



## The Morning Email: Oil

### Table of Contents

- Pg 1 Quotes
- Pg 2 News - Today
- Pg 3 Economic Releases
- Pg 4 Spreads - WTI and BRENT

03:37 11/19 **CRUDE OIL:** Crude oil futures are higher, with new front month Jan contract hitting 7-day highs after comments at the OPEC heads-of-state summit in Riyadh noted that oil prices were undervalued given the weaker US dollar. Some members -- Iran and Venezuela -- pushed for action to combat the declining purchasing power parity, i.e. pricing oil against a basket of currencies. However, OPEC members did renew their pledge to provide adequate supplies to the market. Speculation in the market is now that the cartel push for higher prices to offset the declining dollar, which perhaps suggests less chance of an increase in quote level at the December 5 meeting in Abu Dhabi. Crude oil prices are also higher on reports of colder than expected weather in US during the winter. WTI Nymex crude oil is at \$95.00, up \$1.16.

MarketNews  
international

Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

**Disclaimer:** All information within this newsletter is meant for internal use at GH Trader's LLC, only. All information has been recorded to the best of my ability. This material is based upon information that I consider reliable, but I do not represent that it is accurate or complete.

ENERGY MATRIX (NYMEX PRODUCTS)								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	94.62	0.78	95.15	93.83	93.88	14,526	370,789	WTI Crude
HOA	2.6064	0.0193	2.618	2.596	2.6	1,300	109,066	Heating Oil
RBA	2.3937	0.0183	2.4044	2.3785	2.3821	887	89,095	Unleaded Gas
NGA	7.996	-0.0050	8.13	7.995	8.045	1,812	189,011	Natural Gas

All contracts quoted are electronic

### *The top sources of US crude oil imports for August*

Canada	1.950 million barrels per day
S.Arabia	1.468 million
Mexico	1.381 million
Nigeria	1.184 million
Venezuela	1.138 million
Algeria	0.572 million
Iraq	0.520 million
Angola	0.400 million
Brazil	0.250 million
Ecuador	0.240 million
Columbia	0.152 million
Kuwait	0.139 million
Libya	0.104 million
Russia	0.090 million
Oman	0.079 million

Source: THE GARTMAN LETTER

### Crude Oil Advances as Weakening U.S. Dollar Draws Speculators 2007-11-19 06:09 (New York)

By Grant Smith and Nesa Subrahmanian

Nov. 19 (Bloomberg) -- Crude oil rose on speculation the weakening U.S. dollar will spur demand for the commodity from buyers holding other currencies.

The dollar's 10 percent decline this year has prompted investors to switch funds into gold, silver and oil. Saudi Arabian Foreign Minister Prince Saud Al-Faisal rejected calls by Iran and Venezuela at an OPEC summit in Riyadh to abandon the U.S. currency for oil sales, saying the kingdom doesn't want the dollar to "collapse."

"Fears of continued dollar weakness and no loosening of OPEC's quotas are keeping the market firm," said Christopher Bellew, a broker at Bache Commodities Ltd. in London.

Crude oil for January delivery rose as much as \$1.21, or 1.3 percent, to \$95.05 a barrel in after-hours electronic trading on the New York Mercantile Exchange. It was at \$94.54 at 11:08 a.m. in London.

Oil prices have eased 4.1 percent from the record \$98.62 reached in New York on Nov. 7. The dollar was at \$1.4682 per euro from \$1.4662 late last week.

Oil prices declined last week after U.S. stockpiles unexpectedly rose and the nation's weather service forecast mild temperatures during the three months through February. Stockpiles jumped 2.8 million barrels to 314.7 million as of Nov. 9, or 2.9 percent more than the five-year average for the period, the Energy Department said.

Brent crude oil for January settlement climbed as much as \$1.19, or 1.3 percent, to \$92.81 a barrel on the London-based ICE Futures Europe exchange. It was at \$92.06 at 11:08 a.m. London time.

#### OPEC Summit

"The oil price will go up with the weakening dollar," said Gerrit Zambo, an oil trader at BayernLB in Munich. "If the dollar gets weaker, it's cheaper for countries with other currencies to buy oil."

(cont.)

The Organization of Petroleum Exporting Countries, supplier of more than 40 percent of the world's oil, held its third heads of state summit this weekend since being founded in 1960.

Saudi Arabia's Prince Al-Faisal rejected on Nov. 16 a push by Iran and Venezuela to debate pricing oil in currencies other than the U.S. dollar. The kingdom, the world's largest oil exporter, won't consider the proposal, Al-Faisal said at a meeting of oil and finance ministers that was accidentally broadcast to journalists.

OPEC leaders didn't discuss increasing oil production to ease near-record prices. Oil ministers from the group meet in Abu Dhabi on Dec. 5 to discuss output quotas.

#### 'Spurious' Link

The link between the dollar and oil is "spurious," analysts at Goldman Sachs Group Inc. including London-based Jeffrey Currie said in a report today.

Oil's gains are "driven by declining inventories and escalating cost inflation in the industry," Goldman said. U.S. crude inventories fell to their lowest in more than two years in the week ended Nov. 2, according to Energy Department data.

Last week, prices fell as hedge-fund managers and other large speculators reduced their bets on rising oil prices to an 11-week low, according to U.S. Commodity Futures Trading Commission data.

The net-long position in New York oil futures, the difference between orders to buy and sell the commodity, plunged 74 percent to 27,566 contracts at Nov. 13, the commission said. Contracts to sell oil jumped 35 percent.

--Editors: W.Kennedy (acj).

To contact the reporters on this story:  
Grant Smith in London at +44-20-7330-7353 or  
gsmith52@bloomberg.net

To contact the editor responsible for this story:  
Stephen Voss on +44-20-7073-3520 or sev@bloomberg.net

**Economic Release Estimates, from Bloomberg**

NYMEX - WTI					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAZ07	94.85	0	109,409	0	DEC
F.CLAF08	94.62	0	480,282	11,835	JAN
F.CLAG08	93.44	0	87,143	1,810	FEB
F.CLAH08	92.59	0	34,867	280	MAR
F.CLAJ08	91.49	0	24,209	188	APR
F.CLAK08	90.70	0	14,586	105	MAY
F.CLAM08	90.10	0	19,284	71	JUN

ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOZ07	#VALUE!				
F.QOF08	92.14	160,192	95,334	19,463	JAN
F.QOG08	91.65	132,999	35,328	4,247	FEB
F.QOH08	91.16	33,977	15,268	1,586	MAR
F.QOJ08	90.58	18,505	6,255	807	APR
F.QOK08	90.02	12,408	3,210	679	MAY
F.QOM08	89.50	33,407	5,213	679	JUN

