



The Morning Email: Oil

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04:31 10/22 CRUDE OIL: Crude oil prices are on the slide amid profit-taking and concerns over the health of the U.S. economy. Traders also cite selling ahead of the November Nymex crude oil contract expiration today, along with technical selling following potential double-day high reversal at \$90.02/07. However, geo-political tensions between Iraq/Turkey and a weak dollar are expected to limit losses. WTI Nymex crude oil is at \$87.71, down 89 cents.

MarketNews
international

Want something added? Let me know: jgoulding@ghco.com

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Quotes

NYMEX	Last	Net	Hi	Low	Open	Volume	Yest. Volume	SYM NAME
CLA	85.79	-1.16	87.00	85.68	86.75	32,592	469,832	Crude Oil
HOA	2.3158	-0.0148	2.3300	2.3097	2.3300	1,700	97,933	Heating Oil
RBOB	2.1336	-0.0351	2.1685	2.1323	2.1685	2,360	98,498	Unleaded Gas
NGA	7.04	-0.0010	7.056	6.966	7.053	1,218	175,100	Nat Gas

All contracts quoted are electronic

Oil Falls as Credit-Market Rout May Slow Growth, Reduce Demand
2007-10-22 05:21 (New York)

By Grant Smith

Oct. 22 (Bloomberg) -- Crude oil fell for a second day on speculation that credit-market losses may stunt economic expansion, curbing energy demand, and as the risk of a Turkish offensive in Iraq receded.

Stocks in Europe declined after ministers in the Group of Seven nations voiced concerns over economic growth. The U.S. Defense Secretary Robert Gates said a Turkish raid on rebels in Iraq, home to the world's third-largest oil reserves, isn't "imminent" after border clashes continued.

"The downside risk is clearly mounting and I don't count on this oil price to stay here very much longer" said Johannes Benigni, managing director at PVM Oil Associates GmbH in Vienna. "Turkey's relationship with northern Iraq is a never-ending story. It's out there for years."

Crude oil for December delivery, the most actively traded contract on the New York Mercantile Exchange, fell as much as \$1.27, or 1.5 percent, to \$85.68 a barrel on the New York Mercantile Exchange. The contract traded at \$85.71 at 10:18 a.m. in London. The November contract, which expires today, was down \$1.10 cents at \$87.50.

Oil touched an intraday record of \$90.07 on Oct. 19, the highest since futures began trading in 1983, after Turkish lawmakers approved a resolution to strike militants in Iraq.

Recent financial market turbulence, high oil prices and weakness in the U.S. housing sector are likely to "moderate" global expansion, officials said in a statement after the meeting G-7 finance ministers and central banker in Washington on Oct. 19.

(cont.)

'Downside Risks'

"There's the question of whether prices have risen too much," said David Moore, a commodity strategist at Commonwealth Bank of Australia in Sydney. "Prices have become fully valued, creating downside risks for oil," prompting investors to sell.

Brent crude for December settlement fell as much as \$1.09 cents, or 1.3 percent, to \$82.70 a barrel on the London-based ICE Futures Europe exchange and traded at \$82.92 at 9:41 a.m. local time.

Twenty of 29 analysts surveyed by Bloomberg News on Oct. 19 said crude oil may decline this week because high prices have slowed demand growth, allowing U.S. fuel stockpiles to increase.

U.S. Secretary of State Gates said after meeting his Turkish counterpart he "didn't have the impression" military action is "imminent." The U.S. says it wants Turkey to show restraint as a cross-border offensive against the Kurdistan Workers party, or PKK, may exacerbate regional violence.

The latest clash yesterday between Turkey's army and Kurdish militants near the border with Iraq killed 44 people. Thirty-two members of the Kurdistan Workers' Party, or PKK, who had crossed into Turkey from Iraq, and 12 Turkish soldiers died in the fighting, the Turkish armed forces said on its Web site.

