

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	54.07	0.23	54.44	53.57	54.12	14,638	397,376	WTI Crude
HOA	143.04	1.01	143.63	141.6	142.62	799	76,451	Heating Oil
RBA	158.16	0.94	159.08	157.55	158.15	619	70,028	Unleaded Gas
NGA	36.13	-0.08	36.3	35.96	36.19	512	113,186	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. Corp ECO
 9<G0> to set as default calendar

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

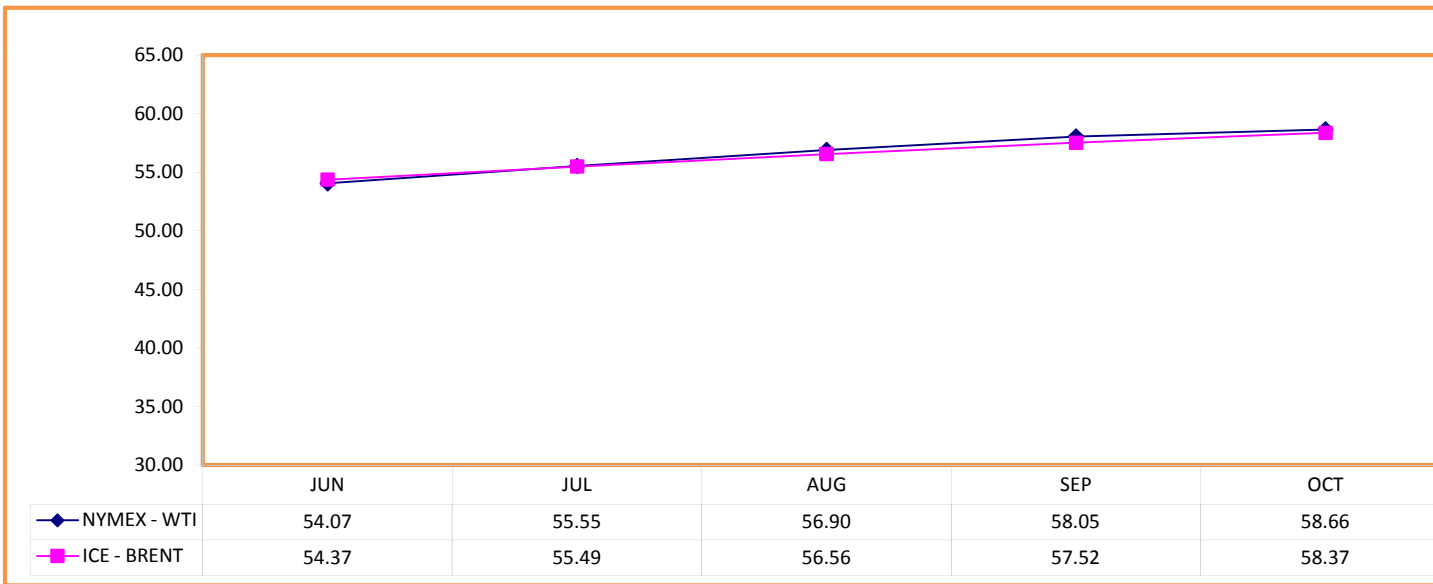
Region **North America** Country **United States** Type **Energy / Commodities** 

Date **05/06/09** 05:15:50 **United States: Energy / Commodities**

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
32)	05/05	15:30	☒	API U.S. Crude Oil Inventories	MAY 1	--	-1004K	4584K	--
33)	05/05	15:30	☒	API U.S. Gasoline Inventories	MAY 1	--	-2900K	-2560K	--
34)	05/05	15:30	☒	API U.S. Distillate Inventory	MAY 1	--	1010K	1581K	--
35)	05/06	09:30	☒	DOE U.S. Crude Oil Inventories	MAY 1	2500K	--	4053K	--
36)	05/06	09:30	☒	DOE U.S. Gasoline Inventories	MAY 1	650K	--	-4695K	--
37)	05/06	09:30	☒	DOE U.S. Distillate Inventory	MAY 1	1000K	--	1794K	--
38)	05/06	09:30	☒	DOE U.S. Heat Oil Inventories	MAY 1	--	--	--	--
39)	05/06	09:30	☒	DOE U.S. Refinery Utilization	MAY 1	0.30%	--	-0.77%	--
40)	05/06	09:30	☒	DOE Cushing OK Crude Inventory	MAY 1	--	--	221K	--
41)	05/06	09:30	☒	DOE Crude Oil Implied Demand	MAY 1	--	--	14514	--
42)	05/06	09:30	☒	DOE Gasoline Implied Demand	MAY 1	--	--	9299.0	--
43)	05/06	09:30	☒	DOE Distillate Implied Demand	MAY 1	--	--	4020.0	--
44)	05/07	09:30	☒	EIA Natural Gas Storage Change	MAY 1	94	--	82	--
45)	05/08	12:00	☒	Baker Hughes U.S. Rig Count	MAY 8	--	--	945	--
46)	05/12		☒	DOE Short-Term Crude Outlook	MAY	--	--	63	--
47)	05/12		☒	DOE Short-Term Diesel Outlook	MAY	--	--	2.69	--
48)	05/12		☒	DOE Short-Term Ht Oil Outlook	MAY	--	--	2.62	--
49)	05/12		☒	DOE Short-Term NatGas Outlook	MAY	--	--	11.48	--
50)	05/12		☒	DOE Short-Term Mogas Outlook	MAY	--	--	2.42	--

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	54.07	na	208,740	11,793	JUN	F.QOM9	54.37	113,333	96,872	21,448	JUN
F.CLAN09	55.55	na	96,414	3,846	JUL	F.QON09	55.49	0	60,189	12,854	JUL
F.CLAQ09	56.90	na	33,111	1,202	AUG	F.QOQ09	56.56	0	31,959	2,552	AUG
F.CLAU09	58.05	na	14,845	284	SEP	F.QOU09	57.52	0	13,490	2,762	SEP
F.CLAV09	58.66	na	7,605	205	OCT	F.QOV09	58.37	0	7,650	1,326	OCT
F.CLAX09	59.83	na	6,301	209	NOV	F.QOX09	59.21	0	6,612	170	NOV
F.CLAZ09	61.07	na	17,339	312	DEC	F.QOZ09	60.05	0	21,591	249	DEC
F.CLAF10	61.53	na	2,056	141	JAN	F.QOF10	60.81	0	3,631	54	JAN
F.CLAG10	62.07	na	536	89	FEB	F.QOG10	61.70	0	1,201	2	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.