

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	94.85	0.88	94.89	92.81	93.85	15,231	386,962	WTI Crude
HOA	272.4700	1.5200	272.62	269.35	271.9	1,250	61,258	Heating Oil
RBA	226.9	1.4	227.33	222.64	224.59	1,394	52,742	Unleaded Gas
NGA	74.79	-0.0200	75	73.66	74.5	396	130,842	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

NYMEX - WTI

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAX08	94.85	0.00	204,605	13,433	NOV
F.CLAZ08	94.10	0.00	104,677	4,157	DEC
F.CLAF09	94.05	0.00	31,328	814	JAN
F.CLAG09	93.79	0.00	11,159	305	FEB
F.CLAH09	94.00	0.00	7,587	208	MAR
F.CLAJ09	93.80	0.00	11,159	305	FEB

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

ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	91.50	61,626	102,206	19,574	NOV
F.QOZ08	92.73	130,378	83,792	15,740	DEC
F.QOF09	93.90	56,676	27,280	5,171	JAN
F.QOG09	94.61	30,431	10,341	2,331	FEB
F.QOH09	95.46	21,592	6,803	1,141	MAR
F.QOJ09	95.80	30,431	10,341	2,331	FEB

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.

