# The Morning Email: Oil

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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	39.74	-0.17	40.04	39.05	39.55	11,893	288,955	WTI Crude
HOA	136.9500	0.7600	137	134.7	136.15	680	63,135	Heating Oil
RBA	89.6	0.98	89.7	87.25	88.25	719	49,818	Unleaded Gas
NGA	53.64	0.7000	54	53	53.35	652	92,418	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**



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Spreads - WTI and BRENT

# ICE - BRENT

NTMEX - WII						ICE - BICEIVI					
	Yest.	Yest.	Today's	Contract			Yest.	Yest.	Today's	Contract	
Last	Open Int	Volume	Volume	Month		Last	Open Int	Volume	Volume	Month	
36.00					F.QOF09	#VALUE!					
39.74	0.00	132,781	8,358	FEB	F.QOG09	41.32	124,821	75,363	12,589	FEB	
42.77	0.00	47,233	2,222	MAR	F.QOH09	43.80	114,650	30,450	8,150	MAR	
44.70	0.00	132,781	8,358	APR	F.QOJ09	45.81	124,821	75,363	12,589	APR	
46.38	0.00	7,429	225	MAY	F.QOK9	47.48	19,789	5,734	1,119	MAY	
47.42	0.00	13,731	122	JUN	F.QOM9	48.90	36,652	75,363	1,075	JUN	
48.60	0.00	6,282	43	JUL	F.QON09	49.92	18,127	3,749	259	JUL	
52.50	0.00	2,203	2	AUG	F.QOQ09	50.95	10,378	2,217	210	AUG	
51.87	0.00	1,924	0	SEP	F.QOU09	51.80	14,250	1,772	106	SEP	
51.30	0.00	1,920	0	OCT	F.QOV09	53.55	8,767	1,507	15	OCT	
54.10	0.00	2,572	3	NOV	F.QOX09	55.50	11,301	1,028	9	NOV	
52.75	0.00	9,376	77	DEC	F.QOZ09	54.05	52,048	4,950	891	DEC	
	36.00 39.74 42.77 44.70 46.38 47.42 48.60 52.50 51.87 51.30 54.10	Yest. Last Open Int  36.00 39.74 0.00 42.77 0.00 44.70 0.00 46.38 0.00 47.42 0.00 48.60 0.00 52.50 0.00 51.87 0.00 51.30 0.00 54.10 0.00	Vest.         Yest.           Last         Open Int         Volume           36.00         39.74         0.00         132,781           42.77         0.00         47,233           44.70         0.00         132,781           46.38         0.00         7,429           47.42         0.00         13,731           48.60         0.00         6,282           52.50         0.00         2,203           51.87         0.00         1,924           51.30         0.00         1,920           54.10         0.00         2,572	Vest.         Yest.         Today's           Last         Open Int         Volume         Volume           36.00         39.74         0.00         132,781         8,358           42.77         0.00         47,233         2,222           44.70         0.00         132,781         8,358           46.38         0.00         7,429         225           47.42         0.00         13,731         122           48.60         0.00         6,282         43           52.50         0.00         2,203         2           51.87         0.00         1,924         0           51.30         0.00         1,920         0           54.10         0.00         2,572         3	Last         Open Int         Volume         Today's         Contract           36.00         39.74         0.00         132,781         8,358         FEB           42.77         0.00         47,233         2,222         MAR           44.70         0.00         132,781         8,358         APR           46.38         0.00         7,429         225         MAY           47.42         0.00         13,731         122         JUN           48.60         0.00         6,282         43         JUL           52.50         0.00         2,203         2         AUG           51.87         0.00         1,924         0         SEP           51.30         0.00         1,920         0         OCT           54.10         0.00         2,572         3         NOV	Last         Open Int         Volume         Today's         Contract           36.00         F.QOF09           39.74         0.00         132,781         8,358         FEB         F.QOG09           42.77         0.00         47,233         2,222         MAR         F.QOH09           44.70         0.00         132,781         8,358         APR         F.QOJ09           46.38         0.00         7,429         225         MAY         F.QOK9           47.42         0.00         13,731         122         JUN         F.QOM9           48.60         0.00         6,282         43         JUL         F.QON09           52.50         0.00         2,203         2         AUG         F.QOQ09           51.87         0.00         1,924         0         SEP         F.QOV09           51.30         0.00         1,920         0         OCT         F.QOV09           54.10         0.00         2,572         3         NOV         F.QOX09	Last         Open Int         Volume         Volume         Month           36.00         F.QOF09         #VALUE!           