



The Morning Email: Oil

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05:14 11/30 CRUDE OIL: WTI Nymex crude oil breaks below \$90.00 level -- hitting lowest level since Oct 31. The move comes after crude oil prices have declined over 9.0% this week alone, amid fear of global economic slowdown, which in turn is seen impacting demand for oil. Oil prices surrendered gains yesterday after reports that Enbridge pipelines 3 should be back online within 3-4 days and line 4 restored yesterday. In addition, crude oil prices were also weighed by pledge by the US Energy Dept that it will make the SPR oil available to refiners if needed to offset any shortfall resulting from the pipeline outage. WTI Nymex crude oil trades at \$89.85, down \$1.16.

03:28 11/30 US OIL/FX/MIDEAST: Larry Chorn, chief economist at Platt's Analytics in New York, says OPEC will keep the US dollar as the denominator of their oil production as well as output levels unchanged when they meet next week. Asked how he felt OPEC would respond to the current oil market at its Dec. 5 meeting in Abu Dhabi, he said, "My suspicion is that they will keep using the U.S. dollar" as the currency in which to price oil and also to say "they are satisfied with how the oil market is now." He noted that the dollar is "down so much that unless oil exporting nations "do a lot of imports in the dollar, they are taking a beating." But the dollar did improve Thursday in New York so it was "up a little bit," which was "reassuring," he said. He noted that in OPEC, "the principals are comfortable with the U.S. dollar. There is not a lot of energy for the change" to another currency in which to price oil.

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	88.98	-2.03	91.52	88.52	91.19	29,220	666,057	WTI Crude
HOA	253.0000	-4.9100	259.86	251.53	258.4	4,546	75,510	Heating Oil
RBA	222.5	-4.07	228.28	221	227.1	4,493	205,004	Unleaded Gas
NGA	75.05	0.5300	75.7	75.05	75.06	455	249,136	Natural Gas

All contracts quoted are electronic.

All contracts are coded for lead volume month/ Meaning, whatever month has the most volume, that's the month quoted in the matrix above, for all contracts.

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 Below \$90 in New York for the First Time This Month
2007-11-30 05:29 (New York)**

By Grant Smith and Christian Schmollinger

Nov. 30 (Bloomberg) -- Oil fell below \$90 a barrel for the first time this month in New York as Enbridge Inc. resumed supply through the biggest pipeline from Canada to the U.S.

Enbridge said operations will return to normal within three days following a Nov. 28 explosion that shut three of four pipelines. Oil is heading for its biggest weekly decline in 10 months on indications the Organization of Petroleum Exporting Countries may raise output at a meeting in Abu Dhabi next week.

"The market stopped panicking once three of the four pipelines were restarted, and promises of emergency stockpiles would have solved any short-term supply issues," said Robert Laughlin, a senior broker at MF Global Ltd. in London. "We could see OPEC providing between a half million and a million barrels next week."

Crude oil for January delivery fell as much as \$1.49 cents, or 1.6 percent, to \$89.52 a barrel in electronic trading on the New York Mercantile Exchange. The contract traded at \$89.72 at 10:28 a.m. London time.

The Enbridge pipeline blast killed two workers and cut shipments that average 1.5 million barrels a day. The pipelines transport oil to U.S. refiners, including BP Plc's plant in Whiting, Indiana, and facilities along the Gulf Coast. The U.S. imported 10.3 million barrels a day last week.

"Early reports suggest the disruptions aren't as large as previously thought and it should be only short-lived," said Mark Pervan, senior commodity strategist at Australia & New Zealand Banking Group Ltd. in Melbourne. "The downward trend is probably still in place until we get the OPEC meeting out of the way."

'Reaching Out'

The U.S. Energy Department said it's "reaching out" to Midwestern refiners and that oil from the U.S. Strategic Petroleum Reserve "is available to alleviate a severe supply disruption," spokeswoman Megan Barnett said yesterday. She declined to say whether the department has received any requests to tap the reserve.

(cont.)

ConocoPhillips's 306,000 barrel-a-day Wood River refinery in Illinois and Western Refining Inc.'s facilities won't be affected, the companies said yesterday. Exxon Mobil Corp. said it will tap crude oil storage to ensure uninterrupted supplies to refineries. Sinclair Oil Corp. said its supply is adequate for now, though it does buy oil from Canada.

OPEC's daily shipments of oil will rise 2 percent in the four weeks to Dec. 15 from the previous month, according to consulting company Oil Movements. OPEC promised to raise output by 500,000 barrels a day starting Nov. 1.

Brent crude oil for January settlement fell as much as \$1.59 cents, or 1.8 percent, to \$88.63 a barrel, the lowest since Nov. 1, on the ICE Futures Europe exchange in London. The contract traded at \$88.99 a barrel at 10:21 a.m. local time.

Thirteen of 27 analysts surveyed by Bloomberg News, or 48 percent, said oil will drop through Dec. 7. Nine, or 33 percent, said prices will rise and five forecast little change. Last week, 43 percent of respondents said oil would fall.

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Economic Release Estimates, from Bloomberg

NYMEX - WTI					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAJ08	88.98	0	819,018	20,302	JAN
F.CLAG08	88.43	0	338,072	4,573	FEB
F.CLAH08	88.09	0	121,140	1,967	MAR
F.CLAJ08	87.52	0	46,160	581	APR
F.CLAK08	87.25	0	20,612	203	MAY
F.CLAM08	87.00	0	46,476	134	JUN
F.CLAN08	87.70	0	3,960	10	JUL

ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOF08	88.19	122,666	160,731	37,320	JAN
F.QOG08	87.75	148,701	95,095	24,131	FEB
F.QOH08	87.56	44,559	42,549	10,121	MAR
F.QOJ08	87.47	18,929	18,299	5,411	APR
F.QOK08	87.16	14,200	10,300	4,603	MAY
F.QOM08	86.88	34,706	15,059	4,018	JUN
F.QON08	87.98	8,784	1,324	185	JUL

