



The Morning Email: Oil

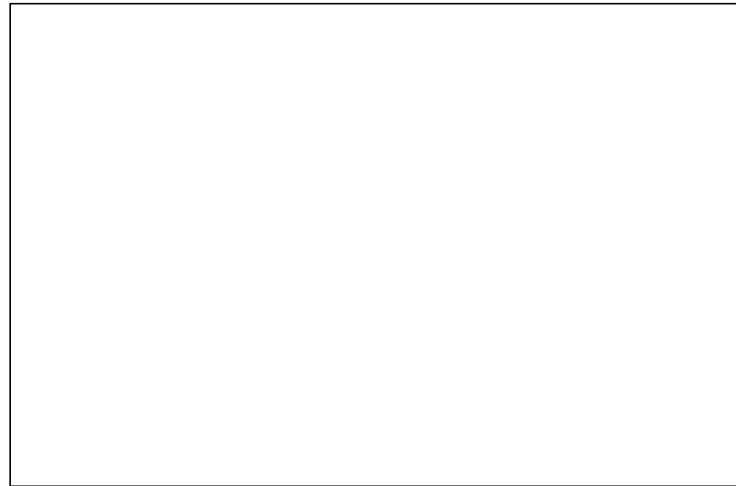
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Want something added? Let me know: jgoulding@ghco.com

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ENERGY MATRIX (NYMEX PRODUCTS)								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	95.68	1.7	95.87	94.41	94.46	19,988	414,886	WTI Crude
HOA	2.5880	0.0441	2.5919	2.545	2.545	4,164	105,566	Heating Oil
RBA	2.4175	0.0364	2.42	2.394	2.3958	2,004	114,179	Unleaded Gas
NGA	7.98	-0.0190	7.989	7.93	7.94	334	177,358	Natural Gas

All contracts quoted are electronic

**U.S. Oil Prices Attract North Sea Crude Cargoes to Gulf Coast
2007-11-06 04:52 (New York)**

By Alexander Kwiatkowski

Nov. 6 (Bloomberg) -- Near-record U.S. oil prices are attracting crude cargoes from the North Sea as companies look to profit from the difference between futures contracts traded in New York and London.

BP Plc is among oil companies seeking to take advantage of a so-called "arbitrage," where it's profitable to buy oil in one region and sell it in another because the difference in prices exceeds the cost of shipping. BP will ship a 2 million-barrel cargo from the North Sea to the Gulf of Mexico on Nov. 23, according to Paris-based shipbrokers Barry Rogliano Salles.

The West Texas Intermediate December futures contract on the New York Mercantile Exchange traded at a premium of \$3.61 a barrel to December Brent on the London-based ICE Futures Europe exchange at 9:47 a.m. London time. The premium has averaged \$3.52 a barrel for the last 30 days. Over the last year, the spread has been at an average discount of 58 cents.

The "wide spread shows that exports from the North Sea and West Africa to the U.S. Gulf Coast have become more viable and economic," Ehsan Ul-Haq, head of research at PVM Oil Associates GmbH in Vienna, Austria, said in an e-mail. "Crude is worth more on the U.S. Gulf Coast."

U.S. crude prices have gained 56 percent this year, hitting a record high of \$96.24 a barrel on Nov. 1 on concerns global demand will exceed supply this winter and political tension in the Middle East will disrupt supplies.

Cushing Stockpiles

Falling stockpiles at Cushing, Oklahoma, the delivery point for Nymex contracts, and a drop in imports from Canada, have caused WTI to strengthen relative to Brent, according to Ul-Haq. Brent last traded at a premium to WTI on Aug. 23.

North Sea crude grades such as Forties, which is linked to the price of Brent, compete with U.S. crude including Light Louisiana Sweet, linked to WTI, because they are of similar quality. The U.S. rarely buys spot crude cargoes from Europe because of the expense of shipping the oil across Atlantic typically cancels out any profit.

