

## The Morning Email: Oil

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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>	58.21	-0.41	58.88	57.94	58.54	19,153	426,816	WTI Crude
<b>HOA</b>	147.85	-1.62	149.72	147.24	149.05	847	61,900	Heating Oil
<b>RBA</b>	171.5	-0.87	172.62	171.1	172	1,480	85,760	Unleaded Gas
<b>NGA</b>	42.64	-0.28	43.17	42.6	43	1,051	201,620	Natural Gas

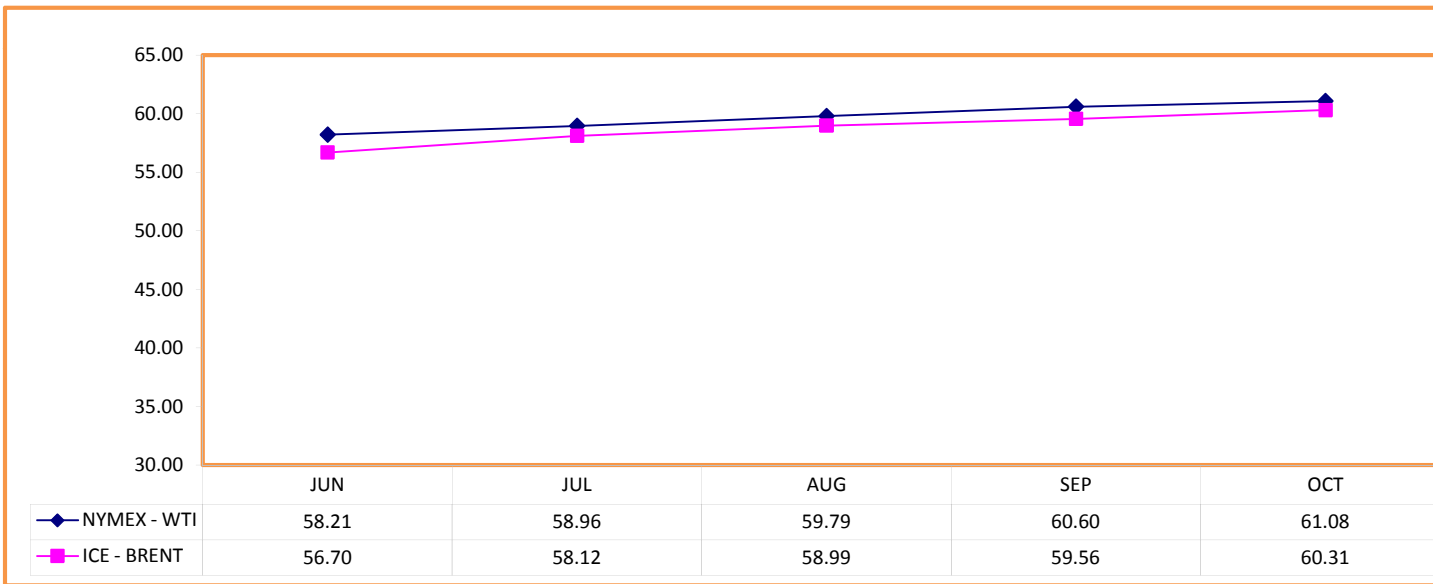
All contracts quoted are electronic.

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**

Spreads - WTI and BRENT

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	58.21	na	203,910	11,178	JUN	F.QOM9	56.70				
F.CLAN09	58.96	na	123,646	10,087	JUL	F.QON09	58.12	171,919	123,103	21,062	
F.CLAQ09	59.79	na	33,501	1,575	AUG	F.QOQ09	58.99	97,235	47,271	11,311	
F.CLAU09	60.60	na	15,232	512	SEP	F.QOU09	59.56	55,305	21,671	6,124	
F.CLAV09	61.08	na	7,422	170	OCT	F.QOV09	60.31	28,133	9,310	2,543	
F.CLAX09	62.45	na	5,313	113	NOV	F.QOX09	61.03	17,366	7,110	2,427	
F.CLAZ09	62.59	na	20,553	361	DEC	F.QOZ09	61.80	88,350	19,040	3,064	
F.CLAF10	63.55	na	840	67	JAN	F.QOF10	62.60	18,919	2,282	759	
F.CLAG10	63.46	na	560	66	FEB	F.QOG10	63.79	9,349	956	433	



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.