

## 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
<b>CLA</b>	54.59	-0.17	55.15	53.66	55.08	18,833	402,958	WTI Crude
<b>HOA</b>	175.8900	0.1000	177.24	174.4	176.8	1,378	66,403	Heating Oil
<b>RBA</b>	112.42	-1.26	114.06	111.23	114.06	1,504	50,630	Unleaded Gas
<b>NGA</b>	65.1	-0.0600	65.2	64.75	64.76	479	138,359	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. N247 n Index 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 **11/19/08**      05:13:41      **United States: Energy / Commodities**

	Date	Time	A	M	Event	Period	Survey	Actual	Prior	Revised
26)	11/19	09:35	3	3	DOE U.S. Crude Oil Inventories	NOV 14	1000K	--	22K	--
27)	11/19	09:35	3	3	DOE U.S. Gasoline Inventories	NOV 14	0K	--	1982K	--
28)	11/19	09:35	3	3	DOE U.S. Distillate Inventory	NOV 14	700K	--	516K	--
29)	11/19	09:35			DOE U.S. Refinery Utilization	NOV 14	0.00%	--	-0.69%	--
30)	11/19	09:35			DOE Cushing OK Crude Inventory	NOV 14	--	--	441K	--
31)	11/19	09:35	3	3	API U.S. Crude Oil Inventories	NOV 14	--	--	899K	--
32)	11/19	09:35	3	3	API U.S. Gasoline Inventories	NOV 14	--	--	3606K	--
33)	11/19	09:35	3	3	API U.S. Distillate Inventory	NOV 14	--	--	1493K	--
34)	11/20	09:30	3	3	EIA Natural Gas Storage Change	NOV 14	-6	--	46	--
35)	11/21	12:00	3	3	Baker Hughes U.S. Rig Count	NOV 21	--	--	1941	--
36)	11/26	09:35	3	3	DOE U.S. Crude Oil Inventories	NOV 21	--	--	--	--
37)	11/26	09:35	3	3	DOE U.S. Gasoline Inventories	NOV 21	--	--	--	--
38)	11/26	09:35	3	3	DOE U.S. Distillate Inventory	NOV 21	--	--	--	--
39)	11/26	09:35			DOE U.S. Refinery Utilization	NOV 21	--	--	--	--
40)	11/26	09:35			DOE Cushing OK Crude Inventory	NOV 21	--	--	--	--
41)	11/26	09:35	3	3	API U.S. Crude Oil Inventories	NOV 21	--	--	--	--
42)	11/26	09:35	3	3	API U.S. Gasoline Inventories	NOV 21	--	--	--	--
43)	11/26	09:35	3	3	API U.S. Distillate Inventory	NOV 21	--	--	--	--
44)	11/26	11:00	3	3	EIA Natural Gas Storage Change	NOV 21	--	--	--	--

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 19-Nov-08 5:13:41

**NYMEX - WTI**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAX08	#VALUE!				
F.CLAZ08	54.24	0.00	189,689	6,041	DEC
F.CLAF09	54.59	0.00	156,195	11,127	JAN
F.CLAG09	55.41	0.00	34,913	1,201	FEB
F.CLAH09	56.36	0.00	17,819	522	MAR
F.CLAJ09	56.47	0.00	34,913	1,201	APR

**ICE - BRENT**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	#VALUE!				
F.QOZ08	#VALUE!				
F.QOF09	51.66	115,015	109,986	21,951	JAN
F.QOG09	53.58	105,812	45,237	8,512	FEB
F.QOH09	55.18	38,819	17,336	4,793	MAR
F.QOJ09	56.32	105,812	45,237	8,512	APR

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

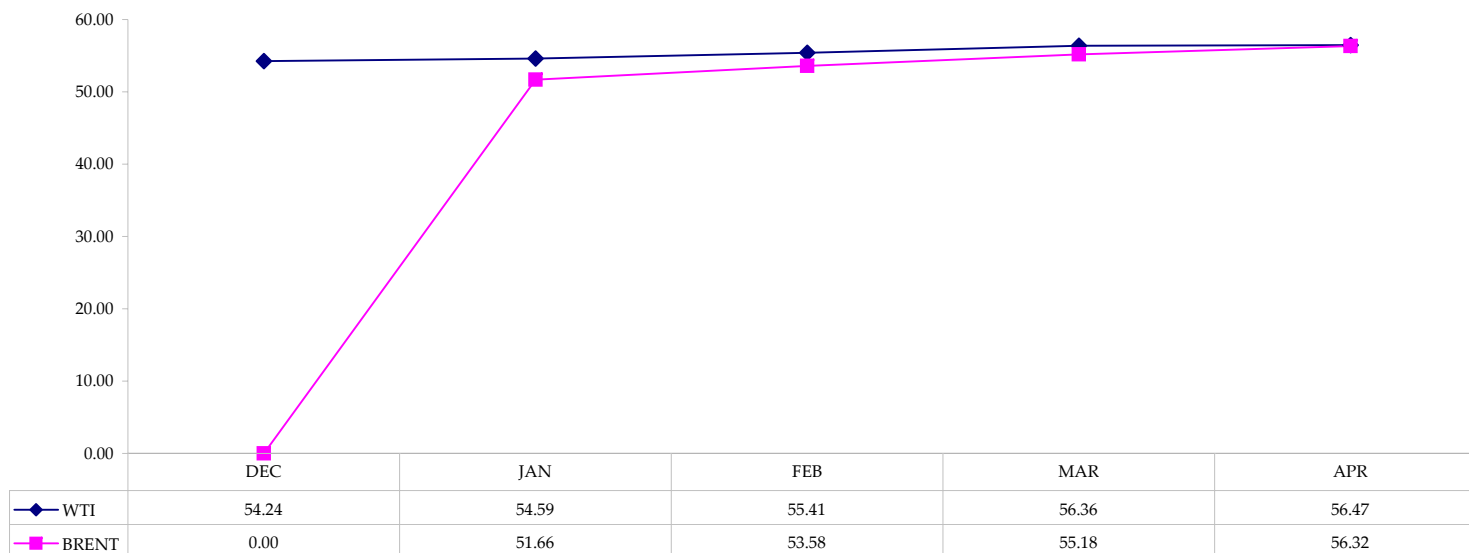
"Never sell a backwardation market". Backwardation tends to coexist with rising prices

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.



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**Crack Spreads relative to Crude:**

If crack spread weak then less incentive to store crude.

That's bearish for crude.

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Contango is bearish for price.