



## The Morning Email: Oil

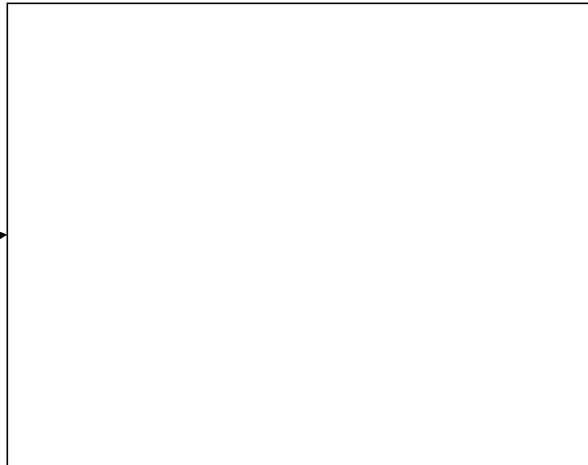
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Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

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ENERGY MATRIX (NYMEX PRODUCTS)								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	94.41	-0.01	94.85	93.72	94.56	22,700	375,314	WTI Crude
HOA	2.6666	0.0087	2.671	2.644	2.6602	2,264	176,982	Heating Oil
RBA	2.3755	0.004	2.3775	2.3576	2.372	2,134	146,267	Unleaded Gas
NGA	7.521	-0.0360	7.6	7.51	7.597	981	241,780	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

Oil Falls a Third Day on Speculation OPEC May Raise Production  
2007-11-28 05:04 (New York)

By Grant Smith

Nov. 28 (Bloomberg) -- Crude oil fell for a third day after Saudi Arabia pledged to supply Asian customers with the oil they need and to build spare production capacity.

OPEC's biggest exporter will expand its spare capacity 22 percent in December to 2.8 million barrels a day, Saudi Oil Minister Ali al-Naimi told reporters in Singapore today. OPEC will meet in Abu Dhabi on Dec. 5 to review production levels.

"OPEC ministers have suggested a moderate production increase may be in the offing," said Rob Laughlin, a senior broker MF Global Ltd. in London. "This market is suffering from the failure of confidence having failed to breach \$100."

Crude oil for January delivery dropped as much as 70 cents, or 0.7 percent, to \$93.72 a barrel in electronic after-hours trading on the New York Mercantile Exchange. It was at \$93.83 at 10:02 a.m. in London.

Yesterday, the contract fell \$3.28, or 3.4 percent, to \$94.42, the biggest decline since Nov. 13.

The Organization of Petroleum Exporting Countries is discussing a 750,000 barrel-a-day increase because of concern that higher oil prices will slow the U.S. economy, Dow Jones Newswires reported, citing an OPEC delegate it didn't identify.

"There is no relationship between the fundamentals today and the price," which is being driven by speculators, al-Naimi said. "There is a mismatch and anyone that tells you otherwise is wrong."

Brent crude oil for January settlement fell as much as 58 cents, or 0.6 percent, to \$91.94 a barrel on the London-based ICE Futures Europe exchange. It was at \$92.33 at 10:03 a.m. London time.

#### Saudi Output

Al-Naimi said Saudi Arabia has boosted output to 9 million barrels a day, the highest in a year. Spare capacity is 2.3 million barrels a day now and will be increased by 500,000 barrels a day in December, he said.

(cont.)

"Saudi Arabia is the only OPEC member with significant spare capacity," said Victor Shum, senior principal at energy consultant Purvin & Gertz Inc. in Singapore. "Anything Saudi says will impact on the market."

Oil hasn't fallen below \$90 since Oct. 31. New York futures reached \$99.29 on Nov. 21, the highest since trading began in 1983. Prices are up 54 percent from a year ago.

OPEC members are due to discuss production for the first quarter of 2008 at a meeting in Abu Dhabi on Dec. 5. The group agreed on Sept. 11 in Vienna that the 10 members of the group with production targets, all except Angola and Iraq, would increase output by 500,000 barrels a day to 27.253 million barrels starting Nov. 1.

#### 'Lot of Concern'

There is "a lot of concern" about a possible U.S. recession with oil prices at current levels, Dow cited the OPEC delegate as saying.

