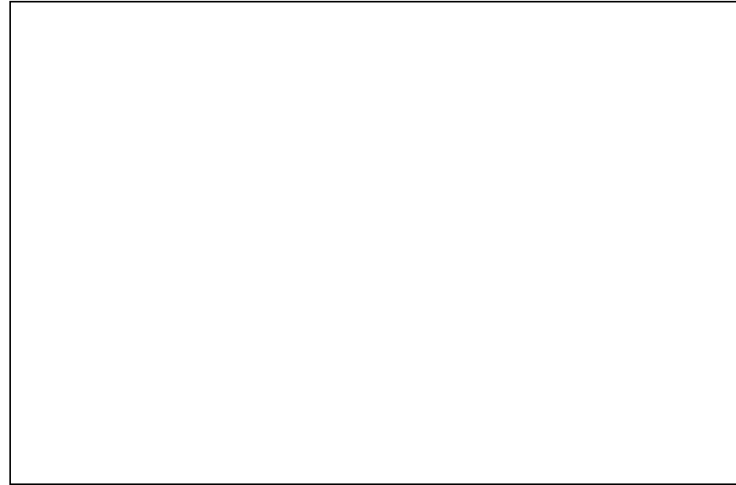




## The Morning Email: Oil

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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	97.93	1.23	98.62	96.73	96.83	45,681	442,719	WTI Crude
HOA	2.6253	0.0175	2.652	2.614	2.6206	7,838	61,244	Heating Oil
RBA	2.451	0.016	2.4689	2.4386	2.4386	3,488	59,874	Unleaded Gas
NGA	7.866	0.0030	7.97	7.815	7.91	854	126,990	Natural Gas

All contracts quoted are electronic

**Oil Rises Above \$98 to a Record on Forecasts U.S. Supplies Fell  
2007-11-07 06:04 (New York)**

By Grant Smith and Nesa Subrahmanian

Nov. 7 (Bloomberg) -- Crude oil rose above \$98 a barrel for the first time in New York on forecasts U.S. stockpiles fell for a third week and as the dollar tumbled to a record low against the euro, spurring demand for commodities

BP Plc and ConocoPhillips yesterday evacuated oilrig workers in the North Sea before a storm, heightening supply concerns before the U.S. Energy Department's report later today. The dollar slumped, pushing up prices of commodities denominated in the currency, after China signaled plans to diversify the country's \$1.43 billion in foreign-exchange reserves.

"I think the \$100 mark is inevitable now," said Michael Davies, an analyst at Sucden (U.K.) Ltd. in London. "We're expecting another draw in crude stocks today, and that could be another thing everyone jumps on."

Crude oil for December delivery gained as much as \$1.92, or 2 percent, to \$98.62 a barrel in after-hours electronic trading on the New York Mercantile Exchange, the highest since trading began in 1983. It was at \$98.58 at 11:01 a.m. in London. Futures have climbed 67 percent in the past year.

Brent crude oil for December settlement rose as much as \$1.93, or 2.1 percent, to a record \$95.19 a barrel on the London-based ICE Futures Europe exchange. It was last at \$94.84.

Workers on ConocoPhillips's Ekofisk A, B and C platforms, as well as Eldfisk A and B, were being moved to land or to safer North Sea sites yesterday, said Kurt Mikkelsen, a ConocoPhillips spokesman. BP is moving 150 workers from its Valhall field and expects the platform's 80,000 barrel-a-day oil and gas output to come to a halt later today, spokesman Jan Erik Geirimo said.

'Matter of Time'

"The \$100 jackpot is imminent now, despite the fact there aren't really oil fundamentals that can justify such a level," said Kamel al-Harami, an independent oil analyst in Kuwait City. "It is only a matter of time for both consumers and producers to be hurt."

(cont.)

Prices have passed the previous all-time inflation-adjusted record reached in 1981, when Iran cut exports. The cost of oil used by U.S. refiners averaged \$37.48 a barrel in March 1981, the Energy Department said, or \$84.73 in today's money.

Oil has risen 60 percent in U.S. dollars this year compared with 44 percent in euros, 53 percent in yen and 50 percent in British pounds.

