



The Morning Email: Oil

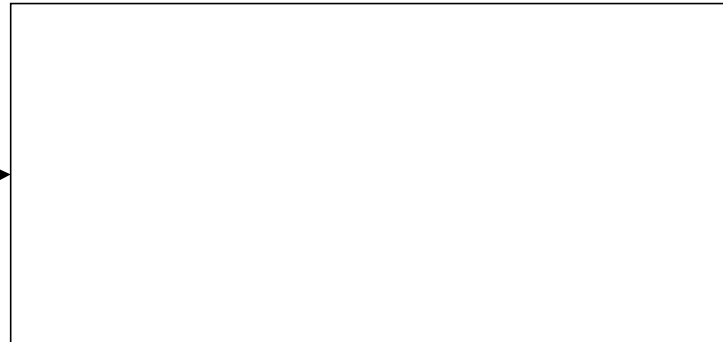
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Want something added? Let me know: jgoulding@ghco.com

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ENERGY MATRIX (NYMEX PRODUCTS)								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	91.35	0.29	91.5	90.96	91.04	9,346	554,994	WTI Crude
HOA	259.2200	0.6300	259.81	258.7	258.7	3,322	114,761	Heating Oil
RBA	234.2	1.44	234.5	233.11	233.11	4,137	100,045	Unleaded Gas
NGA	71.4	0.0300	71.61	71.22	71.37	522	228,699	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.

**Oil Trades Below \$92 on Outlook for U.S. Weather and Economy
2007-12-21 05:09 (New York)**

By Grant Smith and Christian Schmollinger

Dec. 21 (Bloomberg) -- Crude oil traded below \$92 a barrel in New York amid signs mild U.S. winter temperatures and slowing economic growth may reduce demand.

Warmer weather may cap oil's 49 percent gain this year, the biggest annual increase since 2002. Temperatures through March will be higher than normal in most of the U.S., the Climate Prediction Center said yesterday. Separately, the Conference Board said its measure of leading economic indicators dropped more than forecast to the lowest level in more than two years.

"The northern hemisphere winter has not been too harsh until now, and if temperatures in the U.S. are higher we might see lower prices," said Ehsan Ul-Haq, head of research at PVM Oil Associates in Vienna. "We expect at least a bit of a demand slowdown in the second half of next year."

Crude oil for February delivery was at \$91.39 a barrel, up 33 cents, in after-hours electronic trading on the New York Mercantile Exchange at 9:32 a.m. in London.

The contract fell 18 cents, or 0.2 percent, to \$91.06 yesterday. New York prices have fallen 8.1 percent from the record \$99.29 a barrel reached on Nov. 21 amid signs the deepest U.S. housing slump in 16 years may worsen.

Economic growth in the world's largest oil user may slow this quarter to a 1 percent annual rate from 4.9 percent in July to September, according to surveys of economists by Bloomberg News. Federal Reserve officials are predicting the expansion will slow to as little as 1.8 percent by the end of next year.

'Economic Cycle'

"It's the peak heating oil season so the big focus is on the weather," said Jonathan Benjamin, a senior analyst at New Wave Energy LLC in Aptos, California. "This may be the first step in a downtrend" if the economy remains subdued and there are no major political events, he said.

(cont.)

Brent crude for February settlement was at \$91.33 a barrel, up 45 cents, on London's ICE Futures Europe exchange at 9:34 a.m. London time. The contract fell 60 cents, or 0.7 percent, to \$90.88 yesterday.

Volume yesterday fell to 247,525 contracts, a third of that a week earlier.

U.S. crude oil stockpiles fell 7.59 million barrels last week to the lowest since February 2005, the Energy Department said. A decline of 1.5 million was expected. The Houston Ship Channel, which serves the largest U.S. petroleum port, was shut for about 78 hours last week because of fog, causing a 9.5 percent drop in imports.

Supplies of distillate fuel, a category that includes heating oil and diesel, fell 2.16 million barrels, the report showed. A 500,000-barrel drop was expected. Implied distillate fuel demand rose 8.1 percent last week, the highest since February, following a winter storm in the northeast, where four-fifths of heating fuels are consumed.

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Economic Release Estimates, from Bloomberg

NYMEX - WTI				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAG08	91.35	0	313,128	3,508 FEB
F.CLAH08	91.22	0	101,925	767 MAR
F.CLAJ08	90.96	0	47,980	403 APR
F.CLAK08	90.35	0	19,646	45 MAY
F.CLAM08	90.29	0	25,720	14 JUN
F.CLAN08	89.98	0	6,072	1,558 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	91.31	109,379	71,702	9,352 FEB
F.QOH08	91.00	123,863	28,108	4,804 MAR
F.QOJ08	90.79	29,753	15,187	1,057 APR
F.QOK08	90.44	15,789	6,251	463 MAY
F.QOM08	90.35	32,823	7,582	210 JUN
F.QON08	90.21	9,875	2,930	76 JUL

Contango IF: front months lower than back months.

