

The Morning Email: Oil

Table of Contents

Pg 1 Quotes

Pg 2 Economic Releases

Pg 3 Spreads - WTI and BRENT

Want something added? Let me know: jgoulding@ghco.com

Disclaimer: All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	59.25	0.75	59.68	57.81	58.1	25,607	447,392	WTI Crude
HOA	151.43	1.34	151.43	148.9	149.65	1,816	64,449	Heating Oil
RBA	168.89	0.87	169.2	166.7	166.7	1,789	78,854	Unleaded Gas
NGA	43.64	0.47	43.5	43.14	43.3	1,254	166,805	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.

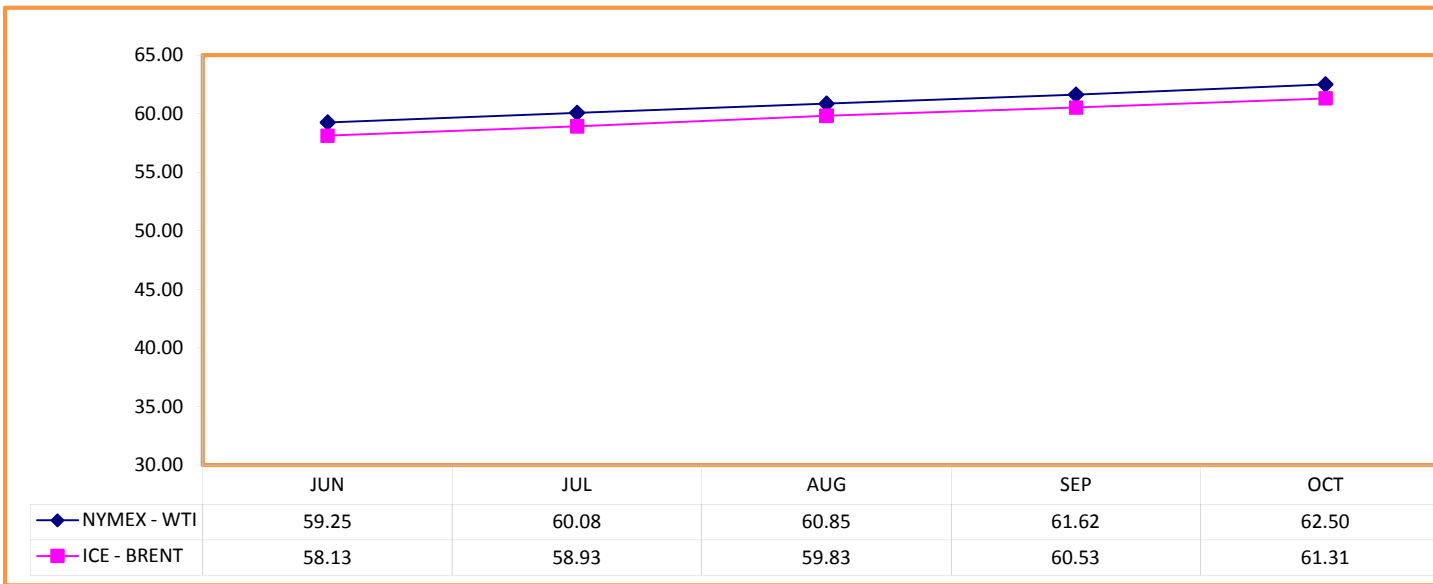
Economic Release Estimates, from Bloomberg

<HELP> for explanation. Index **ECO**
 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	05/12/09	05:15:54		United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
28)	05/12	☒ DOE Short-Term Crude Outlook	MAY	-	-	63	-
29)	05/12	☒ DOE Short-Term Diesel Outlook	MAY	-	-	2.69	-
30)	05/12	☒ DOE Short-Term Ht Oil Outlook	MAY	-	-	2.62	-
31)	05/12	☒ DOE Short-Term NatGas Outlook	MAY	-	-	11.48	-
32)	05/12	☒ DOE Short-Term Mogas Outlook	MAY	-	-	2.42	-
33)	05/12 15:30	☒ API U.S. Crude Oil Inventories	MAY 8	-	-	-1004K	-
34)	05/12 15:30	☒ API U.S. Gasoline Inventories	MAY 8	-	-	-2900K	-
35)	05/12 15:30	☒ API U.S. Distillate Inventory	MAY 8	-	-	1010K	-
36)	05/13 09:30	☒ DOE U.S. Crude Oil Inventories	MAY 8	1000K	-	605K	-
37)	05/13 09:30	☒ DOE U.S. Gasoline Inventories	MAY 8	250K	-	-167K	-
38)	05/13 09:30	☒ DOE U.S. Distillate Inventory	MAY 8	1025K	-	2428K	-
39)	05/13 09:30	☒ DOE U.S. Heat Oil Inventories	MAY 8	-	-	-	-
40)	05/13 09:30	☒ DOE U.S. Refinery Utilization	MAY 8	0.45%	-	2.65%	-
41)	05/13 09:30	☒ DOE Cushing OK Crude Inventory	MAY 8	-	-	56K	-
42)	05/13 09:30	☒ DOE Crude Oil Implied Demand	MAY 8	-	-	15114	-
43)	05/13 09:30	☒ DOE Gasoline Implied Demand	MAY 8	-	-	9071.0	-
44)	05/13 09:30	☒ DOE Distillate Implied Demand	MAY 8	-	-	4025.0	-
45)	05/14 09:30	☒ EIA Natural Gas Storage Change	MAY 8	-	-	95	-
46)	05/15 12:00	☒ Baker Hughes U.S. Rig Count	MAY 15	-	-	928	-

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.
 6722-55-0 12-May-09 5:15:54

NYMEX - WTI						ICE - BRENT					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
	Open	Volume	Volume	Month		Open	Volume	Volume	Month		
F.CLAM09	59.25	na	233,522	21,964	JUN	F.QOM09	58.13	76,578	100,991	35,390	JUN
F.CLAN09	60.08	na	130,729	12,215	JUL	F.QON09	58.93	158,514	99,324	44,388	JUL
F.CLAQ09	60.85	na	29,862	2,924	AUG	F.QOQ09	59.83	0	40,555	17,915	AUG
F.CLAU09	61.62	na	14,462	1,307	SEP	F.QOU09	60.53	0	9,832	2,073	SEP
F.CLAV09	62.50	na	6,736	756	OCT	F.QOV09	61.31	0	5,332	1,192	OCT
F.CLAX09	63.00	na	5,173	653	NOV	F.QOX09	62.06	0	4,494	582	NOV
F.CLAZ09	63.75	na	15,206	907	DEC	F.QOZ09	62.80	0	8,993	1,292	DEC
F.CLAF10	63.98	na	1,864	125	JAN	F.QOF10	63.61	0	1,660	351	JAN
F.CLAG10	64.47	na	1,689	76	FEB	F.QOG10	64.37	0	1,465	403	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.