

## 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>	59.23	0.38	59.9	59.18	59.29	20,203	511,299	WTI Crude
<b>HOA</b>	151.32	0.62	153.2	151.32	152.09	736	68,571	Heating Oil
<b>RBA</b>	168.4	1.61	169.75	168.28	168.46	2,332	80,667	Unleaded Gas
<b>NGA</b>	45.14	0.65	45.75	44.8	45.6	2,938	219,067	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.

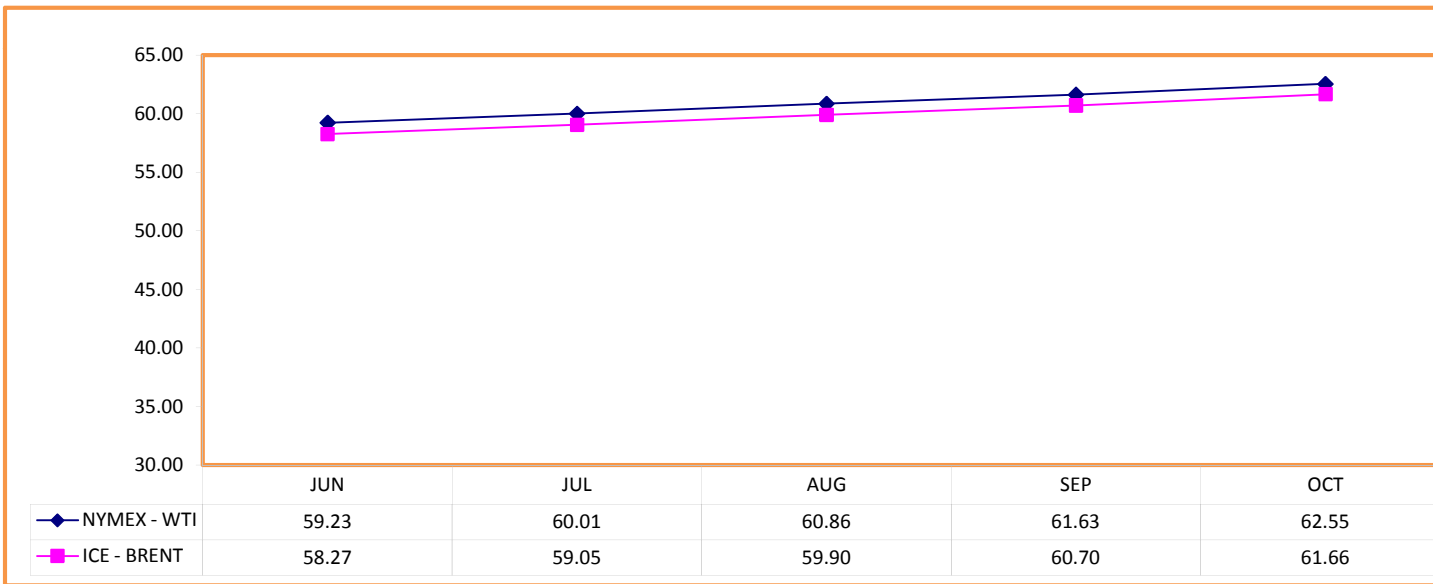
Economic Release Estimates, from Bloomberg

<HELP> for explanation. Index **ECO**  
 9<GO> to set as default calendar

1) Custom Calendars		2) Settings		Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commodities	🇺🇸	
Date	05/13/09		05:18:27	United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
23)	05/12	☒ DOE Short-Term Crude Outlook	MAY	--	58	63	--
24)	05/12	☒ DOE Short-Term Diesel Outlook	MAY	--	2.48	2.69	--
25)	05/12	☒ DOE Short-Term Ht Oil Outlook	MAY	--	2.42	2.62	--
26)	05/12	☒ DOE Short-Term NatGas Outlook	MAY	--	11.22	11.48	--
27)	05/12	☒ DOE Short-Term Mogas Outlook	MAY	--	2.30	2.42	--
28)	05/12 15:30	☒ API U.S. Crude Oil Inventories	MAY 8	--	-3130K	-1004K	--
29)	05/12 15:30	☒ API U.S. Gasoline Inventories	MAY 8	--	-2006K	-2900K	--
30)	05/12 15:30	☒ API U.S. Distillate Inventory	MAY 8	--	-1757K	1010K	--
31)	05/13 09:30	☒ DOE U.S. Crude Oil Inventories	MAY 8	1000K	--	605K	--
32)	05/13 09:30	☒ DOE U.S. Gasoline Inventories	MAY 8	0K	--	-167K	--
33)	05/13 09:30	☒ DOE U.S. Distillate Inventory	MAY 8	1250K	--	2428K	--
34)	05/13 09:30	☒ DOE U.S. Heat Oil Inventories	MAY 8	--	--	--	--
35)	05/13 09:30	☒ DOE U.S. Refinery Utilization	MAY 8	0.40%	--	2.65%	--
36)	05/13 09:30	☒ DOE Cushing OK Crude Inventory	MAY 8	--	--	56K	--
37)	05/13 09:30	☒ DOE Crude Oil Implied Demand	MAY 8	--	--	15114	--
38)	05/13 09:30	☒ DOE Gasoline Implied Demand	MAY 8	--	--	9071.0	--
39)	05/13 09:30	☒ DOE Distillate Implied Demand	MAY 8	--	--	4025.0	--
40)	05/14 09:30	☒ EIA Natural Gas Storage Change	MAY 8	100	--	95	--
41)	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.  
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NYMEX - WTI						ICE - BRENT					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
	Open	Volume	Volume	Month		Open	Volume	Volume	Month		
F.CLAM09	59.23	na	259,749	13,521	JUN	F.QOM9	58.27	53,506	107,744	17,748	JUN
F.CLAN09	60.01	na	140,437	8,539	JUL	F.QON09	59.05	164,403	142,117	27,208	JUL
F.CLAQ09	60.86	na	43,519	2,509	AUG	F.QOQ09	59.90	0	70,424	10,792	AUG
F.CLAU09	61.63	na	20,672	643	SEP	F.QOU09	60.70	0	23,874	3,936	SEP
F.CLAV09	62.55	na	8,784	308	OCT	F.QOV09	61.66	0	11,197	2,606	OCT
F.CLAX09	63.59	na	6,934	273	NOV	F.QOX09	62.23	0	7,531	2,257	NOV
F.CLAZ09	63.65	na	19,898	1,047	DEC	F.QOZ09	62.98	0	20,600	3,525	DEC
F.CLAF10	64.89	na	1,510	143	JAN	F.QOF10	63.53	0	3,755	5	JAN
F.CLAG10	65.40	na	1,117	77	FEB	F.QOG10	64.22	0	2,616	5	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.