



The Morning Email: Oil

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05:15 12/17 CRUDE OIL: WTI Nymex crude oil breaks below \$91.00, amid dollar strength. Support is now at \$90.35 -- 50.0% of \$85.78 to \$94.90, break is seen triggering further unwinding of long positions.

MarketNews
international

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	91.04	-0.23	91.95	90.57	91.43	16,397	505,675	WTI Crude	
HOA	262.2000	1.4100	263.86	260.5	261	1,813	134,307	Heating Oil	
RBA	234.1	-0.07	235.41	232.8	234.01	1,125	134,323	Unleaded Gas	
NGA	69.9	-0.3500	70.2	69.58	69.92	1,687	182,445	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.

**Crude Oil Declines in New York on Inflation, Growth Concerns
2007-12-17 06:01 (New York)****By Grant Smith**

Dec. 17 (Bloomberg) -- Crude oil fell for a third day on concern faster inflation and the subprime mortgage crisis will slow demand in the U.S., the world's biggest energy consumer.

Oil slipped below \$91 a barrel in New York as global stocks declined and the dollar strengthened on speculation price pressures will hamper the Federal Reserve's ability to cut interest rates. Crude earlier advanced as a winter storm in the U.S. Northeast yesterday spurred demand for heating fuels.

"The weaker equity market may be tempering some of the bullishness on oil, while at the same time the stronger dollar could mean crude appears less of a star buy to foreign investors," said Christopher Bellew, a broker at Bache Financial Ltd. in London.

Crude oil for January delivery declined as much as 69 cents, or 0.8 percent, to \$90.58 a barrel on the New York Mercantile Exchange. It traded for \$90.73 at 10:52 a.m. London time. Brent crude oil for February settlement was down 49 cents at \$91.20.

The Nymex January contract expires at the close of trading tomorrow. The more-widely held February contract was at \$90.90 a barrel in after-hours trading.

The dollar rose against 14 of the 16 most actively-traded currencies as investors reduced bets on further interest-rate cuts by the Federal Reserve. Demand for commodities priced in the U.S. currency may fall as the dollar extends gains against the euro.

The Organization of Petroleum Exporting Countries may decide to increase quotas when it meets Feb. 1, Algerian Oil Minister Chakib Khelil said, citing rising winter demand.

"The forecasts now point toward a cold winter, and the economy seems to be improving," Khelil said yesterday in an interview in Limassol, Cyprus. "The chances that we could decide to increase output are greater than reducing output."

(cont.)

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Economic Release Estimates, from Bloomberg

NYMEX - WTI					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAJ08	91.04	0	438,339	6,392	JAN
F.CLAG08	91.29	0	340,799	8,720	FEB
F.CLAH08	91.36	0	135,298	1,835	MAR
F.CLAJ08	91.21	0	63,048	647	APR
F.CLAK08	91.58	0	32,690	181	MAY
F.CLAM08	91.15	0	37,377	188	JUN
F.CLAN08	90.47	0	5,697	17	JUL

Contango: pays more to store crude. Pump prices rise, and so do oil company profits
 Backwardation: opposite of Contango

ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOG08	91.65	122,595	91,178	13,569	FEB
F.QOH08	91.40	113,120	35,909	5,637	MAR
F.QOJ08	91.22	25,047	14,023	3,482	APR
F.QOK08	90.99	18,145	9,744	1,422	MAY
F.QOM08	90.75	33,890	8,587	1,704	JUN
F.QON08	90.25	10,264	1,062	557	JUL

Contango IF: front months lower than back months.

