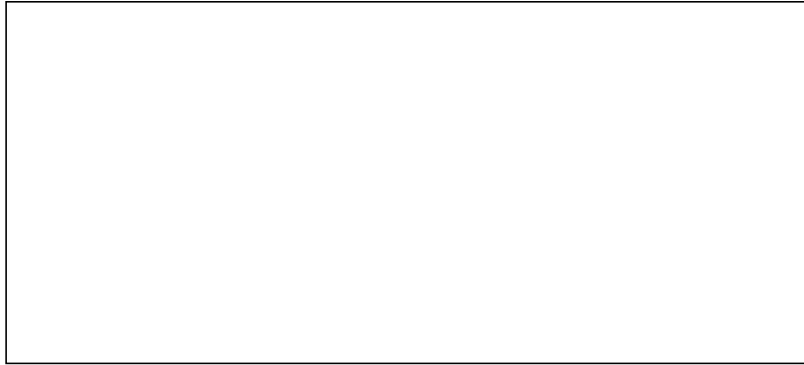




The Morning Email: Oil

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

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NYMEX	Last	Net	Hi	Low	Open	Volume	Yest. Volume	SYM NAME
CLA	88.43	1.33	88.99	87.54	87.63	27,234	451,977	Crude Oil
HOA	2.3814	0.0181	2.3955	2.3665	2.3665	2,923	153,308	Heating Oil
RBOB	2.186	0.0293	2.1979	2.1602	2.1628	3,129	132,133	Unleaded Gas
NGA	7.067	0.0950	7.075	6.985	6.993	897	231,796	Nat Gas

All contracts quoted are electronic

Crude Oil Rises Near \$89 After Unexpected Fall in U.S. Stocks 2007-10-25 05:42 (New York)

By Alexander Kwiatkowski

Oct. 25 (Bloomberg) -- Crude oil rose near \$89 in New York after the biggest drop in U.S. imports since March caused an unexpected decline in inventories. Brent futures rose to a record in London.

Stockpiles fell 5.3 million barrels last week to their lowest since Jan. 5 as imports plunged 13 percent, the Energy Department said yesterday. A gain of 963,000 barrels was expected, according to a Bloomberg News survey. Reports Darfur rebels attacked a Sudanese oil field and Lebanese soldiers fired on Israeli aircraft pushed prices higher today.

"We had large draws when we would have expected a more stable situation on stocks," said Olivier Jakob, managing director of Petromatrix GmbH in Zug, Switzerland. "That puts us in a one-day reach of \$90 on WTI."

Crude oil for December delivery rose as much as \$1.89, or 2.2 percent, to \$88.99 a barrel in electronic trading on the New York Mercantile Exchange. It was at \$88.79 at 10:01 a.m. in London. The contract yesterday climbed for the first time in four days, gaining \$1.83, or 2.2 percent, to \$87.10.

The crude price "seems to have no limit to the upside," said Gerrit Zambo, an oil trader at BayernLB in Munich. "At the moment it only has one direction."

Brent crude rose to a record high in London after a Darfur rebel group said it kidnapped two workers from an oil field in Sudan, according to Reuters. Prices rose further after Lebanese soldiers attacked Israeli aircraft which flew low over southern Lebanon, according to an Associated Press report.

Brent crude oil for December settlement rose as much as \$1.91 cents, or 2.3 percent, to a record \$86.28 a barrel on the London-based ICE Futures Europe exchange. It was at \$86.01 at 10:00 a.m. local time.

Sudan Attack

The Sudanese field is run by the Greater Nile Petroleum Operation Co., in which China National Petroleum Corp., China's biggest oil company, holds a stake, Reuters said.

(cont.)

A commander for the rebel Justice and Equality Movement claimed his group carried out the attack, in which 20 government soldiers died, Reuters said. The decline in U.S. crude-oil stockpiles left them at 316.6 million barrels, 5 percent higher than the five-year average for the period, the department said. A week earlier, supplies were 7.8 percent higher than the five-year average.

"A lot has to do with imports that weren't there," said Herwin Schonewille, an oil trader with Fortis Bank NV in Brussels. Daily crude-oil imports plunged by 1.3 million barrels to 9.1 million, the lowest since the week ended March 2. The biggest drop was on the east coast, where imports fell 667,000 barrels a day, down 32 percent from a three-year high of 2.08 million barrels a day the week before.

