

## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	105.77	3.02	107.25	101.98	102.48	47,852	575,523	WTI Crude
<b>HOA</b>	295.5500	5.7700	298.2	287.55	291.26	1,477	58,872	Heating Oil
<b>RBA</b>	263.31	3.34	266.8	257.75	257.75	1,508	60,836	Unleaded Gas
<b>NGA</b>	75.37	0.0600	75.49	73.61	74.51	870	105,839	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.CLAV08	106.64	0.00	184,766	5,663	OCT
F.CLAX08	105.77	0.00	291,888	31,893	NOV
F.CLAZ08	105.61	0.00	113,105	13,118	DEC
F.CLAF09	105.78	0.00	23,320	3,042	JAN
F.CLAG09	105.92	0.00	7,885	796	FEB
F.CLAH09	105.27	0.00	6,229	432	MAR
F.CLAJ09	102.68	0.00	7,885	796	FEB

**ICE - BRENT**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOV08	91.99				
F.QOX08	102.87	96,622	120,831	38,454	NOV
F.QOZ08	103.94	109,223	66,558	24,485	DEC
F.QOF09	104.80	45,106	16,264	8,224	JAN
F.QOG09	105.36	23,312	8,292	3,931	FEB
F.QOH09	106.01	20,839	6,388	2,396	MAR
F.QOJ09	106.57	23,312	8,292	3,931	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

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.

