

## 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**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	52.89	-0.31	53.59	52.62	52.62	14,640	418,876	WTI Crude
<b>HOA</b>	139.2	0.36	140.53	137.51	137.51	755	68,328	Heating Oil
<b>RBA</b>	151.95	0.21	152.76	150.35	150.83	376	66,272	Unleaded Gas
<b>NGA</b>	35.54	0.08	35.8	35.18	35.44	1,584	117,436	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  
 NO SCHEDULED EVENT FOR TODAY, 9<GO> to set as default calendar

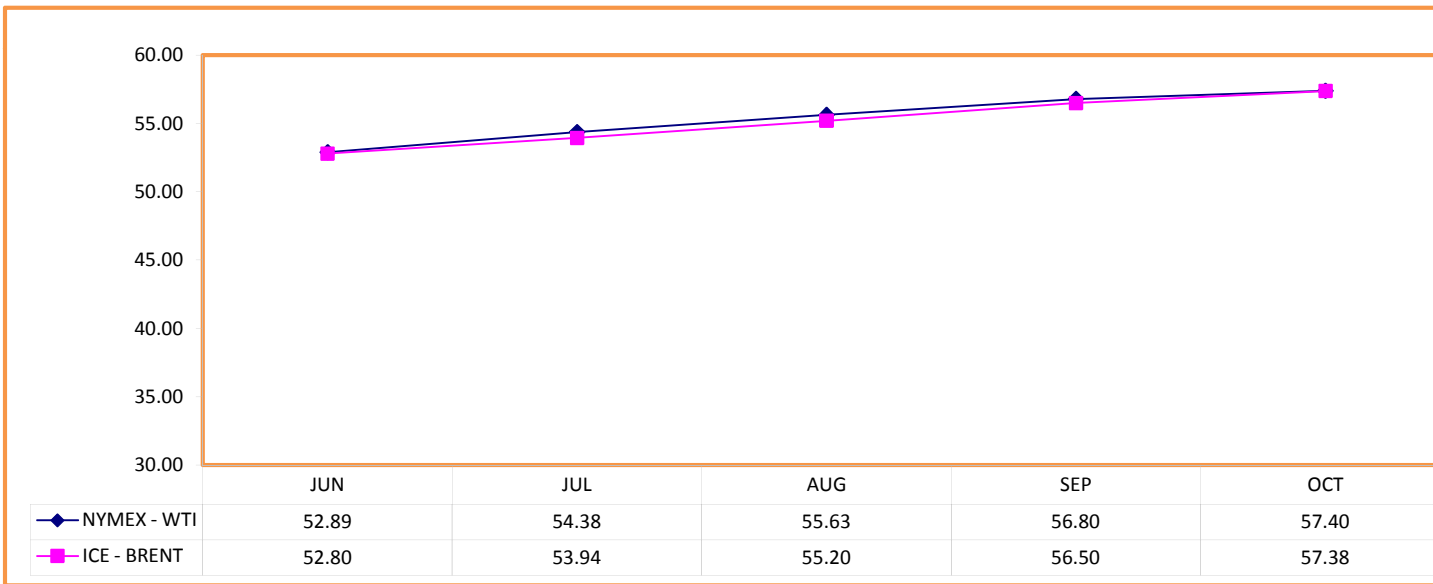
1) Custom Calendars    2) Options    3) Alerts    Economic Calendars

Region North America    Country United States    Type Energy / Commodities   
 Date 05/04/09    05:18:44    United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
33)	05/01	12:00		<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	MAY 1	-	945	955	-
34)	05/05	15:30		<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	MAY 1	-	-	4584K	-
35)	05/05	15:30		<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	MAY 1	-	-	-2560K	-
36)	05/05	15:30		<input checked="" type="checkbox"/> API U.S. Distillate Inventory	MAY 1	-	-	1581K	-
37)	05/06	09:30		<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	MAY 1	-	-	4053K	-
38)	05/06	09:30		<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	MAY 1	-	-	-4695K	-
39)	05/06	09:30		<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	MAY 1	-	-	1794K	-
40)	05/06	09:30		<input checked="" type="checkbox"/> DOE U.S. Heat Oil Inventories	MAY 1	-	-	-	-
41)	05/06	09:30		<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	MAY 1	-	-	-0.77%	-
42)	05/06	09:30		<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	MAY 1	-	-	221K	-
43)	05/06	09:30		<input checked="" type="checkbox"/> DOE Crude Oil Implied Demand	MAY 1	-	-	14514	-
44)	05/06	09:30		<input checked="" type="checkbox"/> DOE Gasoline Implied Demand	MAY 1	-	-	9299.0	-
45)	05/06	09:30		<input checked="" type="checkbox"/> DOE Distillate Implied Demand	MAY 1	-	-	4020.0	-
46)	05/07	09:30		<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	MAY 1	-	-	82	-
47)	05/08	12:00		<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	MAY 8	-	-	945	-
48)	05/12			<input checked="" type="checkbox"/> DOE Short-Term Crude Outlook	MAY	-	-	63	-
49)	05/12			<input checked="" type="checkbox"/> DOE Short-Term Diesel Outlook	MAY	-	-	2.69	-
50)	05/12			<input checked="" type="checkbox"/> DOE Short-Term Ht Oil Outlook	MAY	-	-	2.62	-
51)	05/12			<input checked="" type="checkbox"/> DOE Short-Term NatGas Outlook	MAY	-	-	11.48	-

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.CLAM09	52.89	na	223,557	10,475	JUN	F.QOM9	52.80	0	91,914	10,436	JUN
F.CLAN09	54.38	na	74,762	3,541	JUL	F.QON09	53.94	0	52,617	6,806	JUL
F.CLAQ09	55.63	na	18,010	1,148	AUG	F.QOQ09	55.20	0	21,128	482	AUG
F.CLAU09	56.80	na	11,800	153	SEP	F.QOU09	56.50	0	11,703	80	SEP
F.CLAV09	57.40	na	7,270	85	OCT	F.QOV09	57.38	0	7,629	85	OCT
F.CLAX09	58.31	na	4,716	120	NOV	F.QOX09	58.20	0	4,890	123	NOV
F.CLAZ09	59.51	na	19,275	484	DEC	F.QOZ09	58.69	0	14,241	1,573	DEC
F.CLAF10	60.85	na	1,957	8	JAN	F.QOF10	58.91	18,107	1,017	0	JAN
F.CLAG10	60.77	na	294	4	FEB	F.QOG10	58.64	8,169	294	0	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.