



## The Morning Email: Oil

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05:45 11/09 CREDIT: The energy sector has been a focal point this week, with the weak dollar helping to push oil prices to new highs, and although trade has been more narrow today, technicals still suggest that \$100 can be taken out in the near term for NYMEX crude. Today has also seen the announcement of a huge oil find in the Tupi field off the coast of Brazil, said to contain up to 8bln barrels of light oil (the most expensive and easy to refine), which will put Brazil on the map as one of the worlds biggest producers. Petrobras and BG Group are among firms that will benefit from the discovery. However, spreads in the sector have not faired any better than the wider market this week, despite the news flow. Although spreads have seen relatively low volatility, prices have gentle moved to new wides on the year for most benchmarks, with production issues not helping with certain single names such as BP. Oil reliant firms such as chemical companies have also seen very soft price action this week, although this is also mixed with macro slow down concerns.

MarketNews  
international

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	95.38	-0.08	96.48	95.22	95.91	25,321	535,748	WTI Crude
HOA	2.6033	-0.0025	2.6226	2.6	2.615	3,152	134,383	Heating Oil
RBA	2.432	-0.0056	2.462	2.4319	2.45	1,578	165,848	Unleaded Gas
NGA	7.8	0.0870	7.82	7.675	7.75	650	242,689	Natural Gas

All contracts quoted are electronic

Crude Oil Advances on U.S. Gulf Platform Delay, Falling Dollar  
2007-11-09 05:48 (New York)

By Grant Smith

Nov. 9 (Bloomberg) -- Crude oil rose, heading for its fifth weekly gain, after a delay starting a platform in the U.S. Gulf cut supply and the dollar fell, boosting commodities demand.

Strong currents in the Gulf of Mexico are delaying the restart of Royal Dutch Shell Plc's 150,000 barrel-a-day Mars platform. The U.S. dollar fell to a record low against the euro, making dollar-denominated assets cheaper to foreign buyers.

"One-hundred-dollar oil is like a magnet," Eugen Weinberg, an analyst at Commerzbank AG in Frankfurt, said in a telephone interview. "What's bullish now is the weaker dollar, which makes commodities cheaper."

Crude oil for December delivery rose as much as \$1.02, or 1.1 percent, to \$96.48 a barrel in after-hours electronic trading on the New York Mercantile Exchange. It was at \$95.90 at 10:46 a.m. London time.

The dollar dropped to \$1.4738 against the euro, the weakest since the European currency made its debut in January 1999.

The December crude contract fell 91 cents, or 0.9 percent, to \$95.46 yesterday after Federal Reserve Chairman Ben S. Bernanke told a congressional committee the U.S. economy, the world's biggest oil user, is likely to "slow noticeably" this quarter. Futures slid from a record \$98.62 the day before.

StatoilHydro ASA and BP Plc expect to resume operations at North Sea fields, pumping about 190,000 barrels a day of oil and natural gas, as a storm that forced the sites to close abates.

Visund, Valhall

Production at StatoilHydro's Visund field has already started and is reaching normal levels, while the company's Oseberg South deposit is set to resume output "shortly," Gisle Johanson, a spokesman for the company, said today. BP said it expects to restore production at the 80,000-barrel-a-day Valhall platform later today.

(cont.)

A fire at Valero Energy Corp.'s 325,000 barrel-a-day refinery in Port Arthur, Texas, the company's largest, forced the company to shut one of two distillate hydrotreaters.

The refinery is operating at 60 percent of capacity because of the fire, the Beaumont Enterprise reported, without saying where it got the information. Company spokesman Bill Day didn't comment on the newspaper report.

U.S. oil stockpiles fell to 311.9 million barrels last week, the third straight decline, even as imports rose and refining stalled at a seven-month low, the Energy Department said on Nov. 2.

"The market is still very concerned about the drawdown in the inventories," said Tom Hartmann, commodity broker at Altavest Worldwide Trading Inc. in Mission Viejo, California. "It's just going to be an ongoing concern that if we get any kind of supply disruption, we're not going to be able to meet demand."

Brent Oil

Brent crude oil for December settlement rose as much as 73 cents, or 0.8 percent, to \$93.52 a barrel on the London-based ICE Futures Europe exchange. It was at \$92.88 at 10:44 a.m. London time. It reached a record \$95.19 on Nov. 7.

New York futures have gained 20 percent the past month, driven primarily by the sliding U.S. dollar that pushed investors toward physical assets including oil and gold, Altavest's Hartmann said.

Heating oil prices in New York surged to a record yesterday on concern that supplies may be inadequate before the peak demand period during the northern hemisphere winter. Heating oil for December delivery rose as much as 1.51 cents, or 0.6 percent, to \$2.6209 a gallon on the New York Mercantile Exchange. The contract was at \$2.6186 a gallon at 9:20 a.m. London time. It rose to as much as \$2.66 yesterday, the highest since 1978.

"It's all about perceptions and how much of cushion is there in oil markets as far as products are concerned," said Gavin Wendt, a senior resources analyst at Fat Prophets in Sydney. "There are concerns about whether there will be enough physical supplies over the next few months."

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Economic Release Estimates, from Bloomberg

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11/08/0 | United States | Energy / Commodities

Date	Time	US	Event	Survey	Actual	Prior	Revised
11/8	9:30	US	17) EIA Natural Gas Storage Change	NOV 2	31	--	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	--	--	--
11/21	9:30	US	28) DOE U.S. Crude Oil Inventories	NOV 16	--	--	--
11/21	9:30	US	29) DOE U.S. Gasoline Inventories	NOV 16	--	--	--
11/21	9:30	US	30) DOE U.S. Distillate Inventory	NOV 16	--	--	--
11/21	9:30	US	31) DOE U.S. Refinery Utilization	NOV 16	--	--	--
11/21	9:30	US	32) API U.S. Crude Oil Inventories	NOV 16	--	--	--
11/21	9:30	US	33) API U.S. Gasoline Inventories	NOV 16	--	--	--
11/21	9:30	US	34) API U.S. Distillate Inventory	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.  
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NYMEX - WTI				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAZ07	95.38	0	656,487	13,512 DEC
F.CLAF08	94.44	0	277,664	5,549 JAN
F.CLAG08	93.76	0	88,793	1,693 FEB
F.CLAH08	93.04	0	43,332	1,174 MAR
F.CLAJ08	92.49	0	15,779	108 APR
F.CLAK08	92.40	0	9,465	28 MAY
F.CLAM08	91.00	0	27,319	107 JUN

ICE - BRENT				
	Yest.	Yest.	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.QOZ07	92.61	87,861	85,915	11,863 DEC
F.QOF08	92.23	152,111	73,915	9,076 JAN
F.QOG08	91.71	98,119	48,850	2,832 FEB
F.QOH08	91.29	32,785	12,674	1,460 MAR
F.QOJ08	90.95	16,667	4,184	438 APR
F.QOK08	90.50	13,939	3,194	521 MAY
F.QOM08	90.05	35,665	5,854	800 JUN

