

The Morning Email: Oil

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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	114.1	0.33	115.35	113.25	113.94	19,299	438,270	WTI Crude
HOA	310.7200	-1.1900	314.73	308.92	312.97	1,585	74,841	Heating Oil
RBA	286.4	0.38	288.47	284.66	286.52	1,280	62,596	Unleaded Gas
NGA	79.1	-1.8200	79.8	78.14	79.28	2,546	141,778	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.

Economic Release Estimates, from Bloomberg

NYMEX - WTI

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAU08	114.10	0.00	276,806	10,908	SEP
F.CLAV08	114.25	0.00	137,458	9,519	OCT
F.CLAX08	114.58	0.00	41,074	1,873	NOV
F.CLAZ08	115.10	0.00	29,504	1,508	DEC
F.CLAF09	116.40	0.00	5,536	211	JAN
F.CLAG09	115.51	0.00	1,691	59	FEB
F.CLAH09	115.08	0.00	1,952	0	MAR

Contango IF: front months lower than back months.

IF Contango, then: It pays more to store crude. Carry cost is positive.

Also, It pays to keep crude stored, pump prices rise, and so do oil company profits

Backwardation: Opposite of Contango

"Never sell a backwardation market". Backwardation tends to coexist with rising prices

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOU08	#VALUE!				
F.QOV08	113.10	100,792	82,360	15,363	OCT
F.QOX08	114.18	100,999	36,842	7,072	NOV
F.QOZ08	115.30	71,730	24,057	4,757	DEC
F.QOF09	115.87	25,659	4,818	2,194	JAN
F.QOG09	116.97	22,448	2,929	927	FEB
F.QOH09	117.43	14,322	2,558	858	MAR

IF Contango and price is rallying, then 'long only' funds are buying.

That's because it's the only thing that makes sense due to the fact, funds do not incur carrying charges.

Contango is bearish for price.

