



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

DJ OIL FUTURES:Nymex Crude Dn As Goldman Calls For Profit Taking(DJ)

By Elizabeth Landau
Of DOW JONES NEWSWIRES

[from yesterday, 8:57 am CT]

"Futures retreated slightly from all-time record highs Tuesday as Goldman Sachs (GS) recommended that investors book profits, even though the bank warned that prices could climb further and surpass \$100 a barrel.

"We believe that the risks are now becoming more balanced and that the downside risks we have embedded in our end of first quarter 2008 oil price target of \$80" a barrel "are already gaining momentum," the bank said. Goldman Sachs, which in the past has made waves with its oil price predictions, says "we are not trying to call a top here."

MarketNews
international

04:48 10/31 **CRUDE OIL:** WTI Nymex crude oil prices remain under pressure following fall of around 3.4% yesterday after hitting a record high of \$93.80 on Monday. The move comes ahead of the previously agreed OPEC rise of 500,000 bpd in production, which is due to take effect on Thursday and after OPEC President al-Hamli yesterday reiterated the cartels commitment to step in to meet supply shortfalls. However, al-Hamli did stress an output increase was not on the agenda when its members meet for informal talks in Riyadh in mid-November. Elsewhere, the sell-off yesterday coincided with the return of Mexican crud oil production and after U.S. investment bank Goldman Sachs issued a recommendation to close out long positions in crude oil. Focus turns to the US weekly DoE inventory data today ahead of the FOMC rate decision, where oil analysts are forecasting 400k rise in crude oil supplies, a draw of 200k in gasoline and draw of 1.0mIn in distillate. WTI Nymex crude oil is at \$89.60, down \$0.78.

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.

ENERGY MATRIX (NYMEX PRODUCTS)								
NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	90.03	-0.35	90.29	88.92	89.72	24,303	450,498	WTI Crude
HOA	2.4448	0.0030	2.4459	2.4153	2.4308	3,429	152,009	Heating Oil
RBA	2.256	0.0059	2.259	2.2221	2.2446	3,668	154,080	Unleaded Gas
NGA	8.01	-0.0110	8.035	7.991	7.991	403	204,100	Natural Gas

All contracts quoted are electronic

**Crude Oil Falls a Second Day on Resumption of Mexico Production
2007-10-31 05:57 (New York)**

By Bill Murray and Christian Schmollinger

Oct. 31 (Bloomberg) -- Crude oil fell for a second day, extending its biggest decline in almost three months, after the resumption of shut production in Mexico.

Petroleos Mexicanos began restarting production of 600,000 barrels a day of oil after storms shut output earlier in the week. Some investors may be selling oil contracts before today's interest rate decision by the U.S. Federal Reserve.

"Mexican supplies are coming back online and Mexico is a major supplier to U.S. markets," said Michael Davies, an analyst with Succden (U.K.) Ltd. in London. "There may also be some profit taking as a result of nervousness over the U.S. Federal Reserve decision."

Crude oil for December declined as much as \$1.46, or 1.6 percent, to \$88.92 a barrel on electronic trading on the New York Mercantile Exchange. It was at \$89.63 at 9:41 a.m. London time. Yesterday, the contract tumbled \$3.15, or 3.4 percent, to settle at \$90.38, the biggest one-day drop since Aug. 6.

Petroleos Mexicanos said it will gradually restart pumping oil from wells in the Gulf of Mexico that produce 600,000 barrels a day. The wells were shut Oct. 28 because of stormy weather, cutting output in the U.S.'s third-largest crude supplier by a fifth.

It will take 24 to 36 hours for the wells to be brought back to full capacity, spokesman Carlos Ramirez said yesterday.

Fed Decision

The U.S. central bank may reduce its key federal funds rate by 25 basis points later today to 4.5 percent to avoid a recession, according to a median forecast of 108 analysts. The Federal Reserve cut interest rates last month by 50 basis points to support credit markets.

