



## The Morning Email: Oil

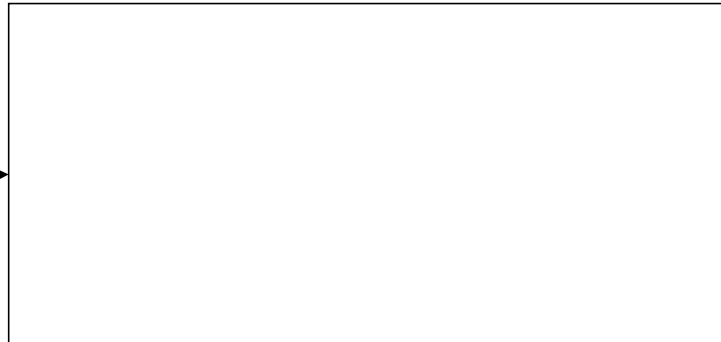
### Table of Contents

Pg 1 Quotes

Pg 2 News - Today

Pg 3 Economic Releases

Pg 4 Spreads - WTI and BRENT



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	91.6	0.97	91.84	90.62	90.95	17,276	358,513	WTI Crude
HOA	261.8800	2.0900	262	259.79	260.5	6,087	132,835	Heating Oil
RBA	235.98	2.44	235.98	233.03	233.5	2,143	105,530	Unleaded Gas
NGA	70.65	0.3000	70.65	70.35	70.49	560	212,660	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 Advances After Turkish Soldiers Enter Northern Iraq  
2007-12-18 06:17 (New York)

By Grant Smith

Dec. 18 (Bloomberg) -- Crude oil rose after an incursion by Turkish troops into the north of Iraq, holder of the world's third-biggest crude reserves.

Turkey sent 700 soldiers into northern Iraq in an assault on Kurdish militants who have carried out cross-border attacks, Iraqi President Jalal Talabani's Patriotic Union of Kurdistan said on the party's Web site. The threat of a Turkish offensive against Kurdish guerillas in Iraq helped drive oil prices to records earlier this year.

"That's a problem for the market, since a large part of the latest increase in Iraqi exports is coming through the northern pipeline," said Andy Sommer, an analyst with HSH Nordbank in Hamburg. "A disruption would send prices higher in the shortterm."

Crude oil for January delivery rose as much as 99 cents, or 1.1 percent, to \$91.62 a barrel in electronic trading on the New York Mercantile Exchange. The contract traded at \$91.52 at 11:10 a.m. in London.

The January contract expires at the close of trading today. The more actively traded February contract was at \$91.99 a barrel, up 94 cents, at 11:15 a.m. in London.

Brent crude oil for February settlement was up 74 cents at \$92.03 a barrel on London's ICE Futures Europe exchange.

"Geopolitics against a background of tight spare production capacity and falling inventories in consuming countries is always in the back of the market's mind," said Harry Tchilinguirian, an analyst at BNP Paribas SA in London. "The fundamental picture as we move into the seasonal peak in demand is tight."

(cont.)

Pipeline Shipments

Iraq has increased the volume of oil pumped through the northern pipeline to Turkey since September. The country exported 1.9 million barrels a day that month, compared with 1.69 million barrels a day in August, according to data supplied by the U.S. Department of State.

Supplies through the northern pipeline have frequently been disrupted by sabotage attacks since the U.S.-led invasion in 2003. Iraq ships most of the oil it exports from its Basra oil terminal in the south of the country.

Oil fell 0.7 percent in New York yesterday on concern a slowdown in U.S. economic growth will curtail demand for fuels in the world's biggest energy user.

U.S. corporate defaults may rise next year with Moody's Investors Service predicting companies will default on 4.7 percent of their bonds in 2008 as the economy slows, up from 1 percent this year.

The U.S. Energy Department will probably say tomorrow that crude inventories, at their lowest in more than two years, fell 125,000 barrels in the week ended Dec. 14, according to a Bloomberg News survey. The Department's weekly inventory report will be issued at 3:30 p.m. in Washington.

Analysts were divided on supplies of distillates, which include heating oil and diesel, rose or fell. Distillate levels are 0.6 percent below the five-year seasonal norm, according to Energy Department data.

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Economic Release Estimates, from Bloomberg

<HELP> for explanation. N119 n ComdtyECO  
**NO SCHEDULED EVENT FOR TODAY**

Change Calendar | Change Date | Alerts | Output Results To

12/18/0 United States Energy / Commodities

Date	Time	US	Event	Survey	Actual	Prior	Revised
12/19	9:30	2)	DOE U.S. Crude Oil Inventories	DEC 14	-250K	--	-722K
12/19	9:30	3)	DOE U.S. Gasoline Inventories	DEC 14	1250K	--	1618K
12/19	9:30	4)	DOE U.S. Distillate Inventory	DEC 14	-500K	--	-810K
12/19	9:30	5)	DOE U.S. Refinery Utilization	DEC 14	0.30%	--	-0.68%
12/19	9:30	6)	API U.S. Crude Oil Inventories	DEC 14	--	--	1393K
12/19	9:30	7)	API U.S. Gasoline Inventories	DEC 14	--	--	2475K
12/19	9:30	8)	API U.S. Distillate Inventory	DEC 14	--	--	-1734K
12/20	9:30	9)	EIA Natural Gas Storage Change	DEC 14	--	--	-146
12/21	12:00	10)	Baker Hughes U.S. Rig Count	DEC 21	--	--	1824
12/27	9:30	11)	DOE U.S. Crude Oil Inventories	DEC 21	--	--	--
12/27	9:30	12)	DOE U.S. Gasoline Inventories	DEC 21	--	--	--
12/27	9:30	13)	DOE U.S. Distillate Inventory	DEC 21	--	--	--
12/27	9:30	14)	DOE U.S. Refinery Utilization	DEC 21	--	--	--
12/27	9:30	15)	API U.S. Crude Oil Inventories	DEC 21	--	--	--
12/27	9:30	16)	API U.S. Gasoline Inventories	DEC 21	--	--	--
12/27	9:30	17)	API U.S. Distillate Inventory	DEC 21	--	--	--
12/28	9:30	18)	EIA Natural Gas Storage Change	DEC 21	--	--	--
12/28	12:00	19)	Baker Hughes U.S. Rig Count	DEC 28	--	--	--

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 18-Dec-07 5:21:40

NYMEX - WTI				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAF08	91.60	0	269,532	3,452 JAN
F.CLAG08	91.94	0	365,434	12,678 FEB
F.CLAH08	92.02	0	79,528	1,300 MAR
F.CLAJ08	92.00	0	38,416	338 APR
F.CLAK08	91.40	0	14,015	109 MAY
F.CLAM08	91.10	0	16,144	61 JUN
F.CLAN08	90.35	0	1,676	705 JUL

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

ICE - BRENT				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.QOG08	92.09	117,081	87,890	21,917 FEB
F.QOH08	91.89	118,064	39,246	11,011 MAR
F.QOJ08	91.71	28,951	21,059	4,716 APR
F.QOK08	91.54	16,677	8,215	1,792 MAY
F.QOM08	91.25	34,257	8,132	1,757 JUN
F.QON08	91.00	10,438	2,117	624 JUL

Contango IF: front months lower than back months.

