

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	60.45	0.86	60.99	59.43	59.74	24,995	366,492	WTI Crude
HOA	149.61	2.04	150.5	147.43	147.9	1,386	60,616	Heating Oil
RBA	177.63	1.82	179.36	175.75	175.81	1,743	89,999	Unleaded Gas
NGA	41.81	0.42	42.06	41.4	41.54	2,041	149,295	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<GO> to set as default calendar

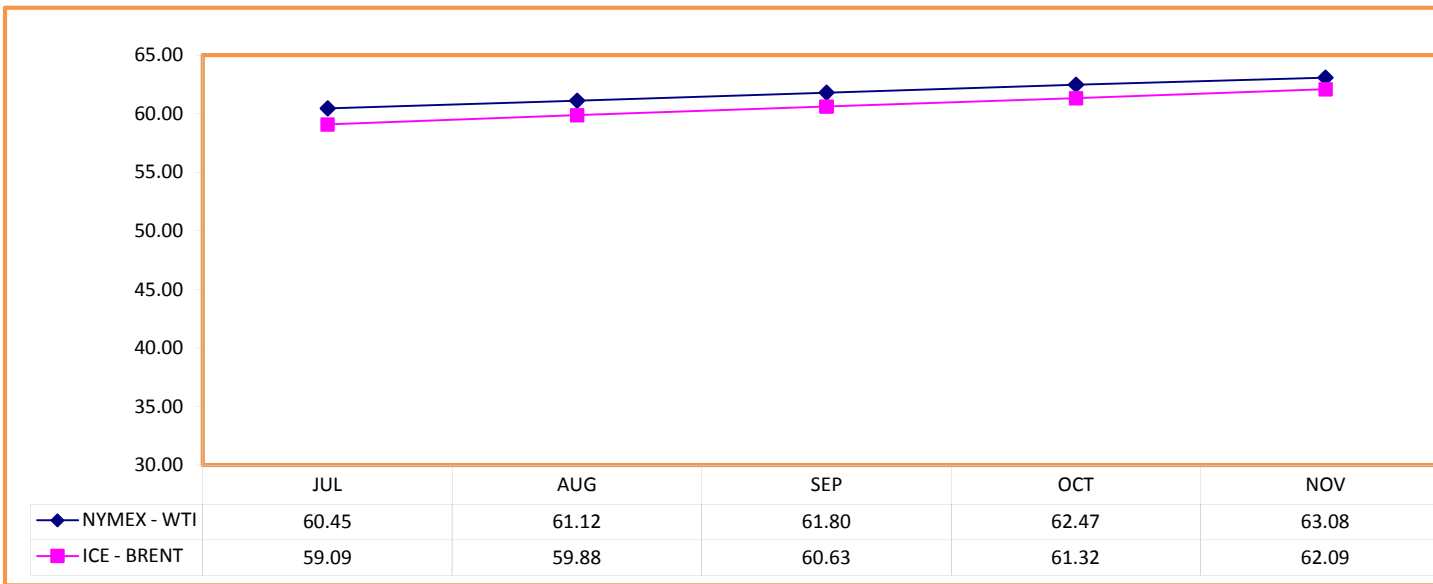
1) Custom Calendars 2) Settings 3) Alerts Economic Calendars

Region North America Country United States Type Energy / Commodities 
 Date 05/19/09 05:20:27 United States: Energy / Commodities

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
30)	05/19	15:30		API U.S. Crude Oil Inventories	MAY 15	--	--	-3130K	--
31)	05/19	15:30		API U.S. Gasoline Inventories	MAY 15	--	--	-2006K	--
32)	05/19	15:30		API U.S. Distillate Inventory	MAY 15	--	--	-1757K	--
33)	05/20	09:30		DOE U.S. Crude Oil Inventories	MAY 15	-1750K	--	-4629K	--
34)	05/20	09:30		DOE U.S. Gasoline Inventories	MAY 15	-1500K	--	-4154K	--
35)	05/20	09:30		DOE U.S. Distillate Inventory	MAY 15	950K	--	922K	--
36)	05/20	09:30		DOE U.S. Heat Oil Inventories	MAY 15	--	--	1051K	--
37)	05/20	09:30		DOE U.S. Refinery Utilization	MAY 15	0.38%	--	-1.62%	--
38)	05/20	09:30		DOE Cushing OK Crude Inventory	MAY 15	--	--	-993K	--
39)	05/20	09:30		DOE Crude Oil Implied Demand	MAY 15	--	--	14675	--
40)	05/20	09:30		DOE Gasoline Implied Demand	MAY 15	--	--	9059.0	--
41)	05/20	09:30		DOE Distillate Implied Demand	MAY 15	--	--	4204.0	--
42)	05/21	09:30		EIA Natural Gas Storage Change	MAY 15	--	--	95	--
43)	05/22	12:00		Baker Hughes U.S. Rig Count	MAY 22	--	--	918	--
44)	05/27	09:30		DOE Crude Oil Implied Demand	MAY 22	--	--	--	--
45)	05/27	09:30		DOE Gasoline Implied Demand	MAY 22	--	--	--	--
46)	05/27	15:30		API U.S. Crude Oil Inventories	MAY 22	--	--	--	--
47)	05/27	15:30		API U.S. Gasoline Inventories	MAY 22	--	--	--	--
48)	05/27	15:30		API U.S. Distillate Inventory	MAY 22	--	--	--	--

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	59.95	na	80,513	3,772	JUN	F.QOM9	#VALUE!				
F.CLAN09	60.45	na	204,206	21,368	JUL	F.QON09	59.09	168,738	110,784	24,806	JUL
F.CLAQ09	61.12	na	36,765	3,521	AUG	F.QOQ09	59.88	101,796	56,381	11,782	AUG
F.CLAU09	61.80	na	14,322	1,619	SEP	F.QOU09	60.63	64,599	29,089	6,623	SEP
F.CLAV09	62.47	na	5,277	501	OCT	F.QOV09	61.32	29,958	7,828	2,450	OCT
F.CLAX09	63.08	na	2,412	269	NOV	F.QOX09	62.09	17,037	4,870	1,326	NOV
F.CLAZ09	63.78	na	14,139	1,285	DEC	F.QOZ09	62.94	86,978	12,401	3,356	DEC
F.CLAF10	64.21	na	756	326	JAN	F.QOF10	63.45	19,057	2,062	723	JAN
F.CLAG10	65.05	na	354	291	FEB	F.QOG10	64.22	9,447	1,434	692	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.