

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	51.91	-2.52	54.62	51.78	54.62	23,667	214,676	WTI Crude
HOA	168.7400	-3.9700	172.71	167.5	172.71	1,208	42,348	Heating Oil
RBA	116.75	-4.01	120.5	116.4	120.5	1,739	24,000	Unleaded Gas
NGA	64.21	-0.8900	65.87	64.16	65.5	1,105	56,713	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.CLAZ08	48.70				
F.CLAF09	51.91	0.00	129,155	18,826	JAN
F.CLAG09	53.30	0.00	29,016	3,968	FEB
F.CLAH09	54.80	0.00	12,789	1,027	MAR
F.CLAJ09	55.86	0.00	29,016	3,968	APR
F.CLAK09	57.96	0.00	5,280	184	MAY

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

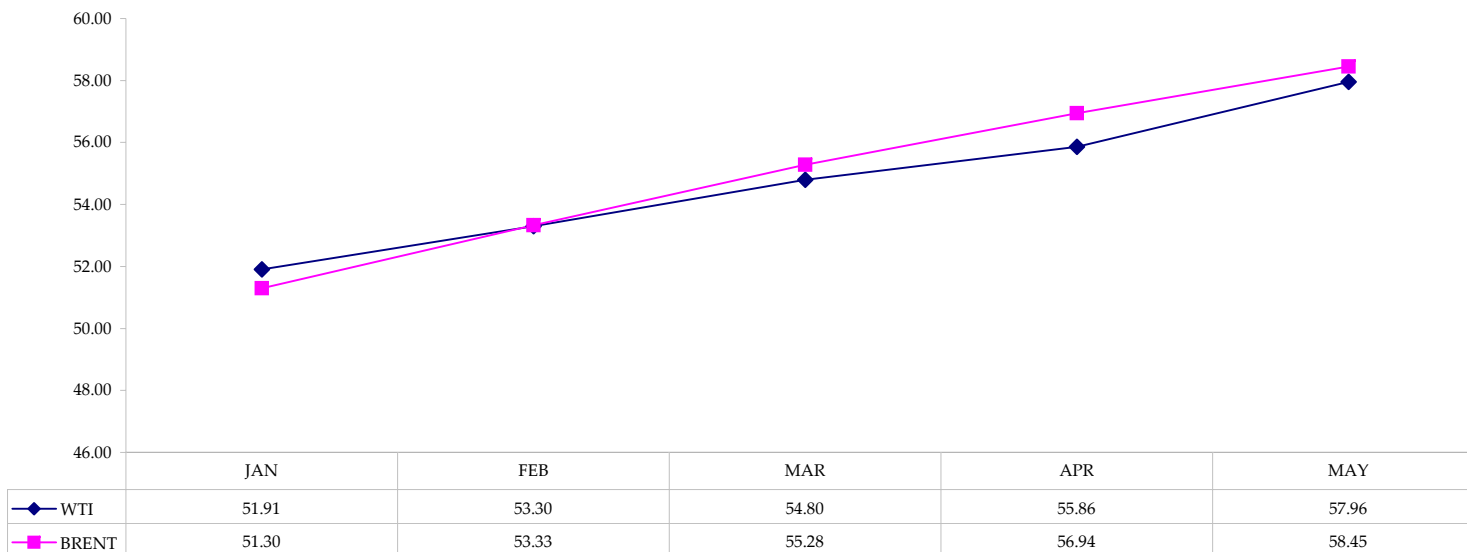
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOZ08					
F.QOF09	51.30	90,463	74,929	21,129	JAN
F.QOG09	53.33	121,880	37,685	8,442	FEB
F.QOH09	55.28	50,760	17,792	4,286	MAR
F.QOJ09	56.94	121,880	37,685	8,442	APR
F.QOK9	58.45	19,848	7,758	2,694	MAY

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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