

The Morning Email: Oil

Table of Contents

Pg 1 Quotes

Pg 2 Economic Releases

Pg 3 Spreads - WTI and BRENT

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	49.12	-0.16	49.43	47.36	48.85	20,559	325,379	WTI Crude
HOA	162.3300	0.8200	162.79	158.23	162.22	1,547	66,236	Heating Oil
RBA	110.9	-0.22	111.12	108	110.9	872	41,336	Unleaded Gas
NGA	65.92	-0.1200	65.92	64.5	64.97	499	95,278	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.

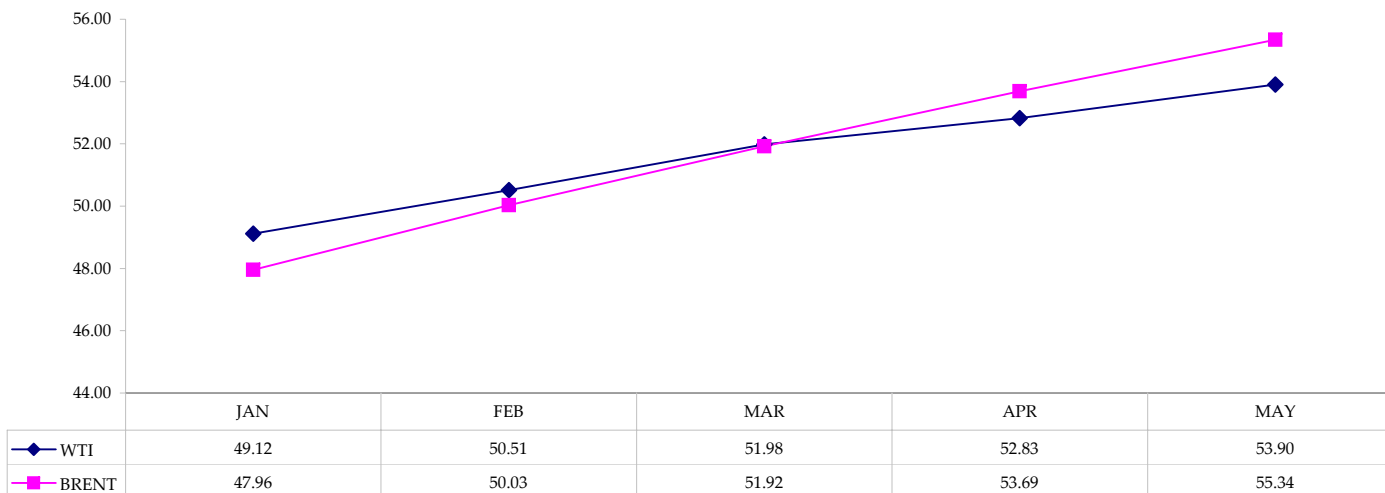
Economic Release Estimates, from Bloomberg

<HELP> for explanation. N108 n Index ECO
 9<GO> to set as default calendar

1) Custom Calendars		2) Options		3) Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commoditie		
Date	12/02/08		05:16:50	United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
21)	12/02 00:35	📌 Global Investors' Frank Holmes on Commodities					
22)	12/03 09:35	📌 API U.S. Distillate Inventory	NOV 28	--	--	--	--
23)	12/03 09:35	📌 API U.S. Gasoline Inventories	NOV 28	--	--	--	--
24)	12/03 09:35	📌 API U.S. Crude Oil Inventories	NOV 28	--	--	--	--
25)	12/03 09:35	📌 DOE Cushing OK Crude Inventory	NOV 28	--	--	--	--
26)	12/03 09:35	📌 DOE U.S. Refinery Utilization	NOV 28	0.25%	--	--	--
27)	12/03 09:35	📌 DOE U.S. Distillate Inventory	NOV 28	1000K	--	--	--
28)	12/03 09:35	📌 DOE U.S. Gasoline Inventories	NOV 28	1500K	--	--	--
29)	12/03 09:35	📌 DOE U.S. Crude Oil Inventories	NOV 28	850K	--	--	--
30)	12/04 09:30	📌 EIA Natural Gas Storage Change	NOV 28	--	--	--	--
31)	12/05 12:00	📌 Baker Hughes U.S. Rig Count	DEC 5	--	--	1866	--
32)	12/09	📌 DOE Short-Term Crude Outlook	DEC	--	--	64	--
33)	12/09	📌 DOE Short-Term Ht Oil Outlook	DEC	--	--	2.63	--
34)	12/09	📌 DOE Short-Term Diesel Outlook	DEC	--	--	2.73	--
35)	12/09	📌 DOE Short-Term Mogas Outlook	DEC	--	--	2.37	--
36)	12/09	📌 DOE Short-Term NatGas Outlook	DEC	--	--	12.55	--
37)	12/10 09:35	📌 API U.S. Distillate Inventory	DEC 5	--	--	--	--
38)	12/10 09:35	📌 API U.S. Gasoline Inventories	DEC 5	--	--	--	--
39)	12/10 09:35	📌 API U.S. Crude Oil Inventories	DEC 5	--	--	--	--

Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2008 Bloomberg Finance L.P.
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NYMEX - WTI						ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month		Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAF09	49.12	0.00	192,769	17,810	JAN	F.QOF09	47.96	83,168	118,001	26,010	JAN
F.CLAG09	50.51	0.00	52,214	4,054	FEB	F.QOG09	50.03	131,619	62,107	14,469	FEB
F.CLAH09	51.98	0.00	23,712	1,857	MAR	F.QOH09	51.92	55,344	26,211	6,280	MAR
F.CLAJ09	52.83	0.00	52,214	4,054	APR	F.QOJ09	53.69	131,619	62,107	14,469	APR
F.CLAK09	53.90	0.00	7,621	531	MAY	F.QOK9	55.34	20,690	10,956	1,780	MAY
F.CLAM09	55.50	0.00	11,188	509	JUN	F.QOM9	56.84	38,417	62,107	3,324	JUN
F.CLAN09	57.30	0.00	2,862	204	JUL	F.QON09	56.81	14,933	5,720	815	JUL
F.CLAQ09	59.37	0.00	1,899	168	AUG	F.QOQ09	58.04	14,257	2,544	559	AUG
F.CLAU09	60.45	0.00	1,674	145	SEP	F.QOU09	59.19	14,026	1,409	418	SEP
F.CLAV09	59.94	0.00	1,532	197	OCT	F.QOV09	63.45	7,972	1,167	214	OCT
F.CLAX09	62.88	0.00	1,041	229	NOV	F.QOX09	#VALUE!	10,674	1,101	435	NOV
F.CLAZ09	61.23	0.00	9,546	419	DEC	F.QOZ09	63.57	54,016	11,025	2,833	DEC



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

Crack Spreads relative to Crude:

If crack spread weak then less incentive to store crude.

That's bearish for crude.

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.