

The Morning Email: Oil

Table of Contents

Pg 1 Quotes

Pg 2 Economic Releases

Pg 3 Spreads - WTI and BRENT

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	117.1	1.51	117.39	115.61	115.75	13,676	405,968	WTI Crude
HOA	323.4000	3.1900	323.97	321.1	321.6	1,001	90,664	Heating Oil
RBA	289.25	2.81	289.72	286.5	286.5	1,584	91,389	Unleaded Gas
NGA	81.8	1.3000	82.15	80.21	80.49	1,247	264,763	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. P064 n Govt ECO
 Enter all fields and hit <GO>

1) Custom Calendars		2) Options		3 Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commoditie		
Date	08/27/08	United States: Energy / Commodities					
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
23)	08/27 09:35	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	AUG 22	1100K	--	9390K	--
24)	08/27 09:35	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	AUG 22	-2450K	--	-6202K	--
25)	08/27 09:35	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	AUG 22	600K	--	481K	--
26)	08/27 09:35	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	AUG 22	0.23%	--	-0.20%	--
27)	08/27 09:35	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	AUG 22	--	--	-462K	--
28)	08/27 09:35	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	AUG 22	--	--	12371K	--
29)	08/27 09:35	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	AUG 22	--	--	-1989K	--
30)	08/27 09:35	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	AUG 22	--	--	313K	--
31)	08/28 09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	AUG 22	81	--	88	--
32)	08/29 12:00	<input checked="" type="checkbox"/> Baker Hughes U.S. Rig Count	AUG 29	--	--	1998	--
33)	09/04 09:30	<input checked="" type="checkbox"/> EIA Natural Gas Storage Change	AUG 29	--	--	--	--
34)	09/04 09:35	<input checked="" type="checkbox"/> DOE U.S. Crude Oil Inventories	AUG 29	--	--	--	--
35)	09/04 09:35	<input checked="" type="checkbox"/> DOE U.S. Gasoline Inventories	AUG 29	--	--	--	--
36)	09/04 09:35	<input checked="" type="checkbox"/> DOE U.S. Distillate Inventory	AUG 29	--	--	--	--
37)	09/04 09:35	<input checked="" type="checkbox"/> DOE U.S. Refinery Utilization	AUG 29	--	--	--	--
38)	09/04 09:35	<input checked="" type="checkbox"/> DOE Cushing OK Crude Inventory	AUG 29	--	--	--	--
39)	09/04 09:35	<input checked="" type="checkbox"/> API U.S. Crude Oil Inventories	AUG 29	--	--	--	--
40)	09/04 09:35	<input checked="" type="checkbox"/> API U.S. Gasoline Inventories	AUG 29	--	--	--	--
41)	09/04 09:35	<input checked="" type="checkbox"/> API U.S. Distillate Inventory	AUG 29	--	--	--	--

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.
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NYMEX - WTI

	Last	Yest. Open	Yest. Int Volume	Today's Volume	Contract Month
F.CLAU08	115.65				
F.CLAV08	117.10	0.00	272,322	11,745	OCT
F.CLAX08	117.47	0.00	69,935	2,283	NOV
F.CLAZ08	117.85	0.00	47,063	1,048	DEC
F.CLAF09	118.18	0.00	10,971	383	JAN
F.CLAG09	118.19	0.00	4,864	74	FEB
F.CLAH09	117.54	0.00	4,090	0	MAR

ICE - BRENT

	Last	Yest. Open	Yest. Int Volume	Today's Volume	Contract Month
F.QOU08	112.69				
F.QOV08	115.55	92,971	129,226	16,972	OCT
F.QOX08	116.83	107,393	60,934	12,352	NOV
F.QOZ08	118.00	82,195	35,069	7,410	DEC
F.QOF09	118.84	29,446	5,824	3,542	JAN
F.QOG09	118.95	23,130	2,506	1,035	FEB
F.QOH09	119.34	14,832	1,782	608	MAR

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.

