



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	96.48	-0.14	97.12	96.33	96.84	11,074	239,998	WTI Crude
HOA	267.2500	-0.3300	268.42	266.7	268.05	2,946	108,505	Heating Oil
RBA	250.95	-0.97	253	250.7	252.28	2,761	121,721	Unleaded Gas
NGA	70.8	-1.2000	71.5	70.8	71.35	668	225,311	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 Is Little Changed After Gaining on Stockpile Decline
2007-12-28 04:38 (New York)**

By Grant Smith and Christian Schmollinger

Dec. 28 (Bloomberg) -- Crude oil was little changed in New York after gaining on an Energy Department report that showed U.S. inventories declined more than expected last week.

Stockpiles fell to the lowest since January 2005, and supplies of distillate fuel, including heating oil, dropped the most since February. Prices initially rose after yesterday's assassination of Benazir Bhutto, Pakistan's former prime minister, heightened concern violence would persist in the nuclear-armed nation.

"The U.S. stock data has been supportive for product prices," said Robert Laughlin, a senior broker at MF Global Ltd. in London. "Whilst the Pakistan problems are not directly oil-related, Bhutto was such a high-profile figure her assassination has resurfaced the global terror alert."

Crude oil for February delivery was at \$96.64 a barrel, up 2 cents, on the New York Mercantile Exchange at 9:07 a.m. London time. Oil is heading for its biggest annual gain in eight years.

Brent crude for February settlement rose 13 cents to \$94.91 a barrel at 9:10 a.m. local time on London's ICE Futures Europe exchange.

New York futures surged to a record \$99.29 on Nov. 21 as a weaker dollar made oil cheaper to purchase in other currencies. Prices have gained 59 percent this year, which would be the biggest annual increase since 1999, when prices more than doubled to \$25.60 a barrel.

Supply Concern

Oil has jumped this year on concern supply may be disrupted amid Iran's nuclear standoff with the United Nations and Turkey's attacks on Kurdish rebels in Iraq. Prices also surged on rising demand from China and India, and falling stockpiles in Europe and the U.S.

Oil stockpiles in the U.S. declined 3.3 million barrels to 293.6 million last week, the lowest in almost three years, the Energy Department report showed. Supplies were expected to drop 1.5 million barrels, according to the median of responses by 12 analysts surveyed by Bloomberg News.

(cont.)

The department released its weekly report on inventories at 10:30 a.m. yesterday in Washington, a day later than usual because of the Christmas holiday.

Trading volumes have been below average because of end-of-year holidays. Nymex oil traders exchanged an estimated 241,452 contracts yesterday, down 31 percent from a week earlier, according to data compiled by Bloomberg.

"There is some bias to the upside given the much-larger-than-anticipated drawdown, not just in crude but also in distillates," said David Moore, commodity strategist at Commonwealth Bank of Australia in Sydney. Bhutto's death "is another source of instability that may well affect the region," he said.

Distillates Drop

Supplies of distillate fuel fell 2.77 million barrels to 126.6 million barrels, the Energy Department report showed. A 900,000-barrel decline was expected, according to the median of responses.

Gasoline supplies increased 636,000 barrels to 205.9 million last week, the report showed. A 1.4 million-barrel gain was expected.

Total implied fuel demand in the U.S. averaged 21.1 million barrels a day in the four weeks ended Dec. 21, up 1.6 percent from a year earlier, according to the department. Consumption of distillate fuel averaged 4.5 million barrels a day over the period, up 5.7 percent from a year earlier.

The oil market has been sensitive to suspected Islamic terror assaults since the Sept. 11, 2001, attacks on the U.S. Pakistan borders Iran, which holds the world's second-biggest oil reserves, and is located along the Arabian Sea, where tankers travel before entering the Persian Gulf.

--With reporting by Sophie Tan in Singapore and Mark Shenk in New York. Editors: Amanda Jordan, Todd White

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Economic Release Estimates, from Bloomberg

<HELP> for explanation. N119 n ComdtyECO

Change Calendar | Change Date | Alerts | Output Results To

12/28/0 | United States | Energy / Commodities

Date	Time	US	Event	Survey	Actual	Prior	Revised
12/28	9:30	US	8) EIA Natural Gas Storage Change	DEC 21	-147	--	-121
12/28	12:00	US	9) Baker Hughes U.S. Rig Count	DEC 28	--	--	1809
1/3	9:30	US	10) DOE U.S. Crude Oil Inventories	DEC 28	--	--	-3299K
1/3	9:30	US	11) DOE U.S. Gasoline Inventories	DEC 28	--	--	636K
1/3	9:30	US	12) DOE U.S. Distillate Inventory	DEC 28	--	--	-2768K
1/3	9:30	US	13) DOE U.S. Refinery Utilization	DEC 28	--	--	0.25%
1/3	9:30	US	14) API U.S. Crude Oil Inventories	DEC 28	--	--	852K
1/3	9:30	US	15) API U.S. Gasoline Inventories	DEC 28	--	--	-2364K
1/3	9:30	US	16) API U.S. Distillate Inventory	DEC 28	--	--	-2745K
1/4	9:30	US	17) EIA Natural Gas Storage Change	DEC 28	--	--	--
1/4	12:00	US	18) Baker Hughes U.S. Rig Count	JAN 4	--	--	--
1/8		US	19) DOE Short-Term Crude Outlook	JAN	--	--	--
1/8		US	20) DOE Short-Term Ht Oil Outlook	JAN	--	--	--
1/8		US	21) DOE Short-Term MoGas Outlook	JAN	--	--	--
1/9	9:30	US	22) DOE U.S. Gasoline Inventories	JAN 4	--	--	--
1/9	9:30	US	23) DOE U.S. Distillate Inventory	JAN 4	--	--	--
1/9	9:30	US	24) DOE U.S. Crude Oil Inventories	JAN 4	--	--	--
1/9	9:30	US	25) DOE U.S. Refinery Utilization	JAN 4	--	--	--

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 28-Dec-07 5:18:51

NYMEX - WTI					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAG08	96.48	0	275,938	5,592	FEB
F.CLAH08	96.07	0	117,311	836	MAR
F.CLAJ08	95.35	0	47,095	276	APR
F.CLAK08	95.27	0	21,712	99	MAY
F.CLAM08	94.43	0	28,030	43	JUN
F.CLAN08	93.93	0	11,213	51	JUL
F.CLAQ08	93.15	0	7,218	1,259	AUG

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	94.54	115,917	68,551	11,522	FEB
F.QOH08	94.18	125,494	37,782	4,256	MAR
F.QOJ08	93.87	33,520	19,435	1,626	APR
F.QOK08	94.00	17,588	8,826	566	MAY
F.QOM08	93.19	31,291	10,320	620	JUN
F.QON08	93.06	9,653	1,597	51	JUL
F.QOC08	91.87	7,580	1,375	0	AUG

Contango IF: front months lower than back months.