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Economic Release Estimates, from Bloomberg

<HELP> for explanation. N108 n Index ECO

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

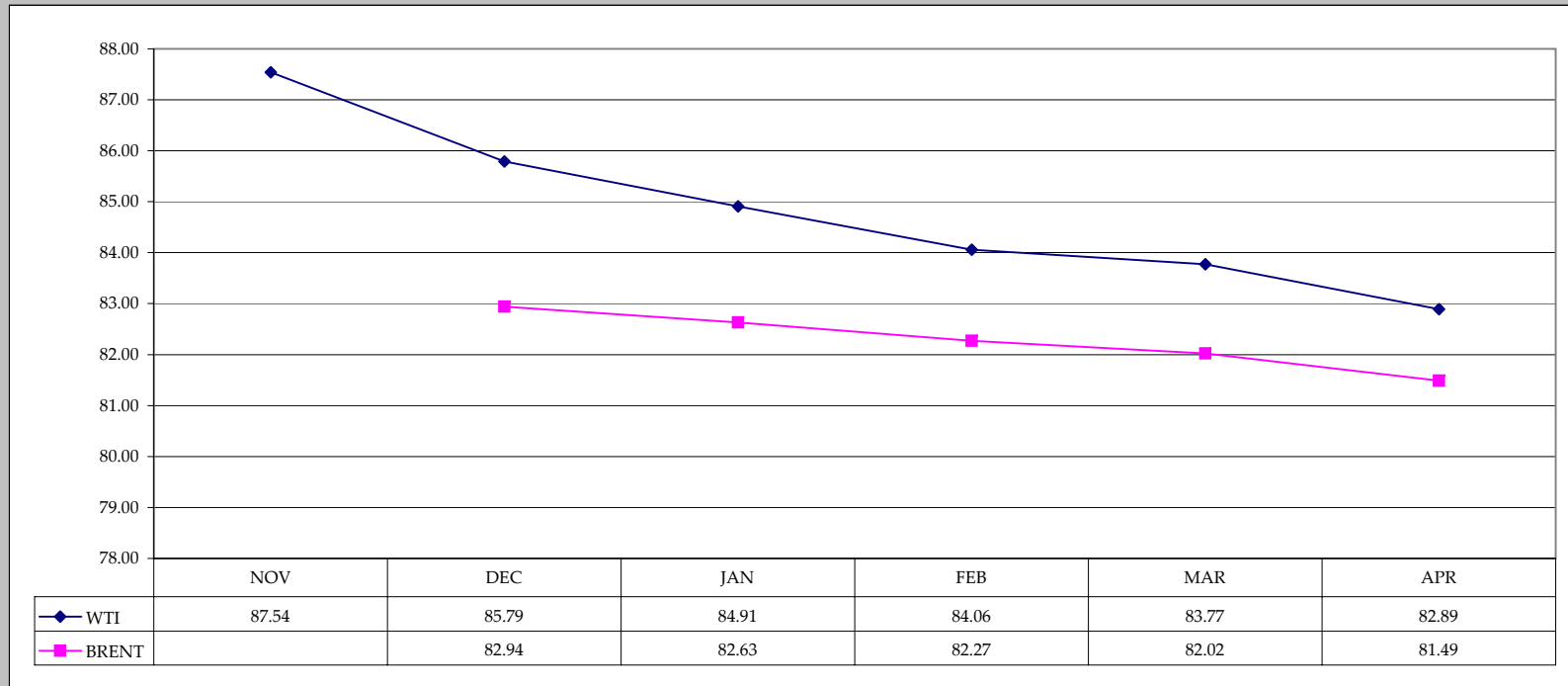
10/18/0 | United States | Energy / Commodities

