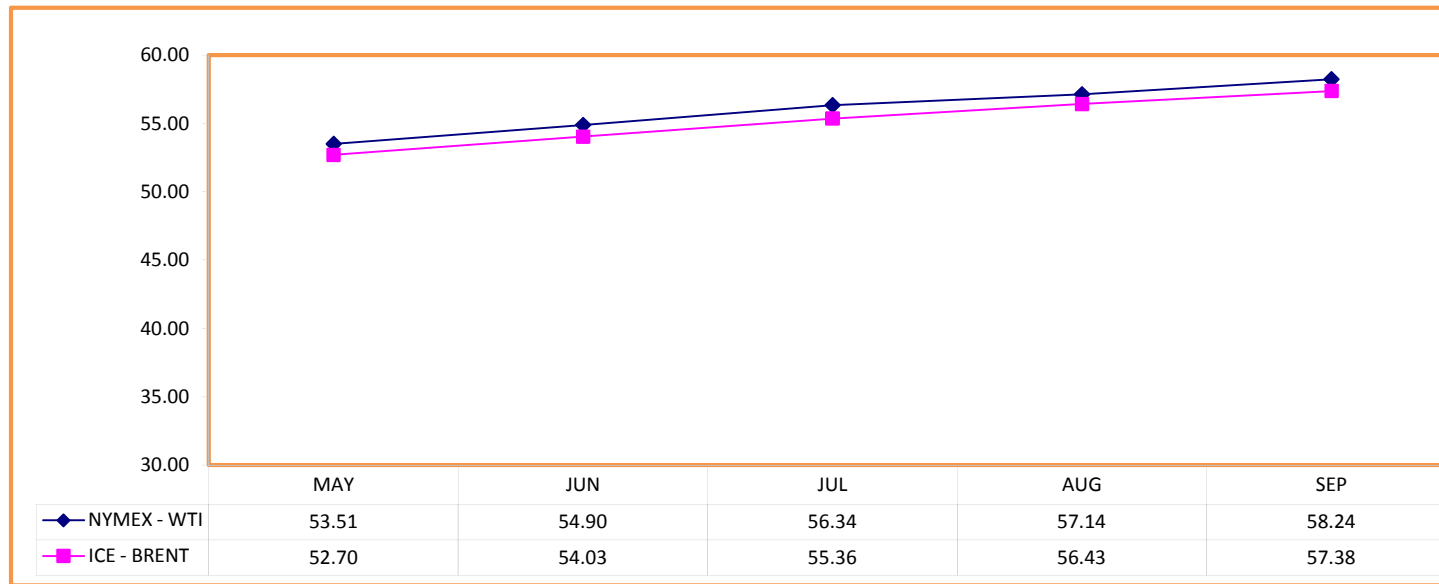
1) Custom Calendars 2) Options Economic Calendars

Region North America Country United States Type Energy / Commodities
 Date 03/26/09 05:22:46 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
25)	03/26	09:30		EIA Natural Gas Storage Change	MAR 20	-10	--	-30	--
26)	03/27	12:00		Baker Hughes U.S. Rig Count	MAR 27	--	--	1085	--
27)	03/31	15:30		API U.S. Crude Oil Inventories	MAR 27	--	--	4577K	--
28)	03/31	15:30		API U.S. Gasoline Inventories	MAR 27	--	--	-805K	--
29)	03/31	15:30		API U.S. Distillate Inventory	MAR 27	--	--	-1575K	--
30)	04/01	09:30		DOE U.S. Crude Oil Inventories	MAR 27	--	--	3302K	--
31)	04/01	09:30		DOE U.S. Gasoline Inventories	MAR 27	--	--	-1144K	--
32)	04/01	09:30		DOE U.S. Distillate Inventory	MAR 27	--	--	-1584K	--
33)	04/01	09:30		DOE U.S. Heat Oil Inventories	MAR 27	--	--	1014K	--
34)	04/01	09:30		DOE U.S. Refinery Utilization	MAR 27	--	--	-0.13%	--
35)	04/01	09:30		DOE Cushing OK Crude Inventory	MAR 27	--	--	-2211K	--
36)	04/01	09:30		DOE Crude Oil Implied Demand	MAR 27	--	--	14344	--
37)	04/01	09:30		DOE Gasoline Implied Demand	MAR 27	--	--	9244.0	--
38)	04/01	09:30		DOE Distillate Implied Demand	MAR 27	--	--	4388.0	--
39)	04/02	09:30		EIA Natural Gas Storage Change	MAR 27	--	--	--	--
40)	04/03	12:00		Baker Hughes U.S. Rig Count	APR 3	--	--	--	--
41)	04/07	15:30		API U.S. Crude Oil Inventories	APR 3	--	--	--	--
42)	04/07	15:30		API U.S. Gasoline Inventories	APR 3	--	--	--	--
43)	04/07	15:30		API U.S. Distillate Inventory	APR 3	--	--	--	--

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	53.51	na	283,727	8,179	MAY	F.QOK09	52.70	0	110,508	12,070	MAY
F.CLAM09	54.90	na	119,624	5,120	JUN	F.QOM09	54.03	0		6,333	JUN
F.CLAN09	56.34	na	28,271	2,637	JUL	F.QON09	55.36	0	23,409	2,361	JUL
F.CLAQ09	57.14	na	6,186	1,257	AUG	F.QOQ09	56.43	0	9,367	1,623	AUG
F.CLAU09	58.24	na	6,367	458	SEP	F.QOU09	57.38	0	8,245	865	SEP
F.CLAV09	58.24	na	5,071	326	OCT	F.QOV09	58.26	0	5,832	422	OCT
F.CLAX09	59.13	na	3,576	239	NOV	F.QOX09	59.12	0	4,138	499	NOV
F.CLAZ09	60.94	na	29,146	376	DEC	F.QOZ09	59.76	0	20,110	1,771	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.