



## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	145.4	3.75	145.8	141.44	141.8	36,055	467,634	WTI Crude
HOA	413.2300	9.4900	413.38	402.1	402.1	1,402	93,145	Heating Oil
RBA	359	7.91	359.01	350.17	350.43	2,574	83,095	Unleaded Gas
NGA	124.47	1.4700	126.2	123.6	123.85	3,443	181,511	Natural Gas

All contracts quoted are electronic.

All contraces 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**

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.CLAQ08	145.40	0.00	272,702	31,950	AUG	F.QOQ08	145.90	47,443	91,016	29,047	AUG
F.CLAU08	146.10	0.00	88,429	8,903	SEP	F.QOU08	146.74	95,468	71,614	27,592	SEP
F.CLAV08	146.80	0.00	25,940	1,847	OCT	F.QOV08	147.48	78,423	34,155	7,941	OCT
F.CLAX08	146.11	0.00	17,978	1,008	NOV	F.QOX08	148.11	29,907	13,221	4,262	NOV
F.CLAZ08	147.20	0.00	33,845	1,263	DEC	F.QOZ08	148.57	60,817	15,418	4,087	DEC
F.CLAF09	146.80	0.00	2,207	148	JAN	F.QOF09	147.38	25,423	3,597	1,306	JAN

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

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.