A 15 percent price gain in crude oil during the past month prompted analysts at Goldman Sachs Group Inc. to tell clients yesterday "to take profits."

(cont.)

"The downside risks we have embedded in our end-of-first-quarter 2008 oil price target of \$80 a barrel are beginning to gain momentum," Goldman said. "These include increasing exports, a slowing U.S. economy, an adequate level of heating oil inventories."

A U.S. Energy Department report today is expected to say that crude-oil stockpiles rose 400,000 barrels last week, according to the median of 16 responses in the survey.

The report may show that stockpiles of distillate fuel, a category that includes heating oil and diesel, dropped 1 million barrels, the survey forecasts.

Brent crude oil for December settlement fell as much as \$1.24, or 1.4 percent, to \$86.20 a barrel on the London-based ICE Futures Europe exchange. It was at \$86.59 at 9:13 a.m. London time.

--Editors: W.Kennedy (jpb).

To contact the reporters on this story:

Bill Murray in London at +44-20-7073-3132 or

wmurray1@bloomberg.net;

Christian Schmollinger in Singapore at +65-6212-1898 or

Christian.s@bloomberg.net;

To contact the editor responsible for this story:

Stephen Voss in London at +44-20-7073-3520 or sev@bloomberg.net

Reinie Booysen at +65-6212-1154 or rbooyesen@bloomberg.net.

Economic Release Estimates, from Bloomberg

GRAB ComdtyECO

Change Calendar Change Date Voice Alerts Output Results To

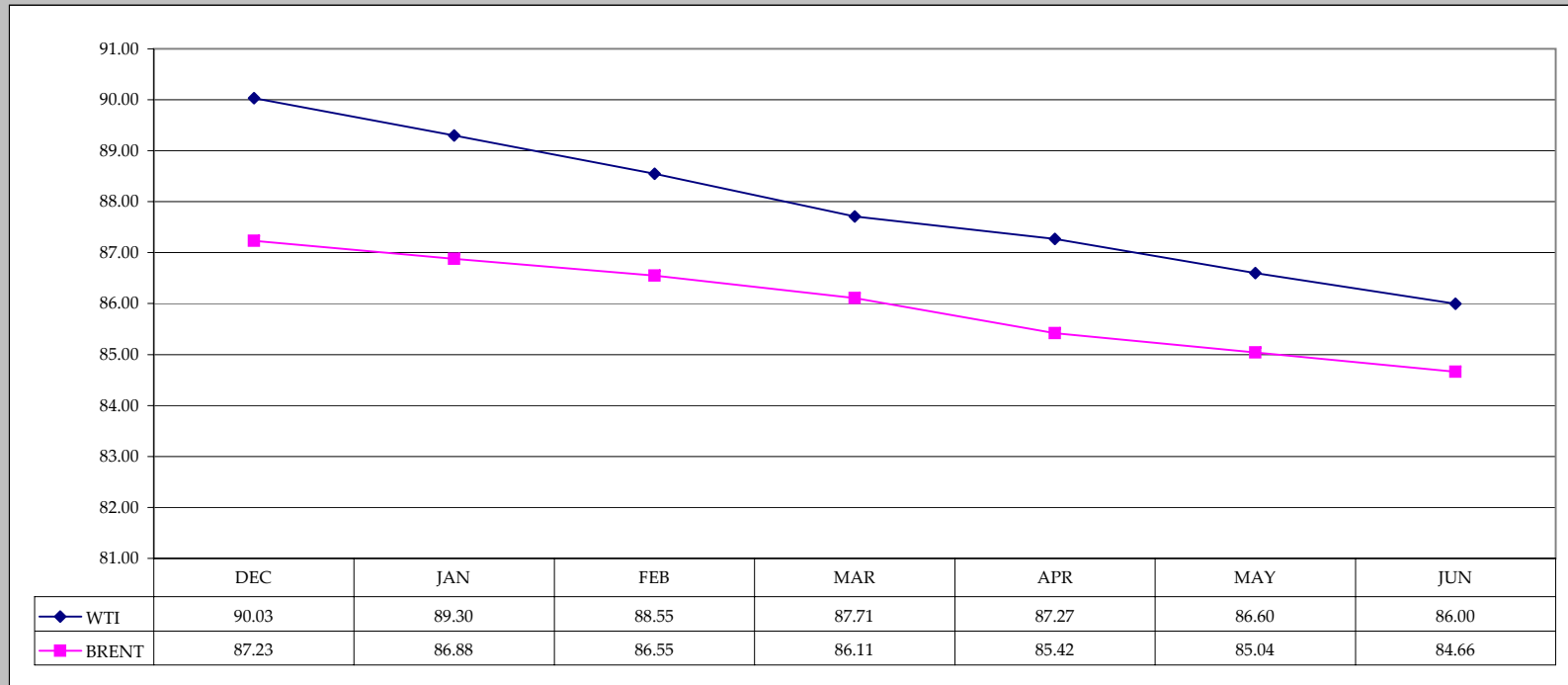
10/31/0 United States Energy / Commodities

