

## The Morning Email: Oil

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Want something added? Let me know: [jgoulding@ghco.com](mailto:jgoulding@ghco.com)

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**ENERGY MATRIX - NYMEX PRODUCTS**

<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	43.55	-0.16	44.42	43.3	44.05	15,061	571,269	WTI Crude
<b>HOA</b>	148.7200	-0.3200	150.85	148	149.05	903	71,037	Heating Oil
<b>RBA</b>	95.05	-1.13	96.25	95	96.05	741	78,237	Unleaded Gas
<b>NGA</b>	55.75	0.0900	56.77	55.35	56.01	525	154,405	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 Corp ECO  
 9<GO> to set as default calendar

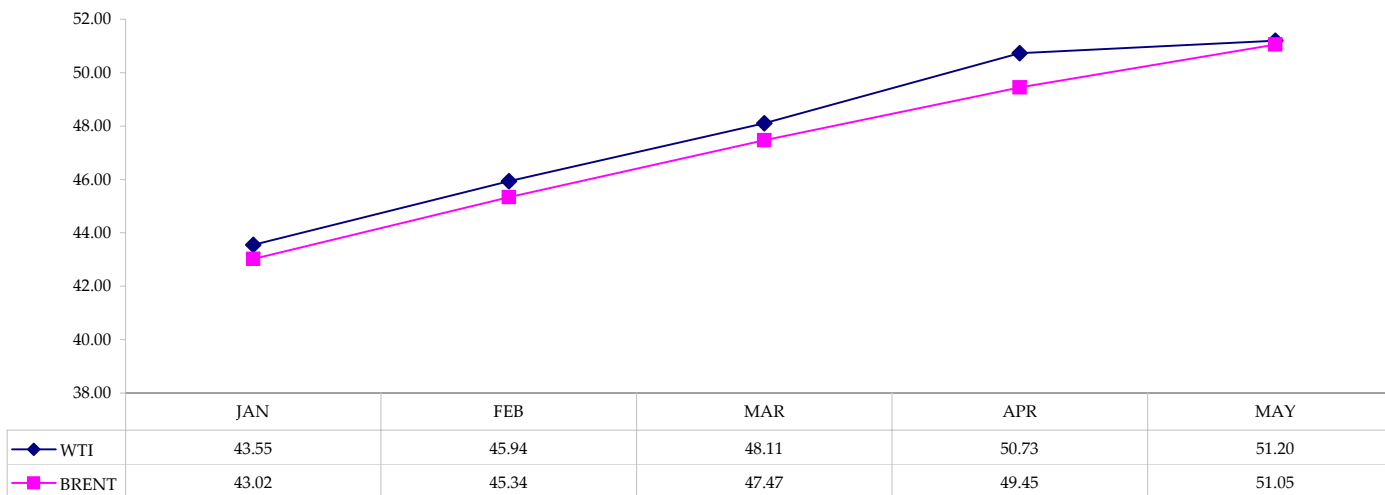
1) Custom Calendars    2) Options    3) Alerts    Economic Calendars

Region **North America**    Country **United States**    Type **Energy / Commodities**   
 Date **12/09/08**    05:12:58    **United States: Energy / Commodities**

	Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
23)	12/09		<input checked="" type="checkbox"/> DOE Short-Term Crude Outlook	DEC	--	--	64	--
24)	12/09		<input checked="" type="checkbox"/> DOE Short-Term Ht Oil Outlook	DEC	--	--	2.63	--
25)	12/09		<input checked="" type="checkbox"/> DOE Short-Term Diesel Outlook	DEC	--	--	2.73	--
26)	12/09	13:00	<input checked="" type="checkbox"/> Spending Pulse Gas Demand	DEC 5	--	--	9.36	--
27)	12/09		<input checked="" type="checkbox"/> DOE Short-Term Mogas Outlook	DEC	--	--	2.37	--
28)	12/09		<input checked="" type="checkbox"/> DOE Short-Term NatGas Outlook	DEC	--	--	12.55	--
29)	12/10	09:35	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	DEC 5	1000K	--	-456K	--
30)	12/10	09:35	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	DEC 5	-700K	--	-1534K	--
31)	12/10	09:35	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	DEC 5	-1650K	--	-1721K	--
32)	12/10	09:35	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	DEC 5	0.00%	--	-1.82%	--
33)	12/10	09:35	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	DEC 5	--	--	2345K	--
34)	12/10	09:35	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	DEC 5	--	--	-2257K	--
35)	12/10	09:35	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	DEC 5	--	--	-416K	--
36)	12/10	09:35	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	DEC 5	--	--	3143K	--
37)	12/11	09:35	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	DEC 5	--	--	-64	--
38)	12/12	12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	DEC 12	--	--	1852	--
39)	12/17		<input checked="" type="checkbox"/> OPEC Conference - Oran, Algeria					
40)	12/17	09:35	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	DEC 12	--	--	--	--
41)	12/17	09:35	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	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.  
 6722-55-0 09-Dec-08 5:12:57

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	43.55	0.00	264,312	10,528	JAN	F.QOF09	43.02	59,380	94,488	15,927	JAN
F.CLAG09	45.94	0.00	139,329	4,731	FEB	F.QOG09	45.34	148,251	88,563	13,359	FEB
F.CLAH09	48.11	0.00	59,401	1,977	MAR	F.QOH09	47.47	78,395	64,985	8,051	MAR
F.CLAJ09	50.73	0.00	139,329	4,731	APR	F.QOJ09	49.45	148,251	88,563	13,359	APR
F.CLAK09	51.20	0.00	14,760	266	MAY	F.QOK9	51.05	17,915	12,047	1,362	MAY
F.CLAM09	52.13	0.00	24,094	355	JUN	F.QOM9	52.40	39,138	88,563	1,061	JUN
F.CLAN09	53.71	0.00	6,876	19	JUL	F.QON09	53.48	14,953	3,304	221	JUL
F.CLAQ09	53.83	0.00	2,261	13	AUG	F.QOQ09	54.67	12,216	2,606	211	AUG
F.CLAU09	54.85	0.00	1,189	11	SEP	F.QOU09	55.61	14,379	1,905	263	SEP
F.CLAV09	53.05	0.00	922	15	OCT	F.QOV09	57.78	8,486	1,151	453	OCT
F.CLAX09	56.99	0.00	756	9	NOV	F.QOX09	#VALUE!	10,777	861	302	NOV
F.CLAZ09	57.14	0.00	20,480	636	DEC	F.QOZ09	58.05	53,772	8,398	1,499	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.