



## The Morning Email: Oil

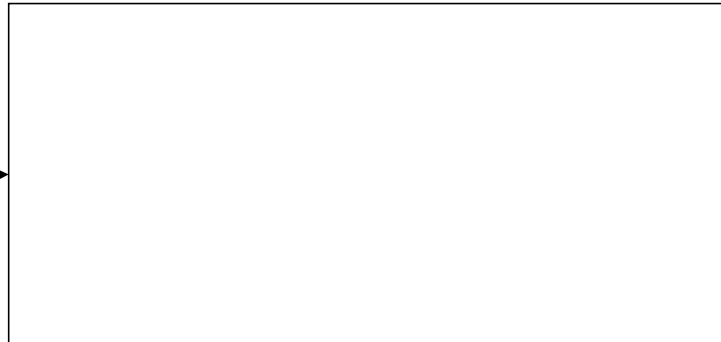
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Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

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ENERGY MATRIX (NYMEX PRODUCTS)								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	93.25	-0.06	93.84	92.81	93.58	3,185	589,357	WTI Crude
HOA	260.4800	-0.1400	260.86	259.35	260.78	979	127,828	Heating Oil
RBA	240.6	-0.14	240.87	239.95	240.87	320	121,869	Unleaded Gas
NGA	70.9	-1.0000	71	70.4	70.79	658	146,569	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 Falls on Speculation Last Week's Gains Were Unjustified**  
**2007-12-24 06:20 (New York)**

**By Eduard Gismatullin**

Dec. 24 (Bloomberg) -- Crude oil fell below \$93 a barrel in New York on speculation last week's wasn't fully justified.

"It's possibly a counter-reaction to the strength of the close price on Friday," said Tony Machacek, a broker with Bache Financial Ltd. in London.

Crude oil for February delivery fell as much as 53 cents, or 0.6 percent, to \$92.81 a barrel in New York Mercantile Exchange electronic trading. It was at \$93.10 at 11:05 a.m. London time.

The contract rose 2.5 percent to \$93.31 a barrel on Dec. 21 after the U.S. government said consumer spending rose 1.1 percent in November, the most in more than two years, on higher incomes and holiday sales. That spurred hope the world's largest oil consumer may avoid a recession next year.

Oil is heading for its biggest annual gain in five years after prices have risen 53 percent this year and reached \$99.29 on Nov. 21, the highest since futures trading began in 1983.

Daily deliveries of crude oil from OPEC, responsible for 40 percent of world supplies, will decline 0.4 percent to 24.33 million barrels a day in the four weeks to Jan. 5, the first decline in OPEC shipments since August, consultant Oil Movements predicted.

**Brent Oil**

Brent crude for February settlement dropped as much as 81 cents, or 0.9 percent, to \$91.65 a barrel on London's ICE Futures Europe exchange and was at \$91.96 a barrel at 11:06 a.m. in London.

(cont.)

U.S. crude oil stockpiles have dropped below the five-year average for the first time this year because of shipping delays in the Houston channel, PVM Oil Associates GmbH said today.

The nation's crude inventories fell 7.6 million barrels to 296.9 million barrels in week to Dec. 14, the lowest since February 2005, according to the U.S. Energy Department data. The Houston Ship Channel, which serves the largest U.S. oil port, was shut for about 78 hours earlier this month because of fog.

Crude oil may hover between \$90 and \$93 a barrel in New York this week, according to a Bloomberg News survey.

Fifteen of 32 analysts surveyed, or 47 percent, said oil prices will be little changed through Dec. 28. Twelve, or 38 percent, said prices would decline and five forecast they would increase. A week earlier, 52 percent of respondents said oil prices would drop.

Nymex will shut at 1:30 p.m. New York time today and will be closed for most of tomorrow for Christmas Holiday. Electronic trading will resume at 6 p.m. tomorrow for Dec. 26. The exchange will be closed on Jan. 1.

ICE Futures Europe will have close today at 2 p.m. New York time and will be shut tomorrow for Christmas Day. The exchange will close at 3 p.m. New York time on Dec. 31 and will be closed on Jan. 1.

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**Economic Release Estimates, from Bloomberg**

NYMEX - WTI				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAG08	93.25	0	351,264	3,040 FEB
F.CLAH08	92.88	0	111,230	789 MAR
F.CLAJ08	92.09	0	44,700	394 APR
F.CLAK08	91.53	0	28,276	77 MAY
F.CLAM08	91.10	0	24,539	11 JUN
F.CLAN08	90.91	0	1,972	0 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	92.16	116,459	68,715	3,923 FEB
F.QOH08	91.78	125,969	37,317	2,007 MAR
F.QOJ08	91.32	31,438	14,576	431 APR
F.QOK08	90.97	16,513	5,687	69 MAY
F.QOM08	90.75	32,226	5,951	60 JUN
F.QON08	90.68	9,836	687	0 JUL

Contango IF: front months lower than back months.

