

## The Morning Email: Oil

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Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	54.47	0	54.6	53.7	54.46	17,500	411,006	WTI Crude
HOA	143.45	0	143.45	142.45	143.36	761	42,178	Heating Oil
RBA	158.8	0.2	159.65	157.6	158.9	3,367	45,396	Unleaded Gas
NGA	36.65	-0.55	37.24	36.61	37.24	1,418	108,981	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. ComdtyECO  
 9<GO> to set as default calendar

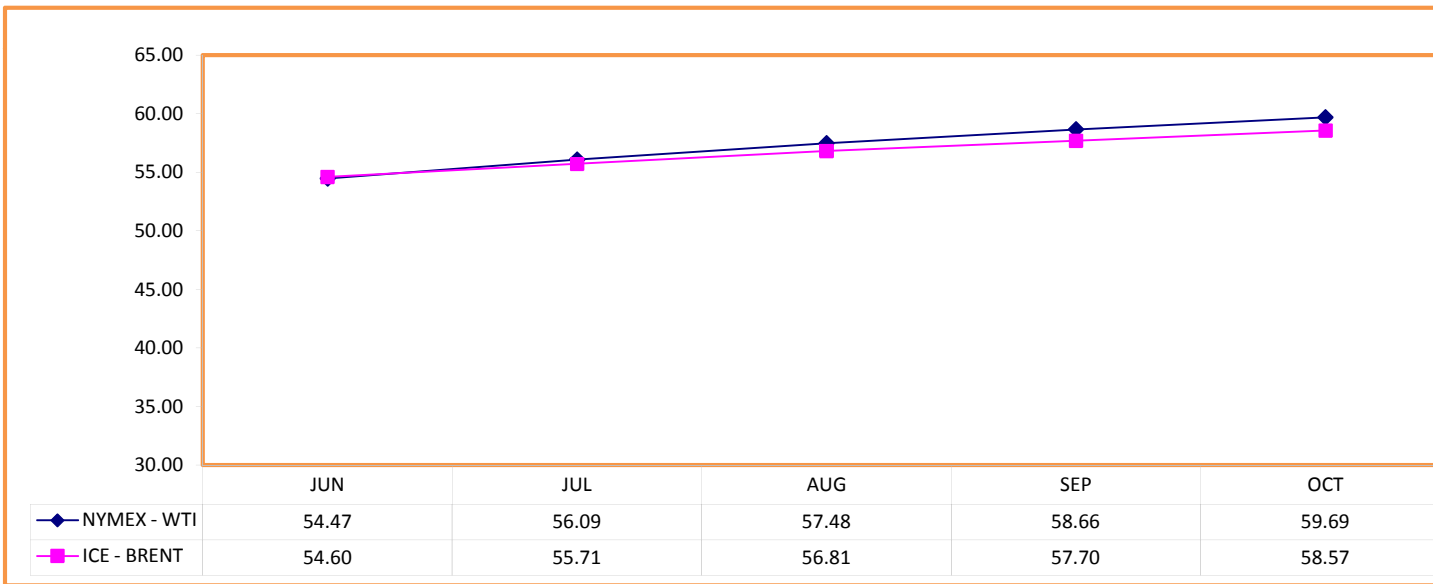
1) Custom Calendars 2) Options 3) Economic Calendars

Region North America Country United States Type Energy / Commodities  
 Date 05/05/09 05:17:31 United States: Energy / Commodities

	Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
34)	05/05	08:00	Archer Daniels Executives Review Results					
35)	05/05	09:00	Duke Energy Executives Review Results: Teleconf.					
36)	05/05	15:30	API U.S. Crude Oil Inventories	MAY 1	--	--	4584K	--
37)	05/05	15:30	API U.S. Gasoline Inventories	MAY 1	--	--	-2560K	--
38)	05/05	15:30	API U.S. Distillate Inventory	MAY 1	--	--	1581K	--
39)	05/06	09:30	DOE U.S. Crude Oil Inventories	MAY 1	2500K	--	4053K	--
40)	05/06	09:30	DOE U.S. Gasoline Inventories	MAY 1	500K	--	-4695K	--
41)	05/06	09:30	DOE U.S. Distillate Inventory	MAY 1	1000K	--	1794K	--
42)	05/06	09:30	DOE U.S. Heat Oil Inventories	MAY 1	--	--	--	--
43)	05/06	09:30	DOE U.S. Refinery Utilization	MAY 1	0.33%	--	-0.77%	--
44)	05/06	09:30	DOE Cushing OK Crude Inventory	MAY 1	--	--	221K	--
45)	05/06	09:30	DOE Crude Oil Implied Demand	MAY 1	--	--	14514	--
46)	05/06	09:30	DOE Gasoline Implied Demand	MAY 1	--	--	9299.0	--
47)	05/06	09:30	DOE Distillate Implied Demand	MAY 1	--	--	4020.0	--
48)	05/07	09:30	EIA Natural Gas Storage Change	MAY 1	--	--	82	--
49)	05/08	12:00	Baker Hughes U.S. Rig Count	MAY 8	--	--	945	--
50)	05/12		DOE Short-Term Crude Outlook	MAY	--	--	63	--
51)	05/12		DOE Short-Term Diesel Outlook	MAY	--	--	2.69	--
52)	05/12		DOE Short-Term Ht Oil Outlook	MAY	--	--	2.62	--

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					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAM09	54.47	na	206,212	14,170	JUN	F.QOM9	54.60	123,450	56,192	19,350	JUN
F.CLAN09	56.09	na	88,408	6,200	JUL	F.QON09	55.71	149,300	33,569	11,298	JUL
F.CLAQ09	57.48	na	35,092	1,648	AUG	F.QOQ09	56.81	0	14,527	4,661	AUG
F.CLAU09	58.66	na	19,708	515	SEP	F.QOU09	57.70	0	5,792	2,477	SEP
F.CLAV09	59.69	na	11,794	192	OCT	F.QOV09	58.57	0	2,923	11	OCT
F.CLAX09	60.59	na	6,786	163	NOV	F.QOX09	59.43	0	2,910	2	NOV
F.CLAZ09	61.23	na	24,003	224	DEC	F.QOZ09	60.28	0	10,920	2	DEC
F.CLAF10	62.05	na	1,272	23	JAN	F.QOF10	61.45	0	1,454	2	JAN
F.CLAG10	62.36	na	465	8	FEB	F.QOG10	61.10	0	351	1	FEB



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.