"There's so much fund money waiting on the sidelines, it's not worth getting in the way," said Sucden's Davies. "The weak dollar makes it cheaper for foreign investors to buy oil. The flip-side is oil producers aren't receiving as much profit to invest in future infrastructure."

China Demand

Energy demand in China, the world's second-biggest oil consumer, may more than double by 2030 compared with 2005, the International Energy Agency said in its World Energy Outlook 2007 report published today.

Gold reached a 27-year high and silver rose to the most in 26 years as rising oil prices and a slumping dollar deepened concern that inflation will accelerate. Wheat, corn, soybeans and palm oil also gained.

Today's Energy Department report will probably show U.S. oil stockpiles fell 1.5 million barrels last week, based on the median estimate in a Bloomberg News survey of 16 analysts. Inventories held 312.7 million barrels on Oct. 26, the Energy Department reported last week.

Refiners probably used 86.8 percent of their plant capacity, 0.6 percentage points more than a week earlier, and the first increase in four weeks, according to the survey.

--With reporting by Angela Macdonald-Smith in Sydney and Chris Cooper in Tokyo. Editors: W.Kennedy (jpb/tww).

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Economic Release Estimates, from Bloomberg

<HELP> for explanation. N166 n ComdtyECO

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

11/07/0 United States Energy / Commodities

Date	Time	Country	Event	Survey	Actual	Prior	Revised
11/7	9:30	US	10) DOE U.S. Crude Oil Inventories	NOV 2	-1500K	--	-3894K
11/7	9:30	US	11) DOE U.S. Gasoline Inventories	NOV 2	0K	--	1295K
11/7	9:30	US	12) DOE U.S. Distillate Inventory	NOV 2	-450K	--	808K
11/7	9:30	US	13) DOE U.S. Refinery Utilization	NOV 2	0.60%	--	-0.97%
11/7	9:30	US	14) API U.S. Crude Oil Inventories	NOV 2	--	--	-3255K
11/7	9:30	US	15) API U.S. Gasoline Inventories	NOV 2	--	--	-785K
11/7	9:30	US	16) API U.S. Distillate Inventory	NOV 2	--	--	3077K
11/8	9:30	US	17) EIA Natural Gas Storage Change	NOV 2	30	--	66
11/9	12:00	US	18) Baker Hughes U.S. Rig Count	NOV 9	--	--	1795
11/15	9:30	US	19) DOE U.S. Crude Oil Inventories	NOV 9	--	--	--
11/15	9:30	US	20) DOE U.S. Gasoline Inventories	NOV 9	--	--	--
11/15	9:30	US	21) DOE U.S. Distillate Inventory	NOV 9	--	--	--
11/15	9:30	US	22) DOE U.S. Refinery Utilization	NOV 9	--	--	--
11/15	9:30	US	23) API U.S. Crude Oil Inventories	NOV 9	--	--	--
11/15	9:30	US	24) API U.S. Gasoline Inventories	NOV 9	--	--	--
11/15	9:30	US	25) API U.S. Distillate Inventory	NOV 9	--	--	--
11/16	9:30	US	26) EIA Natural Gas Storage Change	NOV 9	--	--	--
11/16	12:00	US	27) Baker Hughes U.S. Rig Count	NOV 16	--	--	--

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.  
 6599-1-0 07-Nov-07 5:21:27

NYMEX - WTI					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAZ07	97.93	0	276,936	29,950	DEC
F.CLAF08	97.02	0	97,199	9,219	JAN
F.CLAG08	96.10	0	26,195	2,855	FEB
F.CLAH08	95.12	0	14,306	2,169	MAR
F.CLAJ08	94.19	0	4,208	474	APR
F.CLAK08	93.45	0	2,582	727	MAY
F.CLAM08	92.50	0	4,309	713	JUN

ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOZ07	94.35	98,413	113,116	22,181	DEC
F.QOF08	93.86	168,518	78,978	19,187	JAN
F.QOG08	93.42	77,810	36,197	8,962	FEB
F.QOH08	92.75	29,355	11,334	2,901	MAR
F.QOJ08	92.39	16,676	3,633	969	APR
F.QOK08	91.83	13,133	1,994	377	MAY
F.QOM08	91.26	35,014	3,389	569	JUN

