

## The Morning Email: Oil

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**ENERGY MATRIX - NYMEX PRODUCTS**

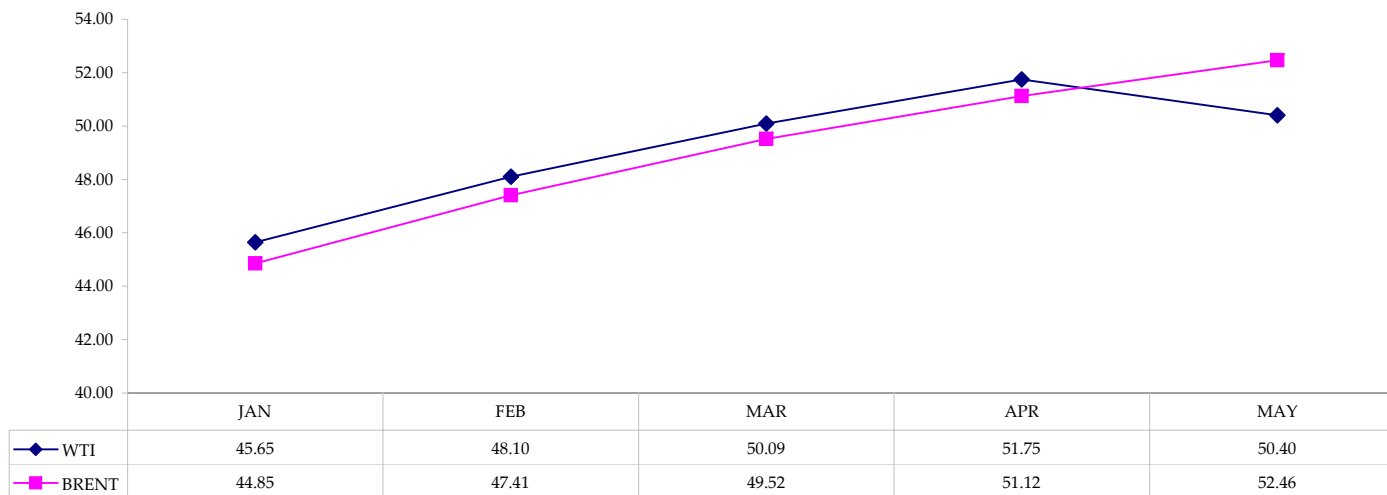
<b>NYMEX</b>	<b>Last</b>	<b>NET</b>	<b>High</b>	<b>Low</b>	<b>Open</b>	<b>Volume</b>	<b>Yest. Vol</b>	<b>SYM Name</b>
<b>CLA</b>	45.65	2.13	45.93	43.28	44.05	20,101	727,154	WTI Crude
<b>HOA</b>	146.1600	5.8900	146.5	138.52	142.03	1,597	115,871	Heating Oil
<b>RBA</b>	100.47	3.6	101.7	96.81	98.5	1,317	94,222	Unleaded Gas
<b>NGA</b>	56.91	0.0500	57.29	56.72	56.84	442	146,463	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.



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	45.65	0.00	334,387	16,447	JAN	F.QOF09	44.85	50,064	115,126	20,448	JAN
F.CLAG09	48.10	0.00	163,534	6,820	FEB	F.QOG09	47.41	141,258	106,796	22,482	FEB
F.CLAH09	50.09	0.00	65,031	2,603	MAR	F.QOH09	49.52	87,596	57,062	9,988	MAR
F.CLAJ09	51.75	0.00	163,534	6,820	APR	F.QOJ09	51.12	141,258	106,796	22,482	APR
F.CLAK09	50.40	0.00	17,822	189	MAY	F.QOK9	52.46	19,758	15,117	1,940	MAY
F.CLAM09	52.25	0.00	31,322	120	JUN	F.QOM9	53.53	38,900	106,796	2,572	JUN
F.CLAN09	54.20	0.00	8,042	69	JUL	F.QON09	54.50	16,238	5,699	737	JUL
F.CLAQ09	52.57	0.00	2,935	23	AUG	F.QOQ09	55.41	10,960	4,589	363	AUG
F.CLAU09	53.40	0.00	3,362	20	SEP	F.QOU09	56.31	14,553	3,636	188	SEP
F.CLAV09	54.26	0.00	2,787	13	OCT	F.QOV09	54.20	8,615	2,610	39	OCT
F.CLAX09	55.57	0.00	2,392	6	NOV	F.QOX09	#VALUE!	10,867	2,095	27	NOV
F.CLAZ09	57.22	0.00	34,381	147	DEC	F.QOZ09	58.50	51,943	15,869	1,566	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.