39.74         0.00         132,781         8,358         FEB         F.QOG09         41.32           42.77         0.00         47,233         2,222         MAR         F.QOH09         43.80           44.70         0.00         132,781         8,358         APR         F.QOJ09         45.81           46.38         0.00         7,429         225         MAY         F.QOK9         47.48           47.42         0.00         13,731         122         JUN         F.QOM9         48.90           48.60         0.00         6,282         43         JUL         F.QOM09         49.92           52.50         0.00         2,203         2         AUG         F.QOQ09         50.95           51.87         0.00         1,924         0         SEP         F.QOU09         51.80           51.30         0.00         1,920         0         OCT         F.QOV09         53.55           54.10         0.00         2,572         3         NOV         F.QOX09         55.50	Last         Open Int         Volume         Volume         Month         F.QOF09         #VALUE!           36.00         F.QOF09         #VALUE!           39.74         0.00         132,781         8,358         FEB         F.QOF09         41.32         124,821           42.77         0.00         47,233         2,222         MAR         F.QOH09         43.80         114,650           44.70         0.00         132,781         8,358         APR         F.QOJ09         45.81         124,821           46.38         0.00         7,429         225         MAY         F.QOK9         47.48         19,789           47.42         0.00         13,731         122         JUN         F.QOM9         48.90         36,652           48.60         0.00         6,282         43         JUL         F.QOM9         49.92         18,127           52.50         0.00         2,203         2         AUG         F.QOQ09         50.95         10,378           51.87         0.00         1,924         0         SEP         F.QOV09         53.55         8,767           54.10         0.00         2,572         3         NOV         F.QOX09	Last         Open Int         Volume         Volume         Month         F.QOF09         #VALUE!           36.00         F.QOF09         #VALUE!         #VALUE!         75,363           39.74         0.00         132,781         8,358         FEB         F.QOH09         41.32         124,821         75,363           42.77         0.00         47,233         2,222         MAR         F.QOH09         43.80         114,650         30,450           44.70         0.00         132,781         8,358         APR         F.QOH09         45.81         124,821         75,363           46.38         0.00         7,429         225         MAY         F.QOK9         47.48         19,789         5,734           47.42         0.00         13,731         122         JUN         F.QOM9         48.90         36,652         75,363           48.60         0.00         6,282         43         JUL         F.QOM9         49.92         18,127         3,749           52.50         0.00         1,924         0         SEP         F.QOU09         50.95         10,378         2,217           51.87         0.00         1,924         0         SEP         F.QOU	Last         Open Int         Vest.         Today's         Contract         Last         Open Int         Volume         Volume         Month           36.00         F.QOF09         #VALUE!           39.74         0.00         132,781         8,358         FEB         F.QOF09         41.32         124,821         75,363         12,589           42.77         0.00         47,233         2,222         MAR         F.QOH09         43.80         114,650         30,450         8,150           44.70         0.00         132,781         8,358         APR         F.QOH09         45.81         124,821         75,363         12,589           46.38         0.00         7,429         225         MAY         F.QOH9         47.48         19,789         5,734         1,119           47.42         0.00         13,731         122         JUN         F.QOM9         48.90         36,652         75,363         1,075           48.60         0.00         6,282         43         JUL         F.QOM9         49.92         18,127         3,749         259           51.87         0.00         1,924         0         SEP         F.QOU09         51.80	



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

Contango is bearish for price.

the fact, funds do not incur carrying charges.