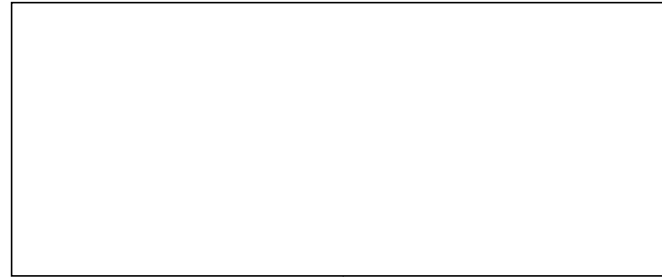




The Morning Email: Oil

Table of Contents

- Pg 1 Quotes
- Pg 2 News - Today
- Pg 3 Economic Releases
- Pg 4 Spreads - WTI and BRENT
- Pg 5 Commitments of Traders



Want something added? Let me know: 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.

NYMEX	Last	Net	Hi	Low	Open	Volume	Yest. Volume	SYM NAME
CLA	92.8	0.94	93.20	91.52	91.72	28,176	475,571	Crude Oil
HOA	2.4680	0.0170	2.4750	2.4450	2.4450	1,126	130,562	Heating Oil
RBOB	2.292	0.0145	2.3025	2.2683	2.2775	1,490	124,911	Unleaded Gas
NGA	7.258	0.0400	7.303	7.243	7.254	981	184,567	Nat Gas

All contracts quoted are electronic

Crude Oil Rises to Record Above \$93 as Mexico Halts Production 2007-10-29 05:42 (New York)

By Grant Smith and Nesa Subrahmaniyan

Oct. 29 (Bloomberg) -- Crude oil climbed above \$93 a barrel for the first time, extending this month's gain to 16 percent, after Mexico shut a fifth of its production and the dollar fell to a record low.

State-owned Petroleos Mexicanos, the third-largest supplier of crude to the U.S., halted about 600,000 barrels a day of output as a storm barreled through the Gulf of Mexico, spokesman Carlos Ramirez said in Mexico City. The dollar dropped to \$1.4426 per euro, the weakest since the introduction of the 13-nation common currency in 1999.

Crude oil for December delivery rose as much as \$1.34, or 1.5 percent, to an all-time high of \$93.20 a barrel in after-hours electronic trading on the New York Mercantile Exchange. It was at \$92.71 at 9:38 a.m. London time.

"You can't rule out a scenario of \$100 a barrel," said Hannes Loacker, an analyst at Raiffeisen Zentralbank Oesterreich AG in Vienna. "Mexico shutting a fifth of production is fitting into a bullish scenario with people fearing stocks can't be brought up to necessary levels."

Crude has risen 52 percent this year, driven by concern that demand for heating fuel during the winter will draw down U.S. oil inventories. Tensions between Turkey and Iraq over Kurdish militants as well as over Iran's nuclear program have also helped drive oil prices higher.

Bay of Campeche

Mexico produces 3.1 million barrels of crude oil a day and about 80 percent of the output is from the Gulf of Mexico, according to Petroleos Mexicanos, known as Pemex. The company shut output of 200,000 barrels at noon New York time yesterday and was planning to idle wells that produce a further 400,000 barrels by midnight in Mexico, company spokesman Ramirez said. The wells would be closed until at least Oct. 30, Ramirez said, without elaborating.

The closure happened in the Bay of Campeche, the same area where 21 workers died after another storm last week caused an oil rig to hit a platform.

Brent crude oil for December settlement rose as much as \$1.31, or 1.5 percent, to a record \$90 a barrel on the London-based ICE Futures Europe exchange. It traded at \$89.50 at 9:39 a.m. London time. The decline in the dollar is helping boost crude oil prices, said Rowan Menzies, an analyst at Commodity Warrants Australia Pty in Sydney. The dollar fell to its lowest against the euro on speculation the Federal Reserve will cut interest rates this week as a U.S. housing slump threatens economic growth.

(cont.)

"The U.S. dollar is going down at a rate of knots," Menzies said. "You've seen inflation-linked buying across the commodities, in oil, gold, silver and grains."

Inflation-Adjusted

Oil prices have passed the previous all-time inflation-adjusted record reached in 1981, when Iran cut exports. The cost of oil used by U.S. refiners averaged \$37.48 a barrel in March 1981, the Energy Department said, or \$84.73 in today's money.

West Texas Intermediate crude adjusted for inflation touched a record \$44.52 a barrel on Oct. 25, and was \$44.06 on Oct. 26. Turkish Prime Minister Recep Tayyip Erdogan warned Oct. 27 that his country may order wider military attacks against the group's camps if needed, according to Turkish media. Turkey said it bombed PKK units in northern Iraq last week and sent troops across the border in pursuit of the militants.

On Oct. 26, the U.S. accused Iran's military of supporting terrorism and announced new sanctions on the country. The U.S. wants Iran to halt uranium enrichment that it suspects is a cover for developing nuclear weapons.

Net-Longs Drop

Hedge-fund managers and other large speculators decreased their net-long position in New York crude-oil futures in the week ended Oct. 23, according to U.S. Commodity Futures Trading Commission data.

Speculative long positions, or bets prices will rise, outnumbered short positions by 60,026 contracts on the New York Mercantile Exchange, the Washington-based commission said in its Commitments of Traders report. Net-long positions fell by 27,972 contracts, or 32 percent, from a week earlier.

"That means some people sold futures for a profit," said Dariusz Kowalczyk, chief investment strategist with CFC Seymour Ltd. in Hong Kong. "It's a warning sign and there's a chance for a correction."

