

## 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>	102.77	-4.12	106.91	102.62	106.89	13,202	301,650	WTI Crude
<b>HOA</b>	290.7400	-11.0000	301.94	290.47	301.5	1,157	66,744	Heating Oil
<b>RBA</b>	251.71	-9.8	261.19	251.71	261	672	67,682	Unleaded Gas
<b>NGA</b>	74.83	-1.4500	76.65	74.34	76.28	970	125,108	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	102.77	0.00	152,572	14,887	NOV
F.CLAZ08	102.14	0.00	63,183	3,897	DEC
F.CLAF09	102.60	0.00	20,678	1,016	JAN
F.CLAG09	102.79	0.00	6,239	293	FEB
F.CLAH09	103.03	0.00	3,157	160	MAR
F.CLAJ09	105.85	0.00	6,239	293	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	99.57	76,636	74,236	20,860	NOV
F.QOZ08	100.67	121,452	47,591	10,418	DEC
F.QOF09	102.50	53,333	14,642	4,060	JAN
F.QOG09	103.26	29,181	8,157	1,313	FEB
F.QOH09	103.74	21,474	6,996	371	MAR
F.QOJ09	103.70	29,181	8,157	1,313	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.

