



The Morning Email: Oil

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ENERGY MATRIX - NYMEX PRODUCTS								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	96.04	0.04	96.45	95.9	96.12	3,745	499,490	WTI Crude
HOA	264.6000	1.7200	265.19	263.16	263.16	825	123,053	Heating Oil
RBA	248.85	1.03	249.61	247.85	247.85	221	122,091	Unleaded Gas
NGA	73.27	-0.5900	73.73	73.01	73.49	627	137,317	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 Rises as Iran Prepares to Start First Nuclear Reactor
2007-12-31 05:50 (New York)

By Grant Smith and Christian Schmollinger

Dec. 31 (Bloomberg) -- Crude oil rose in New York, poised for its biggest annual increase since 1999, as Iran announced plans to start its first nuclear reactor next year, raising concern the move will heighten confrontation with the U.S.

Iran, holder of the world second-biggest oil reserves, will begin generating atomic power in mid-2008, the republic's state news agency said yesterday. Uncertainty about the political situation in nuclear-armed Pakistan after the assassination of ex-Prime Minister Benazir Bhutto added to concerns.

"Geopolitical risks from Iran's announcement on its nuclear program and the tension in Pakistan, are keeping everyone on their toes right now and supporting the market against another slide," said Robert Montefusco, a broker at Sudden (U.K) Ltd. in London.

Crude oil for February delivery climbed as much as 45 cents, or 0.5 percent, to \$96.45 a barrel in electronic trading on the New York Mercantile Exchange. It was at \$96.17 at 10:09 a.m. London time.

Brent crude for February settlement rose as much as 77 cents, or 0.8 percent, to \$94.65 a barrel in electronic trading on the ICE Futures Europe exchange. It was at \$94.06 at 10:48 a.m. London time.

BHP Billiton Ltd., Woodside Petroleum Ltd. and Santos Ltd. halted more than half of Australia's oil production as the first tropical cyclone of the season struck the northwest coast.

Oil has jumped 57 percent in New York this year on demand from China and India and concern that tensions with Iran and violence in Iraq and Nigeria may disrupt supply.

New York futures reached a record \$99.29 on Nov. 21 as a weaker dollar made crude cheaper in other currencies. In 1999, oil more than doubled to \$25.60 a barrel.

President Ahmadinejad

New York crude prices have gained 41 percent in euros this year, 48 percent in yen and 54 percent in British pounds.

(cont.)

Iran, the Organization of Petroleum Exporting Countries' second-largest producer, wants to develop atomic energy to generate electricity, President Mahmoud Ahmadinejad has said.

"Any escalation in those tensions could push prices higher," said David Moore, commodity strategist at Commonwealth Bank of Australia in Sydney. "The nature of the oil market is that there is the potential for geopolitical tensions to impact on prices."

ConocoPhillips, the second-largest U.S. refiner, reported a possible gas leak from its 139,000 barrel-a-day Wilmington refinery in Los Angeles, according to a filing to the Governor's Office of Emergency Services.

Hedge-fund managers and other large speculators increased their net-long positions in New York crude-oil futures in the week ended Dec. 25, according to U.S. Commodity Futures Trading Commission data.

Speculative long positions, or bets prices will rise, outnumbered short positions by 52,847 contracts on the New York Mercantile Exchange, the Washington-based commission said in its Dec. 28 Commitments of Traders report. Net-long positions increased by 17,864 contracts, or 51 percent, from a week earlier.

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Economic Release Estimates, from Bloomberg

NYMEX - WTI				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAG08	96.04	0	264,082	2,797 FEB
F.CLAH08	95.83	0	106,323	458 MAR
F.CLAJ08	95.20	0	44,922	286 APR
F.CLAK08	94.81	0	24,270	100 MAY
F.CLAM08	93.96	0	25,473	105 JUN
F.CLAN08	93.32	0	5,574	0 JUL
F.CLAQ08	93.15	0	1,880	34 AUG

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	94.19	108,735	63,005	4,674 FEB
F.QOH08	94.12	129,171	43,266	3,214 MAR
F.QOJ08	93.87	35,855	19,830	1,397 APR
F.QOK08	93.62	19,284	8,387	113 MAY
F.QOM08	93.30	30,986	6,716	24 JUN
F.QON08	93.69	10,245	1,604	0 JUL
F.QOC08	93.19	7,946	1,474	0 AUG

Contango IF: front months lower than back months.