(cont.)

U.S. crude imports from the U.K. amounted to 130,000 barrels a day in 2006 according to Energy Information Administration data, about 1 percent of total imports.

The last very large crude carrier, or VLCC, hired to ship oil from the U.K. to the U.S. Gulf Coast was in May, according to voyages tracked by Bloomberg data. A VLCC has the capacity to carry about 2 million barrels of oil.

A trader would make a profit of about \$2.03 a barrel selling a VLCC of November-loading Forties crude for delivery in the U.S. Gulf Coast in December, including freight costs, according to calculations based on Bloomberg data as of Nov. 5.

The cost of shipping crude from the U.K. to the Gulf Coast in a VLCC is \$1.32 a barrel according to Bloomberg data. The average for the year to date is \$1.22 a barrel.

--With reporting By Grant Smith in London. Editor: W.Kennedy (sev).

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Economic Release Estimates, from Bloomberg

<HELP> for explanation. N166 n ComdtyECO

Change Calendar | Change Date | Voice Alerts | Output Results To

11/06/0 United States Energy / Commodities

Date	Time	US	Event	Survey	Actual	Prior	Revised
11/6	8:00	US	5) Archer Daniels Executives on Results: Teleconf.				
11/6	8:00	US	6) Anadarko Executives Review Results: Teleconf.				
11/6	9:00	US	7) Spectra Executives Review Results: Teleconference				
11/6	10:00	US	8) Valero Executives Review Results: Teleconference				
11/7	9:30	US	9) DOE U.S. Crude Oil Inventories NOV 2	-1700K	--	--	--
11/7	9:30	US	10) DOE U.S. Gasoline Inventories NOV 2	OK	--	--	--
11/7	9:30	US	11) DOE U.S. Distillate Inventory NOV 2	-800K	--	--	--
11/7	9:30	US	12) DOE U.S. Refinery Utilization NOV 2	0.73%	--	--	--
11/7	9:30	US	13) API U.S. Crude Oil Inventories NOV 2	--	--	--	--
11/7	9:30	US	14) API U.S. Gasoline Inventories NOV 2	--	--	--	--
11/7	9:30	US	15) API U.S. Distillate Inventory NOV 2	--	--	--	--
11/8	9:30	US	16) EIA Natural Gas Storage Change NOV 2	--	--	--	--
11/9	12:00	US	17) Baker Hughes U.S. Rig Count NOV 9	--	--	1795	--
11/15	9:30	US	18) DOE U.S. Crude Oil Inventories NOV 9	--	--	--	--
11/15	9:30	US	19) DOE U.S. Gasoline Inventories NOV 9	--	--	--	--
11/15	9:30	US	20) DOE U.S. Distillate Inventory NOV 9	--	--	--	--
11/15	9:30	US	21) DOE U.S. Refinery Utilization NOV 9	--	--	--	--
11/15	9:30	US	22) API U.S. Crude Oil Inventories NOV 9	--	--	--	--

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 L.P.
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NYMEX - WTI				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAZ07	95.68	0	543,424	13,304 DEC
F.CLAF08	94.69	0	191,832	3,346 JAN
F.CLAG08	93.80	0	52,371	898 FEB
F.CLAH08	92.83	0	29,991	232 MAR
F.CLAJ08	91.54	0	8,790	99 APR
F.CLAK08	90.59	0	4,592	67 MAY
F.CLAM08	90.25	0	8,507	186 JUN

ICE - BRENT				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.QOZ07	92.05	121,901	86,362	16,027 DEC
F.QOF08	91.55	151,306	63,955	9,716 JAN
F.QOG08	91.26	71,763	26,883	4,677 FEB
F.QOH08	90.69	27,926	8,375	1,841 MAR
F.QOJ08	90.13	16,197	3,615	749 APR
F.QOK08	89.57	13,397	1,800	301 MAY
F.QOM08	89.00	35,264	2,945	182 JUN

