

## 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>	57.42	-1.21	58.6	57.04	58.49	25,057	561,465	WTI Crude
<b>HOA</b>	149.4	-2.04	152.47	149.61	151.84	1,054	91,570	Heating Oil
<b>RBA</b>	166.6	-3.95	170.95	165.87	170.85	1,426	68,430	Unleaded Gas
<b>NGA</b>	43.04	-0.07	43.4	42.63	43.4	2,724	168,594	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) Alerts    Economic Calendars

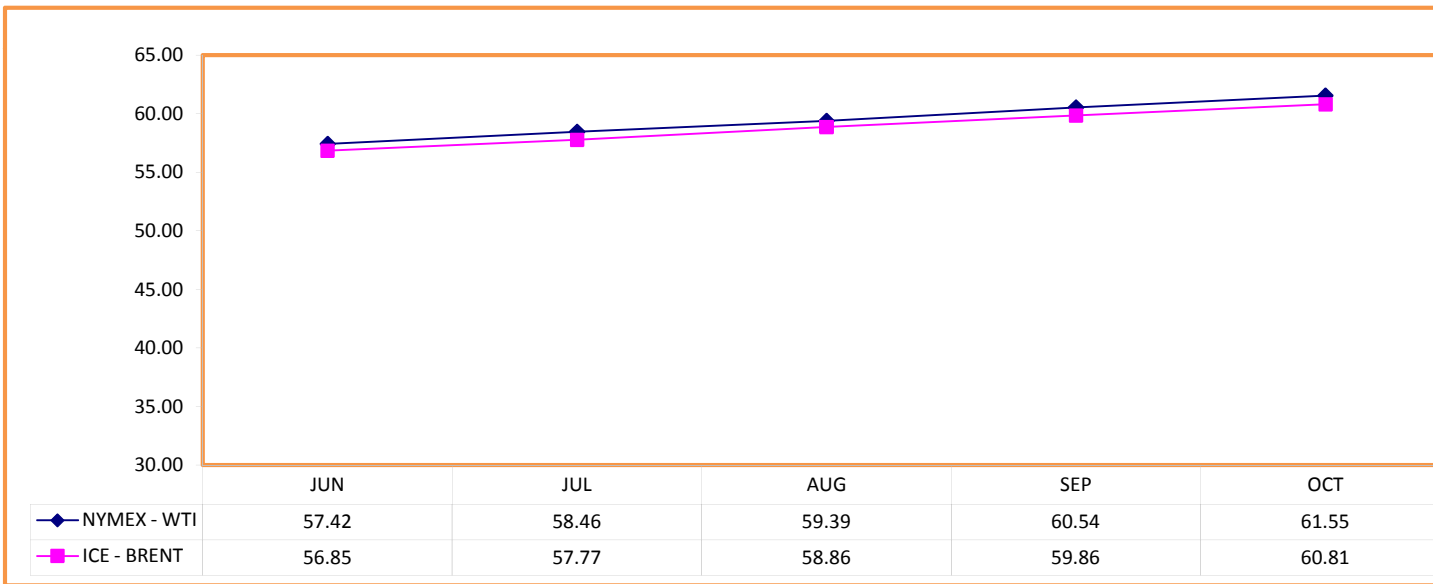
Region **North America**    Country **United States**    Type **Energy / Commodities**

Date **05/07/09**    05:14:45    **United States: Energy / Commodities**

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
20)	05/05	15:30			API U.S. Crude Oil Inventories	MAY 1	--	-1004K	4584K	--
21)	05/05	15:30			API U.S. Gasoline Inventories	MAY 1	--	-2900K	-2560K	--
22)	05/05	15:30			API U.S. Distillate Inventory	MAY 1	--	1010K	1581K	--
23)	05/06	09:30			DOE U.S. Crude Oil Inventories	MAY 1	2500K	605K	4053K	--
24)	05/06	09:30			DOE U.S. Gasoline Inventories	MAY 1	550K	-167K	-4695K	--
25)	05/06	09:30			DOE U.S. Distillate Inventory	MAY 1	900K	2428K	1794K	--
26)	05/06	09:30			DOE U.S. Heat Oil Inventories	MAY 1	--	888K	--	--
27)	05/06	09:30			DOE U.S. Refinery Utilization	MAY 1	0.25%	2.65%	-0.77%	--
28)	05/06	09:30			DOE Cushing OK Crude Inventory	MAY 1	--	56K	221K	--
29)	05/06	09:30			DOE Crude Oil Implied Demand	MAY 1	--	15114	14514	--
30)	05/06	09:30			DOE Gasoline Implied Demand	MAY 1	--	9071.0	9299.0	--
31)	05/06	09:30			DOE Distillate Implied Demand	MAY 1	--	4025.0	4020.0	--
32)	05/07	08:00			Dynergy Executives Review Results: Teleconference					
33)	05/07	09:30			EIA Natural Gas Storage Change	MAY 1	94	--	82	--
34)	05/08	12:00			Baker Hughes U.S. Rig Count	MAY 8	--	--	945	--
35)	05/12				DOE Short-Term Crude Outlook	MAY	--	--	63	--
36)	05/12				DOE Short-Term Diesel Outlook	MAY	--	--	2.69	--
37)	05/12				DOE Short-Term Ht Oil Outlook	MAY	--	--	2.62	--
38)	05/12				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	57.42	na	291,819	16,439	JUN	F.QOM9	56.85	96,641	85,036	24,965	JUN
F.CLAN09	58.46	na	148,918	6,405	JUL	F.QON09	57.77	155,181	63,814	20,991	JUL
F.CLAQ09	59.39	na	36,318	1,406	AUG	F.QOQ09	58.86	0	34,938	7,338	AUG
F.CLAU09	60.54	na	17,472	780	SEP	F.QOU09	59.86	0	14,021	2,257	SEP
F.CLAV09	61.55	na	11,679	240	OCT	F.QOV09	60.81	0	7,029	5	OCT
F.CLAX09	62.76	na	8,167	195	NOV	F.QOX09	61.59	0	6,861	5	NOV
F.CLAZ09	62.71	na	25,946	770	DEC	F.QOZ09	62.36	0	17,480	2	DEC
F.CLAF10	63.83	na	908	260	JAN	F.QOF10	63.19	0	2,042	7	JAN
F.CLAG10	64.85	na	375	168	FEB	F.QOG10	63.85	0	805	10	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.