Stockpiles

U.S. fuel stockpiles unexpectedly fell last week as imports of gasoline and blending components declined and refiners shut units for maintenance before winter. Refinery operating rates fell to 87.1 percent of capacity, a four-week low.

Gasoline inventories fell 1.93 million barrels to 193.8 million, 3.6 percent less than the five-year average for the period, the report showed. A 475,000-barrel gain was expected, according to the analyst survey.

Stockpiles will need to reach 210 million barrels by the first quarter "to keep any sort of cap on gasoline prices," Barclays Capital Inc. analysts Paul Horsnell and Kevin Norrish said in a note to clients.

Oil reached a record \$90.07 a barrel in New York on Oct. 19 after the dollar fell against the euro and Turkish lawmakers voted to allow military strikes in Iraq against Kurdish militants. Iraq holds the world's third-largest reserves of oil.

Turkey's military attacked Kurdish fighters in northern Iraq yesterday, as the U.S. urged restraint from both sides in the conflict. Turkish F-16 jets and helicopters strafed positions along the Iraqi border, the state-run Anatolia news agency in Ankara said, in a fourth day of fighting. The Organization of Petroleum Exporting Countries pledged to pump an extra 500,000 barrels of oil a day starting Nov. 1 to help meet peak winter demand. The group will probably supply 31.4 million barrels a day in October, up from 30.9 million last month, Conrad Gerber, president of Geneva-based PetroLogistics Ltd., said yesterday.

--Editor: Schweizer (wke)

To contact the reporter on this story: Alexander Kwiatkowski in London at +44-20-7330-7450 or akwiatkowski2@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

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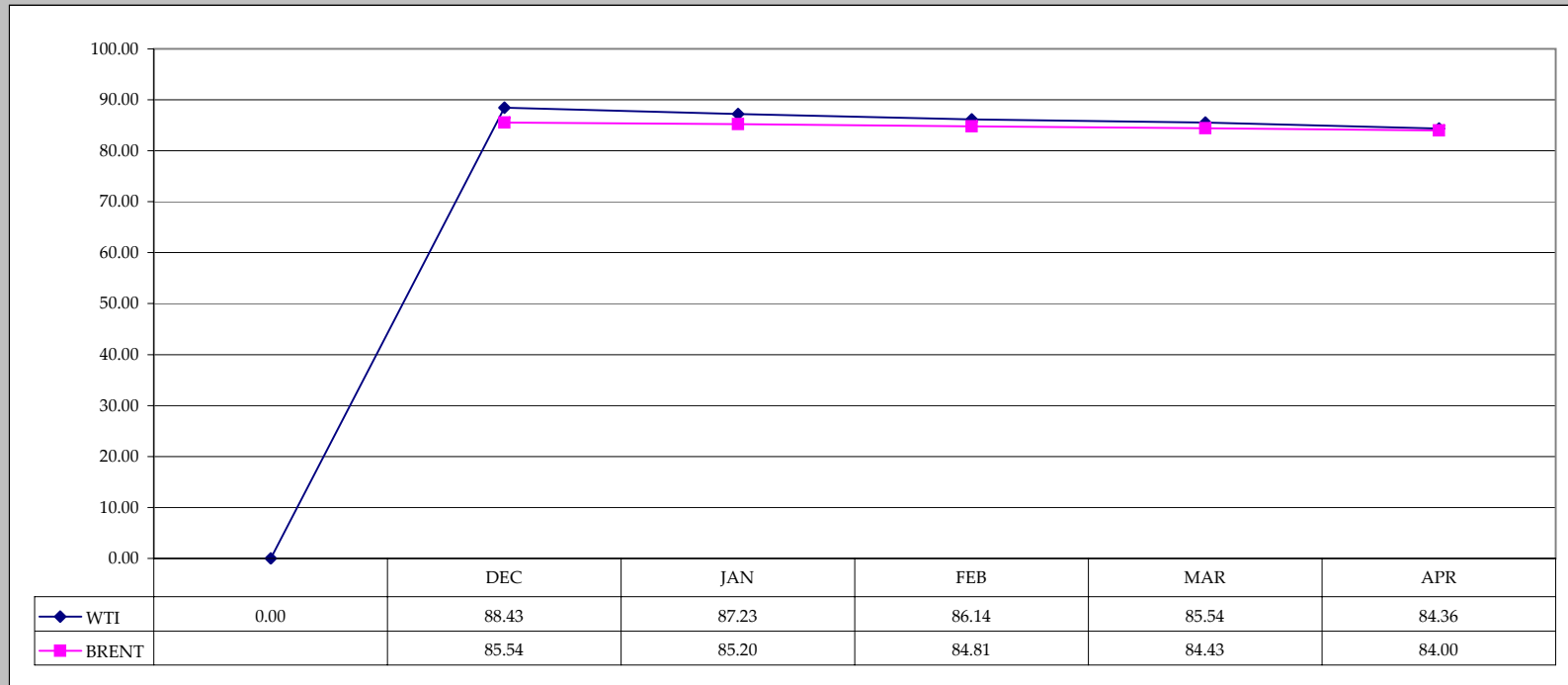
10/25/07 | United States | Energy / Commodities