The S&P 500 and Dow Jones Industrial Average dropped the most in two weeks on Nov. 26, leaving both indexes more than 10 percent below their October all-time highs, on concern that mounting mortgage losses will lead banks to reduce lending.

"Growing concerns about the slowing U.S. economy and the stock market slump are also weighing on oil prices," Shum said by telephone today. "After all, crude futures are a U.S.-centric market."

OPEC will probably increase output 1.1 percent to 31.6 million barrels a day this month, according to preliminary estimates by PetroLogistics Ltd.

Crude-oil stockpiles probably fell 1 million barrels in the week ended Nov. 23, according to the median of responses by 17 analysts surveyed by Bloomberg News before the release of an Energy Department report at 10:30 a.m. today in Washington.

New York crude-oil futures, which have averaged \$70.48 a barrel this year, are heading for a record annual average price. Oil will average \$71.05 in the fourth quarter and \$69.50 next year, according to the median of 25 price forecasts gathered by Bloomberg News.

--With reporting by Trisha Huang, Christian Schmollinger and Nesa Subrahmaniyan in Singapore. Editors: Will Kennedy, Kristen Schweizer.

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Economic Release Estimates, from Bloomberg

<HELP> for explanation. N166 n ComdtyECO

Change Calendar | Change Date | Alerts | Output Results To

11/28/0 | United States | Energy / Commodities

Date	Time	US	Event	Survey	Actual	Prior	Revised
11/28	9:30	US	2)   DOE U.S. Crude Oil Inventories	NOV 23	-1000K	--	-1071K
11/28	9:30	US	3)   DOE U.S. Gasoline Inventories	NOV 23	500K	--	163K
11/28	9:30	US	4)   DOE U.S. Distillate Inventory	NOV 23	-1200K	--	-2407K
11/28	9:30	US	5)   DOE U.S. Refinery Utilization	NOV 23	0.55%	--	-0.66%
11/28	9:30	US	6)   API U.S. Crude Oil Inventories	NOV 23	--	--	1446K
11/28	9:30	US	7)   API U.S. Gasoline Inventories	NOV 23	--	--	2635K
11/28	9:30	US	8)   API U.S. Distillate Inventory	NOV 23	--	--	-3633K
11/29	9:30	US	9)   EIA Natural Gas Storage Change	NOV 23	-18	--	4
11/30	7:30	US	10)  PPG Industries Executives Speak at Analyst Meeting				
11/30	12:00	US	11)   Baker Hughes U.S. Rig Count	NOV 30	--	--	1773
12/5	9:30	US	12)   DOE U.S. Crude Oil Inventories	NOV 30	--	--	--
12/5	9:30	US	13)   DOE U.S. Gasoline Inventories	NOV 30	--	--	--
12/5	9:30	US	14)   DOE U.S. Distillate Inventory	NOV 30	--	--	--
12/5	9:30	US	15)   DOE U.S. Refinery Utilization	NOV 30	--	--	--
12/5	9:30	US	16)   API U.S. Crude Oil Inventories	NOV 30	--	--	--
12/5	9:30	US	17)   API U.S. Gasoline Inventories	NOV 30	--	--	--
12/5	9:30	US	18)   API U.S. Distillate Inventory	NOV 30	--	--	--
12/6	9:30	US	19)   EIA Natural Gas Storage Change	NOV 30	--	--	--

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 Finance L.P.  
 6599-1-0 28-Nov-07 5:15:44

NYMEX - WTI					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAFO8	94.41	0	506,202	14,614	JAN
F.CLAGO8	93.66	0	145,167	4,488	FEB
F.CLAHO8	92.78	0	57,608	1,764	MAR
F.CLAJO8	92.09	0	29,016	229	APR
F.CLAKO8	91.35	0	15,673	338	MAY
F.CLAMO8	90.72	0	21,519	643	JUN
F.CLANO8	89.54	0	2,668	5	JUL

ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOFO8	92.89	128,636	113,701	26,941	JAN
F.QOGO8	92.29	141,422	51,714	13,926	FEB
F.QOHO8	91.72	37,708	26,304	5,625	MAR
F.QOJO8	91.15	18,166	7,942	2,301	APR
F.QOKO8	90.63	14,071	5,458	738	MAY
F.QOMO8	90.12	36,115	11,753	774	JUN
F.QONO8	89.16	8,405	1,897	303	JUL