Date	Time	Country	Event	Survey	Actual	Prior	Revised
10/18	9:30	US	9) EIA Natural Gas Storage Change	OCT 12	62	--	73
10/19	12:00	US	10) Baker Hughes U.S. Rig Count	OCT 19	--	--	1767
10/24	9:30	US	11) DOE U.S. Crude Oil Inventories	OCT 19	--	--	1784K
10/24	9:30	US	12) DOE U.S. Gasoline Inventories	OCT 19	--	--	2768K
10/24	9:30	US	13) DOE U.S. Distillate Inventory	OCT 19	--	--	994K
10/24	9:30	US	14) DOE U.S. Refinery Utilization	OCT 19	--	--	0.50%
10/24	9:30	US	15) API U.S. Crude Oil Inventories	OCT 19	--	--	4422K
10/24	9:30	US	16) API U.S. Gasoline Inventories	OCT 19	--	--	-3043K
10/24	9:30	US	17) API U.S. Distillate Inventory	OCT 19	--	--	1927K
10/25	9:30	US	18) EIA Natural Gas Storage Change	OCT 19	--	--	--
10/26	12:00	US	19) Baker Hughes U.S. Rig Count	OCT 26	--	--	--
10/31	9:30	US	20) DOE U.S. Crude Oil Inventories	OCT 26	--	--	--
10/31	9:30	US	21) DOE U.S. Gasoline Inventories	OCT 26	--	--	--
10/31	9:30	US	22) DOE U.S. Distillate Inventory	OCT 26	--	--	--
10/31	9:30	US	23) DOE U.S. Refinery Utilization	OCT 26	--	--	--
10/31	9:30	US	24) API U.S. Crude Oil Inventories	OCT 26	--	--	--
10/31	9:30	US	25) API U.S. Gasoline Inventories	OCT 26	--	--	--
10/31	9:30	US	26) API U.S. Distillate Inventory	OCT 26	--	--	--

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 18-Oct-07 5:25:50

NYMEX - WTI				
	Yesterday's	Yesterday's	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAX07	87.54	0	299,745	5,327 NOV
F.CLAZ07	85.79	0	523,732	18,773 DEC
F.CLAF08	84.91	0	97,657	5,565 JAN
F.CLAG08	84.06	0	33,457	1,339 FEB
F.CLAH08	83.77	0	22,894	436 MAR
F.CLAJ08	82.89	0	6,620	100 APR
F.CLAK08	82.06	0	6,198	88 MAY
F.CLAM08	81.53	0	10,918	560 JUN

ICE - BRENT				
	Yesterday's	Yesterday's	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.QOZ07	82.94	159,403	100,167	17,738 DEC
F.QOF08	82.63	136,555	49,858	9,697 JAN
F.QOG08	82.27	43,588	16,149	3,008 FEB
F.QOH08	82.02	28,557	5,369	1,192 MAR
F.QOJ08	81.49	17,696	1,802	448 APR
F.QOK08	81.26	12,912	1,825	206 MAY
F.QOM08	80.71	35,795	2,469	231 JUN



	Current Positions									
	Small Spec			Large Spec			Commercials (Hedgers)			
	Long	Short	Net	Long	Short	Net	Long	Short	Net	
Crude Oil ^	98,089	105,068	(6,979)	264,921	121,048	143,873	1,521,143	1,658,036	(136,893)	Crude Oil
Heating Oil	44,679	31,981	12,698	49,557	14,493	35,064	134,555	182,317	(47,762)	Heating Oil
Unleaded Gas	20,614	18,138	2,476	61,391	7,824	53,567	112,990	169,033	(56,043)	Unleaded Gas
Natural Gas	73,465	43,030	30,435	62,897	139,442	(76,545)	589,048	542,937	46,111	Natural Gas

^ Light Sweet

	WoW^Position Change			as of
	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	
Crude Oil	(17,762)	118,135	(100,372)	10/9/2007
Heating Oil	9,149	(15,187)	6,039	
Unleaded Gas	(27,945)	120,799	(92,854)	
Natural Gas	37,414	(220,418)	183,004	

^Week over Week