Date	Time	US	Event	Survey	Actual	Prior	Revised
10/25	9:30	US	12) EIA Natural Gas Storage Change	OCT 19	55	--	39
10/26	12:00	US	13) Baker Hughes U.S. Rig Count	OCT 26	--	--	1764
10/31	9:30	US	14) DOE U.S. Crude Oil Inventories	OCT 26	--	--	-5288K
10/31	9:30	US	15) DOE U.S. Gasoline Inventories	OCT 26	--	--	-1931K
10/31	9:30	US	16) DOE U.S. Distillate Inventory	OCT 26	--	--	-1847K
10/31	9:30	US	17) DOE U.S. Refinery Utilization	OCT 26	--	--	-0.21%
10/31	9:30	US	18) API U.S. Crude Oil Inventories	OCT 26	--	--	-6271K
10/31	9:30	US	19) API U.S. Gasoline Inventories	OCT 26	--	--	-1466K
10/31	9:30	US	20) API U.S. Distillate Inventory	OCT 26	--	--	-1101K
11/1	9:30	US	21) EIA Natural Gas Storage Change	OCT 26	--	--	--
11/2	12:00	US	22) Baker Hughes U.S. Rig Count	NOV 2	--	--	--
11/7	9:30	US	23) DOE U.S. Crude Oil Inventories	NOV 2	--	--	--
11/7	9:30	US	24) DOE U.S. Gasoline Inventories	NOV 2	--	--	--
11/7	9:30	US	25) DOE U.S. Distillate Inventory	NOV 2	--	--	--
11/7	9:30	US	26) DOE U.S. Refinery Utilization	NOV 2	--	--	--
11/7	9:30	US	27) API U.S. Crude Oil Inventories	NOV 2	--	--	--
11/7	9:30	US	28) API U.S. Gasoline Inventories	NOV 2	--	--	--
11/7	9:30	US	29) API U.S. Distillate Inventory	NOV 2	--	--	--

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				
	Yesterday's	Yesterday's	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAX07	#VALUE!			
F.CLAZ07	88.43	0	572,109	20,880 DEC
F.CLAF08	87.23	0	208,278	6,179 JAN
F.CLAG08	86.14	0	69,560	2,165 FEB
F.CLAH08	85.54	0	36,696	308 MAR
F.CLAJ08	84.36	0	10,341	269 APR
F.CLAK08	84.51	0	4,071	226 MAY
F.CLAM08	83.80	0	8,009	267 JUN

ICE - BRENT				
	Yesterday's	Yesterday's	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.QOZ07	85.54	154,232	89,594	28,840 DEC
F.QOF08	85.20	148,592	44,892	15,168 JAN
F.QOG08	84.81	58,406	20,322	6,932 FEB
F.QOH08	84.43	30,153	8,045	2,648 MAR
F.QOJ08	84.00	17,044	2,429	874 APR
F.QOK08	83.55	12,937	1,491	576 MAY
F.QOM08	83.24	36,883	2,419	1,577 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

