

## 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](mailto: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**

<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>	63.17	0.72	63.45	62.19	62.87	20,710	418,679	WTI Crude
<b>HOA</b>	158.17	1.07	159.74	156.6	157.03	1,428	98,361	Heating Oil
<b>RBA</b>	184.17	1.99	185.42	182.4	182.99	2,074	110,584	Unleaded Gas
<b>NGA</b>	35.57	0.2	35.78	35.11	35.7	2,260	190,009	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

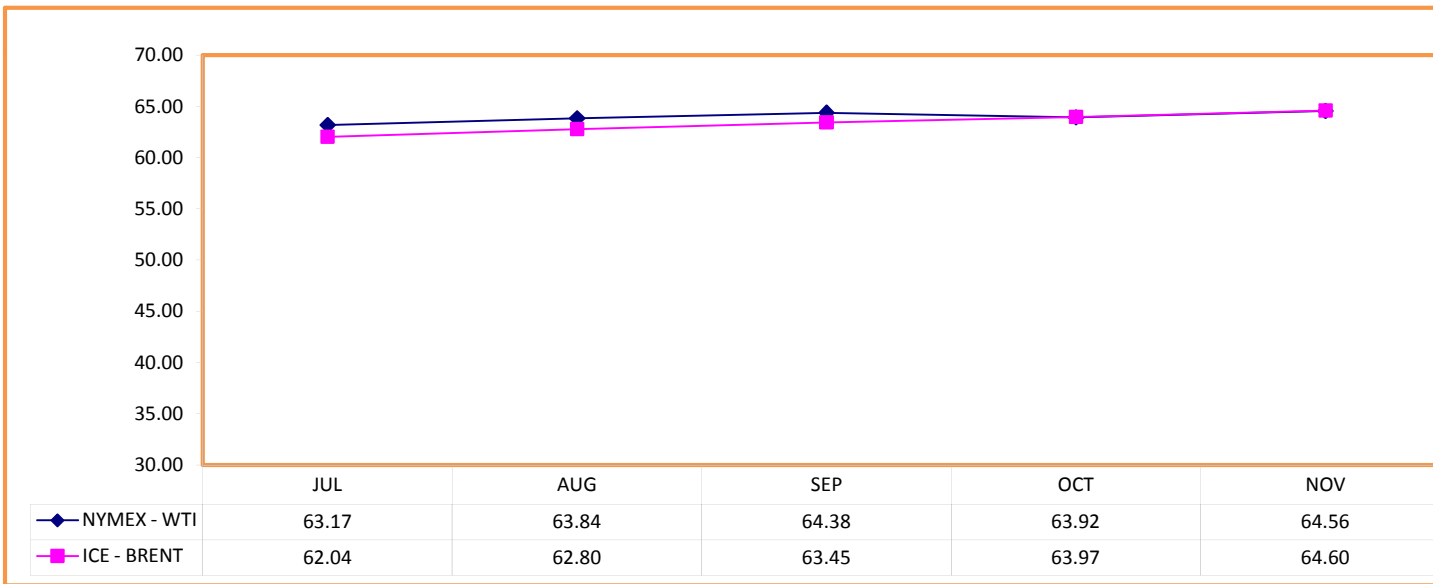
<HELP> for explanation. Index ECO  
 9<G0> to set as default calendar

1) Custom Calendars		2) Settings		3) Alerts		Economic Calendars	
Region	North America	Country	United States	Type	Energy / Commodities		
Date	05/27/09	05:17:00		United States: Energy / Commodities			

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
22)	05/27	09:00		Exxon Mobil Annual Shareholders Meeting					
23)	05/27	09:30	<input checked="" type="checkbox"/>	DOE Crude Oil Implied Demand	MAY 22	-	-	14444	-
24)	05/27	09:30	<input checked="" type="checkbox"/>	DOE Gasoline Implied Demand	MAY 22	-	-	9380.0	-
25)	05/27	15:30	<input checked="" type="checkbox"/>	API U.S. Crude Oil Inventories	MAY 22	-	-	-4468K	-
26)	05/27	15:30	<input checked="" type="checkbox"/>	API U.S. Gasoline Inventories	MAY 22	-	-	-5366K	-
27)	05/27	15:30	<input checked="" type="checkbox"/>	API U.S. Distillate Inventory	MAY 22	-	-	1412K	-
28)	05/28	09:30	<input checked="" type="checkbox"/>	EIA Natural Gas Storage Change	MAY 22	-	-	103	-
29)	05/28	10:00	<input checked="" type="checkbox"/>	DOE U.S. Crude Oil Inventories	MAY 22	50K	-	-2105K	-
30)	05/28	10:00	<input checked="" type="checkbox"/>	DOE U.S. Gasoline Inventories	MAY 22	-1650K	-	-4337K	-
31)	05/28	10:00	<input checked="" type="checkbox"/>	DOE U.S. Distillate Inventory	MAY 22	950K	-	672K	-
32)	05/28	10:00	<input checked="" type="checkbox"/>	DOE U.S. Heat Oil Inventories	MAY 22	-	-	241K	-
33)	05/28	10:00	<input checked="" type="checkbox"/>	DOE U.S. Refinery Utilization	MAY 22	0.30%	-	-1.89%	-
34)	05/28	10:00	<input checked="" type="checkbox"/>	DOE Cushing OK Crude Inventory	MAY 22	-	-	794K	-
35)	05/29	09:30	<input checked="" type="checkbox"/>	DOE Distillate Implied Demand	MAY 22	-	-	4209.0	-
36)	05/29	12:00	<input checked="" type="checkbox"/>	Baker Hughes U.S. Rig Count	MAY 29	-	-	900	-
37)	06/02	15:30	<input checked="" type="checkbox"/>	API U.S. Crude Oil Inventories	MAY 29	-	-	-	-
38)	06/02	15:30	<input checked="" type="checkbox"/>	API U.S. Gasoline Inventories	MAY 29	-	-	-	-
39)	06/02	15:30	<input checked="" type="checkbox"/>	API U.S. Distillate Inventory	MAY 29	-	-	-	-
40)	06/03	09:30	<input checked="" type="checkbox"/>	DOE U.S. Crude Oil Inventories	MAY 29	-	-	-	-

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.  
 H367-55-1 27-May-09 5:17:00

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.CLAN09	63.17	na	267,127	16,472	JUL	F.QON09	62.04	160,371	109,108	23,630	JUL
F.CLAQ09	63.84	na	67,019	2,858	AUG	F.QOQ09	62.80	108,615	45,814	10,509	AUG
F.CLAU09	64.38	na	32,068	894	SEP	F.QOU09	63.45	69,850	25,006	4,363	SEP
F.CLAV09	63.92	na	13,740	373	OCT	F.QOV09	63.97	34,142	10,144	2,376	OCT
F.CLAX09	64.56	na	8,089	262	NOV	F.QOX09	64.60	18,986	5,996	2,132	NOV
F.CLAZ09	65.80	na	31,815	513	DEC	F.QOZ09	65.29	88,462	15,635	2,824	DEC
F.CLAF10	65.48	na	3,428	72	JAN	F.QOF10	65.84	21,349	3,216	763	JAN
F.CLAG10	66.50	na	1,638	113	FEB	F.QOG10	66.36	10,288	1,389	457	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.