

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	49.68	1.27	49.68	48.55	48.64	14,935	362,568	WTI Crude
HOA	138.4	3.44	138.4	135.2	135.6	2,593	76,672	Heating Oil
RBA	142	0.67	140.9	138.75	138.75	1,932	82,155	Unleaded Gas
NGA	38.19	0.7	38.22	37.92	37.92	675	74,257	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.

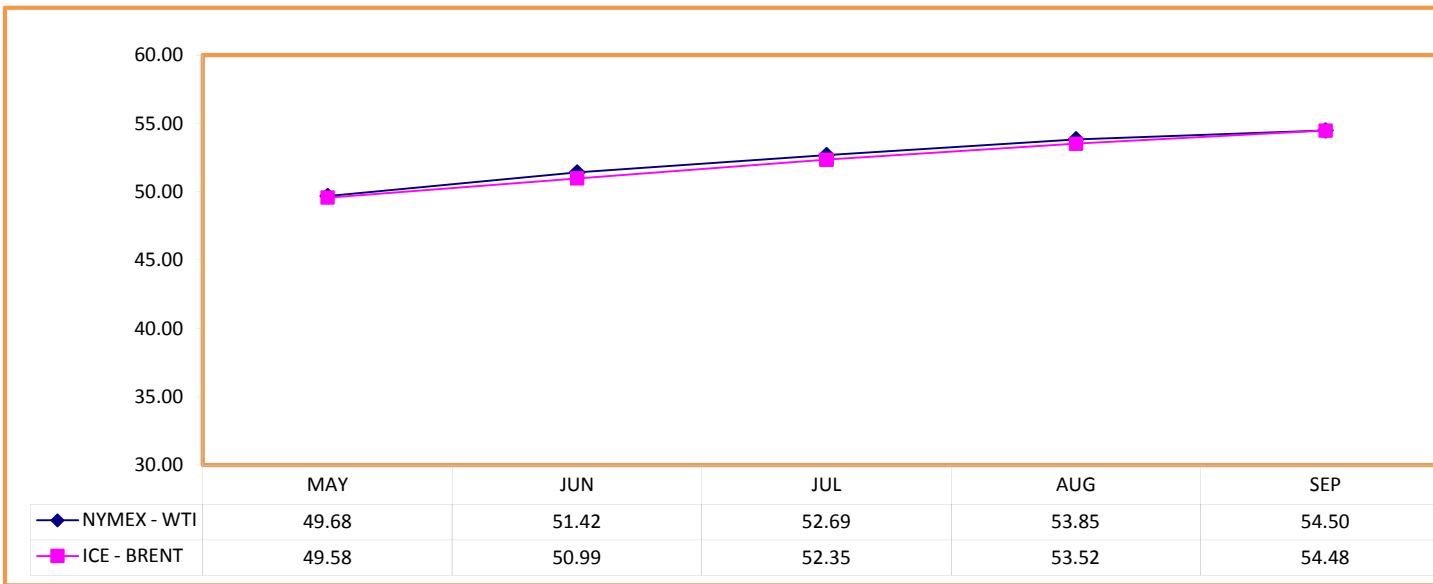
Economic Release Estimates, from Bloomberg

<HELP> for explanation. N108 n 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	03/31/09		05:17:52		United States: Energy / Commodities		
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
25) 03/31 15:30		API U.S. Crude Oil Inventories	MAR 27	--	--	4577K	--
26) 03/31 15:30		API U.S. Gasoline Inventories	MAR 27	--	--	-805K	--
27) 03/31 15:30		API U.S. Distillate Inventory	MAR 27	--	--	-1575K	--
28) 04/01 09:30		DOE U.S. Crude Oil Inventories	MAR 27	3500K	--	3302K	--
29) 04/01 09:30		DOE U.S. Gasoline Inventories	MAR 27	-1500K	--	-1144K	--
30) 04/01 09:30		DOE U.S. Distillate Inventory	MAR 27	-1100K	--	-1584K	--
31) 04/01 09:30		DOE U.S. Heat Oil Inventories	MAR 27	--	--	1014K	--
32) 04/01 09:30		DOE U.S. Refinery Utilization	MAR 27	0.25%	--	-0.13%	--
33) 04/01 09:30		DOE Cushing OK Crude Inventory	MAR 27	--	--	-2211K	--
34) 04/01 09:30		DOE Crude Oil Implied Demand	MAR 27	--	--	14344	--
35) 04/01 09:30		DOE Gasoline Implied Demand	MAR 27	--	--	9244.0	--
36) 04/01 09:30		DOE Distillate Implied Demand	MAR 27	--	--	4388.0	--
37) 04/02 09:30		EIA Natural Gas Storage Change	MAR 27	--	--	3	--
38) 04/03 12:00		Baker Hughes U.S. Rig Count	APR 3	--	--	1039	--
39) 04/07 15:30		API U.S. Crude Oil Inventories	APR 3	--	--	--	--
40) 04/07 15:30		API U.S. Gasoline Inventories	APR 3	--	--	--	--
41) 04/07 15:30		API U.S. Distillate Inventory	APR 3	--	--	--	--
42) 04/08 09:30		DOE U.S. Crude Oil Inventories	APR 3	--	--	--	--
43) 04/08 09:30		DOE U.S. Gasoline Inventories	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.CLAK09	49.68	na	197,148	12,032	MAY	F.QOK9	49.58	123,666	127,389	23,947	MAY
F.CLAM09	51.42	na	78,170	3,396	JUN	F.QOM9	50.99	149,581		14,836	JUN
F.CLAN09	52.69	na	24,680	908	JUL	F.QON09	52.35	65,299	28,566	7,182	JUL
F.CLAQ09	53.85	na	9,162	243	AUG	F.QOQ09	53.52	29,255	13,891	3,128	AUG
F.CLAU09	54.50	na	6,582	175	SEP	F.QOU09	54.48	24,570	8,065	1,781	SEP
F.CLAV09	55.46	na	5,334	98	OCT	F.QOV09	55.29	14,951	5,793	884	OCT
F.CLAX09	56.32	na	4,264	92	NOV	F.QOX09	56.17	16,035	4,836	1,164	NOV
F.CLAZ09	58.15	na	19,302	314	DEC	F.QOZ09	57.03	81,269	15,217	2,982	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.