

## 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

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	48.51	2.23	49	45.92	46.77	27,226	578,164	WTI Crude
HOA	157.5500	8.2100	157.75	148.86	150.73	1,380	88,485	Heating Oil
RBA	112.96	5.19	113.7	106.11	107.77	1,433	57,305	Unleaded Gas
NGA	56.1	1.2200	56.44	55.71	55.94	936	87,553	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. N242 n Index ECO  
 9<G0> to set as default calendar

1) Custom Calendars      2) Options      Economic Calendars

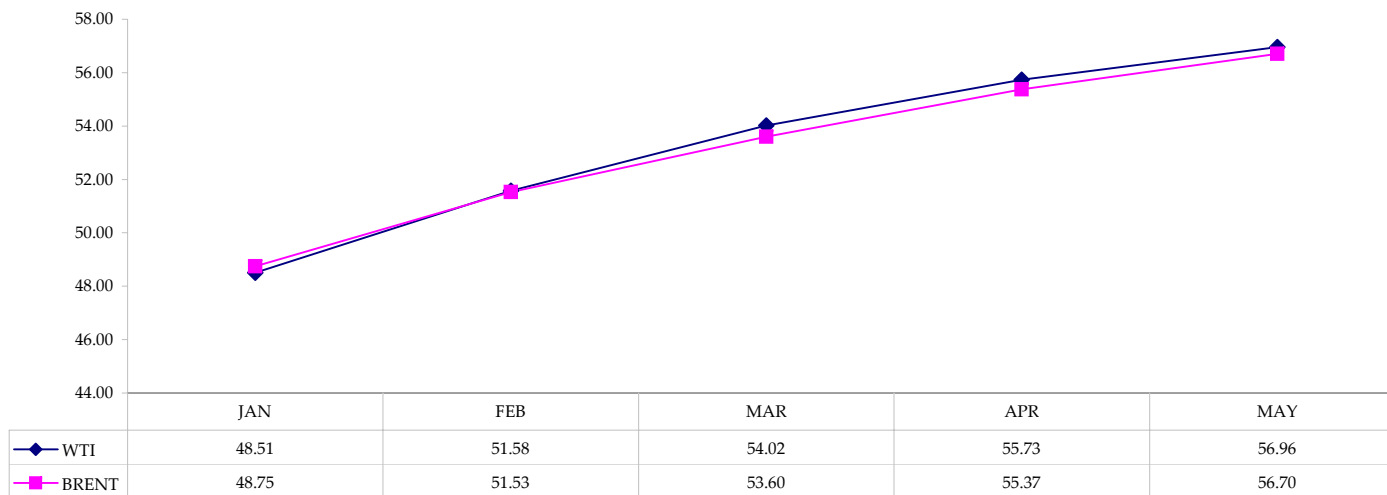
Region **North America**    Country **United States**    Type **Energy / Commodities**

Date **12/11/08**      05:09:57      **United States: Energy / Commodities**

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
29)	12/11	09:35		EIA Natural Gas Storage Change	DEC 5	-77	--	-64	--
30)	12/12	12:00		Baker Hughes U.S. Rig Count	DEC 12	--	--	1852	--
31)	12/16	13:00		Spending Pulse Gas Demand	DEC 12	--	--	9.33	--
32)	12/17			OPEC Conference - Oran, Algeria					
33)	12/17	09:35		DOE U.S. Crude Oil Inventories	DEC 12	--	--	392K	--
34)	12/17	09:35		DOE U.S. Gasoline Inventories	DEC 12	--	--	3722K	--
35)	12/17	09:35		DOE U.S. Distillate Inventory	DEC 12	--	--	5614K	--
36)	12/17	09:35		DOE U.S. Refinery Utilization	DEC 12	--	--	3.10%	--
37)	12/17	09:35		DOE Cushing OK Crude Inventory	DEC 12	--	--	-80K	--
38)	12/17	09:35		API U.S. Crude Oil Inventories	DEC 12	--	--	3436K	--
39)	12/17	09:35		API U.S. Gasoline Inventories	DEC 12	--	--	5046K	--
40)	12/17	09:35		API U.S. Distillate Inventory	DEC 12	--	--	3744K	--
41)	12/18	09:35		EIA Natural Gas Storage Change	DEC 12	--	--	--	--
42)	12/19	12:00		Baker Hughes U.S. Rig Count	DEC 19	--	--	--	--
43)	12/23	13:00		Spending Pulse Gas Demand	DEC 19	--	--	--	--
44)	12/24	09:35		DOE U.S. Crude Oil Inventories	DEC 19	--	--	--	--
45)	12/24	09:35		DOE U.S. Gasoline Inventories	DEC 19	--	--	--	--
46)	12/24	09:35		DOE U.S. Distillate Inventory	DEC 19	--	--	--	--
47)	12/24	09:35		DOE U.S. Refinery Utilization	DEC 19	--	--	--	--

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 11-Dec-08 5:09:57

NYMEX - WTI						ICE - BRENT					
	Yest.	Yest.	Today's	Contract		Yest.	Yest.	Today's	Contract		
	Open Int	Volume	Volume	Month		Open Int	Volume	Volume	Month		
F.CLAF09	48.51	0.00	261,308	19,655	JAN	F.QOF09	48.75	34,303	84,856	15,782	JAN
F.CLAG09	51.58	0.00	116,396	10,912	FEB	F.QOG09	51.53	140,144	104,047	27,676	FEB
F.CLAH09	54.02	0.00	43,262	200	MAR	F.QOH09	53.60	102,046	38,066	6,736	MAR
F.CLAJ09	55.73	0.00	116,396	10,912	APR	F.QOJ09	55.37	140,144	104,047	27,676	APR
F.CLAK09	56.96	0.00	11,808	73	MAY	F.QOK9	56.70	20,419	8,444	1,844	MAY
F.CLAM09	57.74	0.00	16,061	148	JUN	F.QOM9	57.72	38,445	104,047	1,893	JUN
F.CLAN09	55.90	0.00	4,537	66	JUL	F.QON09	59.00	15,194	2,893	418	JUL
F.CLAQ09	55.34	0.00	2,376	88	AUG	F.QOQ09	59.45	10,344	3,126	263	AUG
F.CLAU09	57.13	0.00	2,028	69	SEP	F.QOU09	60.30	13,922	3,426	342	SEP
F.CLAV09	#VALUE!	0.00	1,958	45	OCT	F.QOV09	61.21	8,347	2,358	165	OCT
F.CLAX09	58.34	0.00	2,002	17	NOV	F.QOX09	60.00	11,088	2,419	72	NOV
F.CLAZ09	61.42	0.00	19,683	101	DEC	F.QOZ09	62.53	49,551	11,867	941	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.