



## The Morning Email: Oil

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**04:48 12/04 CRUDE OIL:** Crude oil is back under pressure after reported comments from OPEC delegate, who said the cartel is considering two options at eve of the meeting in Abu Dhabi. Firstly, OPEC is discussing raising output by 500k bpd or Secondly, maintaining its production levels steady. WTI Nymex crude oil is at \$88.54, down 77 cents.

**MarketNews**  
international

Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

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ENERGY MATRIX (NYMEX PRODUCTS)								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	88.8	-0.51	89.98	88.35	89.68	26,250	473,235	WTI Crude
HOA	250.6900	-0.4200	252.55	249.35	252	5,197	146,441	Heating Oil
RBA	224.72	-0.29	226.09	223.14	225.78	2,487	126,409	Unleaded Gas
NGA	71.72	-0.4200	72.49	71.7	72.2	662	222,966	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.

**New York Oil Discount to Brent Widens on U.S. Supply (Update1)  
2007-12-04 05:51 (New York)**

By Alexander Kwiatkowski

Dec. 4 (Bloomberg) -- New York's benchmark crude price fell to more than 80 cents below London's Brent, the widest discount since July, as Canadian imports and Midwest inventories boosted oil supplies in the U.S.

The West Texas Intermediate front-month crude oil futures on the New York Mercantile Exchange traded at a discount as wide as 96 cents below the comparable Brent contract on the London-based ICE Futures Europe exchange today, having traded at a premium of \$4.87 in mid-October. Brent rose to a premium to WTI for the first time since July yesterday.

A widening spread between benchmark prices in the U.S. and Europe will make it more expensive for U.S. buyers to ship oil from the North Sea and West Africa to the U.S. market. European and African crude is priced in relation to Brent, making it less attractive as an alternative to crude priced from WTI.

"Concerns about an economic slowdown in the U.S. have weighed on sentiment," Haris Aliefendic, an analyst with Vienna-based PVM Oil Associates GmbH said in an e-mail.

"Although WTI got some support from last week's outage at the Enbridge pipeline, Canadian supplies are rather ample and remain a bearish factor."

A build-up in stockpiles at Cushing, Oklahoma, the delivery point for New York futures contracts, has contributed to U.S. crude prices weakening in relation to the European benchmark. Demand for crude in the U.S. also typically weakens at the end of the year as buyers and sellers look to reduce their inventories because of tax considerations, Aliefendic said.

**European Refineries**

In contrast, an increase in European refinery utilization has boosted demand for crude priced in relation to Brent. Maintenance at Europe's refineries should drop from about 800,000 barrels a day of idled capacity in November to about 130,000 barrels a day in December, according to PVM data.

(cont.)

Stockpiles of oil at Cushing rose 665,000 barrels, or 4.6 percent, to 15.2 million barrels in the week ending Nov. 23. Cushing inventories have increased for three consecutive weeks from the lowest in almost three years in November. Data for last week are due to be published tomorrow.

Crude oil for January delivery was at \$88.45 a barrel, down 96 cents, in after-hours electronic trading on Nymex at 10:47 a.m. in London. Brent crude oil for January settlement traded at \$89.43 a barrel, down 37 cents, on the ICE Futures Europe exchange.

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Economic Release Estimates, from Bloomberg

<HELP> for explanation. N159 n ComdtyECO  
 NO SCHEDULED EVENT FOR TODAY

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12/04/07 United States Energy / Commodities

Date	Time	US		Event	Survey	Actual	Prior	Revised
12/5	9:30	US	3)	DOE U.S. Crude Oil Inventories	NOV 30	-900K	--	-452K
12/5	9:30	US	4)	DOE U.S. Gasoline Inventories	NOV 30	1200K	--	1438K
12/5	9:30	US	5)	DOE U.S. Distillate Inventory	NOV 30	-150K	--	-89K
12/5	9:30	US	6)	DOE U.S. Refinery Utilization	NOV 30	0.10%	--	2.44%
12/5	9:30	US	7)	API U.S. Crude Oil Inventories	NOV 30	--	--	-5318K
12/5	9:30	US	8)	API U.S. Gasoline Inventories	NOV 30	--	--	88K
12/5	9:30	US	9)	API U.S. Distillate Inventory	NOV 30	--	--	2600K
12/6	9:30	US	10)	EIA Natural Gas Storage Change	NOV 30	--	--	-12
12/7	12:00	US	11)	Baker Hughes U.S. Rig Count	DEC 7	--	--	1823
12/11		US	12)	DOE Short-Term Crude Outlook	DEC	--	--	--
12/11		US	13)	DOE Short-Term Ht Oil Outlook	DEC	--	--	--
12/11		US	14)	DOE Short-Term Diesel Outlook	DEC	--	--	--
12/11		US	15)	DOE Short-Term Mogas Outlook	DEC	--	--	--
12/11		US	16)	DOE Short-Term NatGas Outlook	DEC	--	--	--
12/12	9:30	US	17)	DOE U.S. Crude Oil Inventories	DEC 7	--	--	--
12/12	9:30	US	18)	DOE U.S. Gasoline Inventories	DEC 7	--	--	--
12/12	9:30	US	19)	DOE U.S. Distillate Inventory	DEC 7	--	--	--
12/12	9:30	US	20)	DOE U.S. Refinery Utilization	DEC 7	--	--	--

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 920410 Hong Kong 852 2977 6000  
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2007 Bloomberg Finance L.P.  
 6599-1-0 04-Dec-07 5:11:11

NYMEX - WTI				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAJ08	88.80	0	589,890	14,557 JAN
F.CLAG08	88.53	0	214,054	6,672 FEB
F.CLAH08	88.21	0	76,600	1,634 MAR
F.CLAJ08	87.90	0	38,585	903 APR
F.CLAK08	88.20	0	18,594	270 MAY
F.CLAM08	87.60	0	26,668	1,185 JUN
F.CLAN08	87.36	0	4,933	2,884 JUL

ICE - BRENT				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.QOF08	89.66	89,970	113,246	18,771 JAN
F.QOG08	89.28	143,659	69,423	11,836 FEB
F.QOH08	88.99	42,678	34,329	4,327 MAR
F.QOJ08	88.66	19,770	14,282	1,989 APR
F.QOK08	88.30	14,870	7,329	794 MAY
F.QOM08	88.28	34,609	12,864	2,177 JUN
F.QON08	88.10	8,951	1,493	409 JUL

