

## 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](mailto:jgoulding@ghco.com)

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	42.85	2.04	43.47	41.55	41.64	21,725	678,566	WTI Crude
HOA	147.4900	4.8400	149.77	144.5	145	1,129	86,711	Heating Oil
RBA	93.66	3.54	96	92.38	92.5	747	67,099	Unleaded Gas
NGA	55.33	-2.0900	57.21	55.22	57.08	3,616	145,746	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.

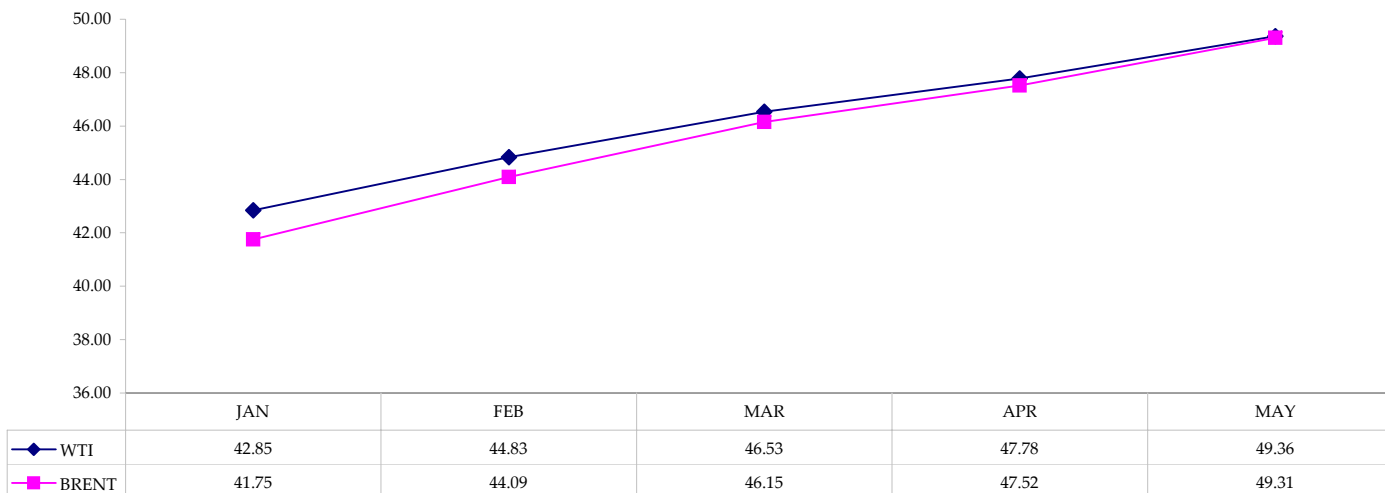
Economic Release Estimates, from Bloomberg

<HELP> for explanation. N159 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	12/04/08		05:10:53		United States: Energy / Commodities		
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
21)	12/04 08:15	Fed's Lockhart Speaks at Energy Conference					
22)	12/04 09:30	EIA Natural Gas Storage Change	NOV 28	-68	--	--	--
23)	12/05 12:00	Baker Hughes U.S. Rig Count	DEC 5	--	--	1866	--
24)	12/09	DOE Short-Term Crude Outlook	DEC	--	--	64	--
25)	12/09	DOE Short-Term Hit Oil Outlook	DEC	--	--	2.63	--
26)	12/09	DOE Short-Term Diesel Outlook	DEC	--	--	2.73	--
27)	12/09 13:00	Spending Pulse Gas Demand	DEC 5	--	--	9.36	--
28)	12/09	DOE Short-Term Mogas Outlook	DEC	--	--	2.37	--
29)	12/09	DOE Short-Term NatGas Outlook	DEC	--	--	12.55	--
30)	12/10 09:35	DOE U.S. Crude Oil Inventories	DEC 5	--	--	--	--
31)	12/10 09:35	DOE U.S. Gasoline Inventories	DEC 5	--	--	--	--
32)	12/10 09:35	DOE U.S. Distillate Inventory	DEC 5	--	--	--	--
33)	12/10 09:35	DOE U.S. Refinery Utilization	DEC 5	--	--	--	--
34)	12/10 09:35	DOE Cushing OK Crude Inventory	DEC 5	--	--	--	--
35)	12/10 09:35	API U.S. Crude Oil Inventories	DEC 5	--	--	--	--
36)	12/10 09:35	API U.S. Gasoline Inventories	DEC 5	--	--	--	--
37)	12/10 09:35	API U.S. Distillate Inventory	DEC 5	--	--	--	--
38)	12/11 09:35	EIA Natural Gas Storage Change	DEC 5	--	--	--	--
39)	12/12 12:00	Baker Hughes U.S. Rig Count	DEC 12	--	--	--	--

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.  
 6722-55-1 04-Dec-08 5:10:53

NYMEX - WTI						ICE - BRENT					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
Last	Open Int	Volume	Volume	Month	Last	Open Int	Volume	Volume	Month		
F.CLAF09	42.85	0.00	327,140	17,729	JAN	F.QOF09	41.75	0	96,565	13,239	JAN
F.CLAG09	44.83	0.00	157,572	7,262	FEB	F.QOG09	44.09	0	75,471	10,735	FEB
F.CLAH09	46.53	0.00	60,708	2,806	MAR	F.QOH09	46.15	0	44,851	7,311	MAR
F.CLAJ09	47.78	0.00	157,572	7,262	APR	F.QOJ09	47.52	0	75,471	10,735	APR
F.CLAK09	49.36	0.00	16,979	480	MAY	F.QOK9	49.31	0	10,481	2,521	MAY
F.CLAM09	50.12	0.00	26,188	584	JUN	F.QOM9	51.01	0	75,471	1,205	JUN
F.CLAN09	51.18	0.00	4,765	88	JUL	F.QON09	52.57	0	3,439	418	JUL
F.CLAQ09	54.63	0.00	2,951	52	AUG	F.QOQ09	53.41	0	2,172	989	AUG
F.CLAU09	53.18	0.00	3,788	62	SEP	F.QOU09	54.48	0	1,895	430	SEP
F.CLAV09	53.05	0.00	1,871	39	OCT	F.QOV09	54.10	0	1,186	103	OCT
F.CLAX09	54.00	0.00	1,411	27	NOV	F.QOX09	#VALUE!	0	1,575	50	NOV
F.CLAZ09	55.95	0.00	24,101	310	DEC	F.QOZ09	57.38	0	10,465	634	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.