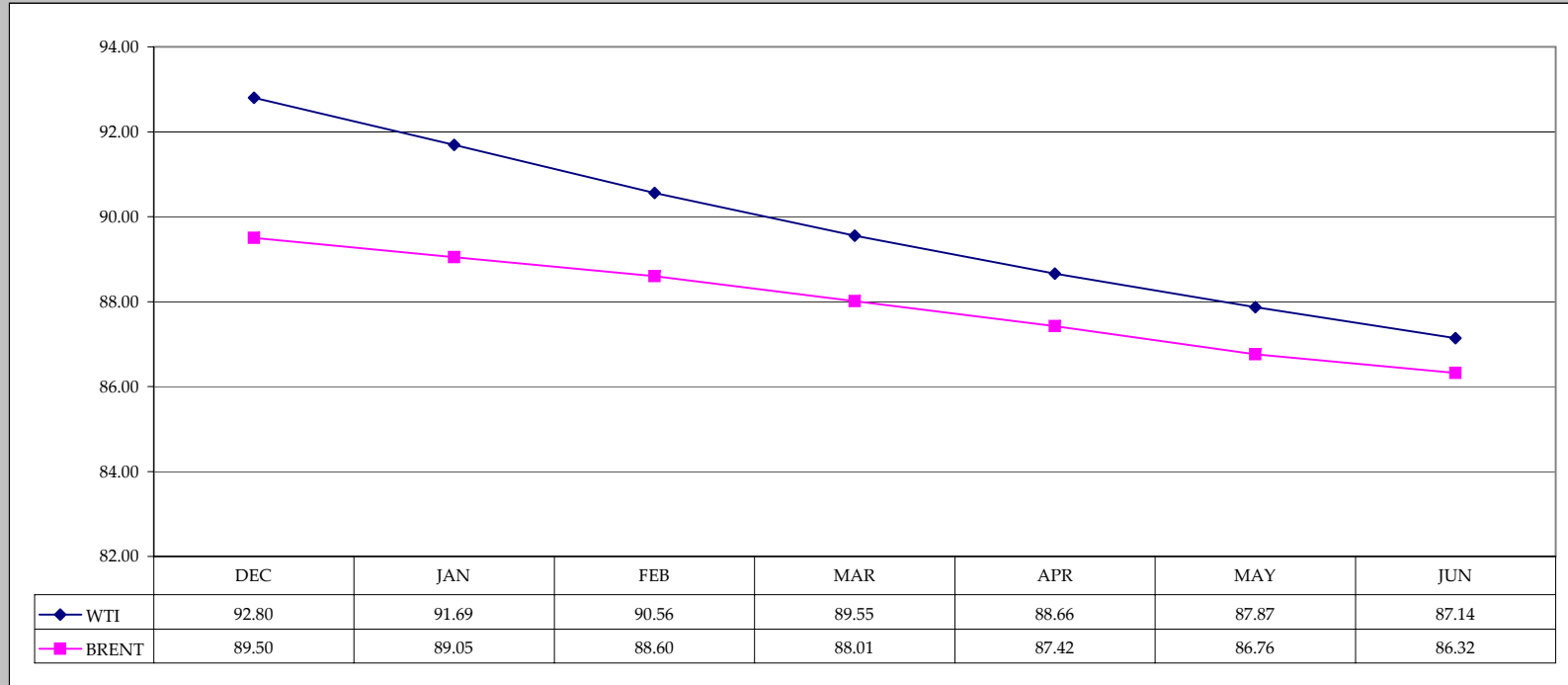
--With reporting by Andres R. Martinez in Chicago. Editors: W.Kennedy (kls).

To contact the reporter 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				
	Yesterday's	Yesterday's	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.CLAZ07	92.80	0	612,711	22,623 DEC
F.CLAF08	91.69	0	199,339	3,846 JAN
F.CLAG08	90.56	0	60,664	717 FEB
F.CLAH08	89.55	0	40,620	398 MAR
F.CLAJ08	88.66	0	13,745	76 APR
F.CLAK08	87.87	0	12,620	14 MAY
F.CLAM08	87.14	0	20,907	98 JUN

ICE - BRENT				
	Yesterday's	Yesterday's	Today's	Contract
Last	Open Int	Volume	Volume	Month
F.QOZ07	89.50	0	111,330	13,880 DEC
F.QOF08	89.05	0	59,116	6,735 JAN
F.QOG08	88.60	0	22,494	2,218 FEB
F.QOH08	88.01	0	8,001	1,048 MAR
F.QOJ08	87.42	0	4,852	563 APR
F.QOK08	86.76	0	3,243	125 MAY
F.QOM08	86.32	0	3,668	224 JUN



	Current Positions									
	Small Spec			Large Spec			Commercials (Hedgers)			
	Long	Short	Net	Long	Short	Net	Long	Short	Net	
Crude Oil ^	86,237	84,895	1,342	260,258	128,407	131,851	1,433,337	1,566,530	(133,193)	Crude Oil
Heating Oil	42,920	30,342	12,578	50,634	15,151	35,483	133,410	181,471	(48,061)	Heating Oil
Unleaded Gas	19,962	15,916	4,046	64,956	7,930	57,026	115,149	176,220	(61,071)	Unleaded Gas
Natural Gas	73,999	39,079	34,920	74,099	144,002	(69,903)	582,987	548,004	34,983	Natural Gas

^ Light Sweet

	WoW^Position Change			as of
	Sml Spec	Lrg Spec	Comm	
	Net	Net	Net	
Crude Oil	(11,356)	96,787	(85,431)	10/9/2007
Heating Oil	10,102	(18,084)	7,982	
Unleaded Gas	(26,389)	133,571	(107,182)	
Natural Gas	33,578	(201,754)	168,176	

^Week over Week