Date	Time	Country	Event	Survey	Actual	Prior	Revised
10/31	9:00	US	4) Hess Executives Review Results: Teleconference				
10/31	9:00	US	5) Transocean Executives Review Results: Teleconf.				
10/31	9:00	US	6) Weyerhaeuser Executives Review Results: Teleconf.				
10/31	9:30	US	7) DOE U.S. Crude Oil Inventories	OCT 26	400K	--	-5288K
10/31	9:30	US	8) DOE U.S. Gasoline Inventories	OCT 26	-200K	--	-1931K
10/31	9:30	US	9) DOE U.S. Distillate Inventory	OCT 26	-1000K	--	-1847K
10/31	9:30	US	10) DOE U.S. Refinery Utilization	OCT 26	0.50%	--	-0.21%
10/31	9:30	US	11) API U.S. Crude Oil Inventories	OCT 26	--	--	-6271K
10/31	9:30	US	12) API U.S. Gasoline Inventories	OCT 26	--	--	-1466K
10/31	9:30	US	13) API U.S. Distillate Inventory	OCT 26	--	--	-1101K
10/31	15:00	US	14) Newmont Executives Review Results: Teleconference				
11/1	7:00	US	15) Nymex Executives Review Results: Teleconference				
11/1	9:00	US	16) Williams Executives Review Results: Teleconference				
11/1	9:30	US	17) EIA Natural Gas Storage Change	OCT 26	58	--	1760
11/1	10:00	US	18) Exxon Executives Review Results: Teleconference				
11/1	10:00	US	19) GlobalSantaFe Executives on Results: Teleconf.				
11/2	12:00	US	20) Baker Hughes U.S. Rig Count	NOV 2	--	--	--
11/7	9:30	US	21) DOE U.S. Crude Oil Inventories	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.
 6599-1-0 31-Oct-07 5:18:03

NYMEX - WTI					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAZ07	90.03	0	577,368	14,986	DEC
F.CLAF08	89.30	0	175,903	3,318	JAN
F.CLAG08	88.55	0	62,920	1,073	FEB
F.CLAH08	87.71	0	37,164	358	MAR
F.CLAJ08	87.27	0	14,390	140	APR
F.CLAK08	86.60	0	8,458	53	MAY
F.CLAM08	86.00	0	21,119	26	JUN

ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOZ07	87.23	155,913	109,855	16,488	DEC
F.QOF08	86.88	147,225	63,973	9,305	JAN
F.QOG08	86.55	61,127	24,787	3,042	FEB
F.QOH08	86.11	27,797	8,581	955	MAR
F.QOJ08	85.42	16,978	3,031	669	APR
F.QOK08	85.04	12,130	2,295	273	MAY
F.QOM08	84.66	35,984	4,829	573	JUN



10/31/2007 5:37

Commitments of Traders

Pg 5

All COT data has been moved to Morning Email: CoT&DP