

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	46.11	-0.68	47.27	45.3	47	16,094	357,780	WTI Crude
HOA	156.6700	-1.7300	159.05	155.42	158.55	1,141	78,752	Heating Oil
RBA	101.27	-2.88	104.15	100.73	103.71	1,934	80,141	Unleaded Gas
NGA	63.47	0.0000	63.86	62.95	63.7	716	90,578	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

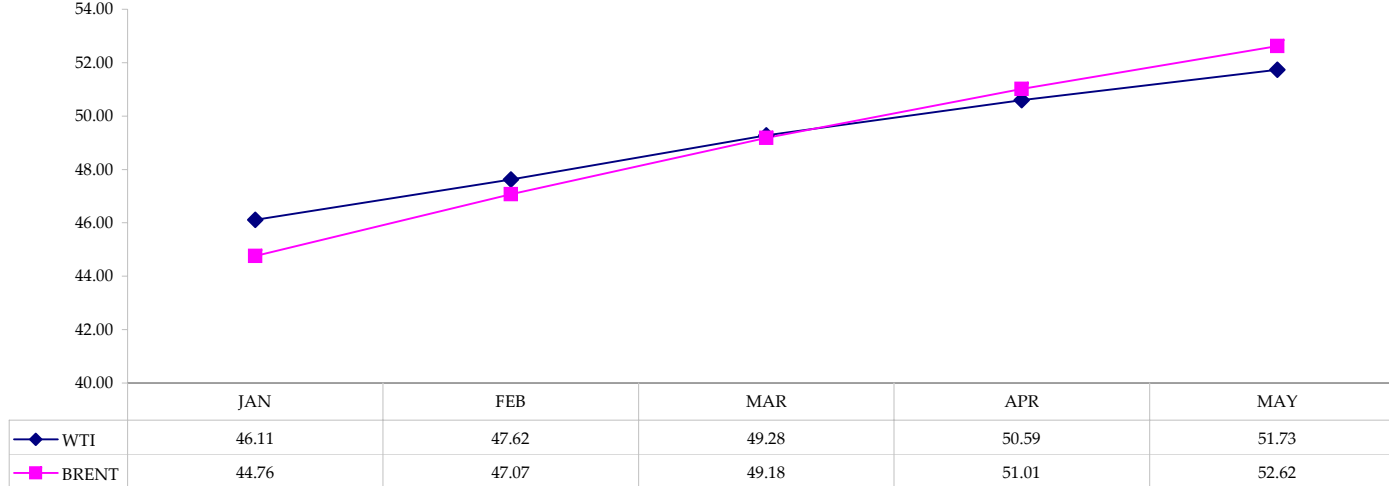
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<HELP> for explanation.
9<GO> to set as default calendar
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1) Custom Calendars		2) Options		3) Economic Calendars			
Region	North America	Country	United States	Type	Energy / Commoditie		
Date	12/04/08	05:10:53		United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
21)	12/04 08:15	Fed's Lockhart Speaks at Energy Conference					
22)	12/04 09:30	EIA Natural Gas Storage Change	NOV 28	-68	--	--	--
23)	12/05 12:00	Baker Hughes U.S. Rig Count	DEC 5	--	--	1866	--
24)	12/09	DOE Short-Term Crude Outlook	DEC	--	--	64	--
25)	12/09	DOE Short-Term Hit Oil Outlook	DEC	--	--	2.63	--
26)	12/09	DOE Short-Term Diesel Outlook	DEC	--	--	2.73	--
27)	12/09 13:00	Spending Pulse Gas Demand	DEC 5	--	--	9.36	--
28)	12/09	DOE Short-Term Mogas Outlook	DEC	--	--	2.37	--
29)	12/09	DOE Short-Term NatGas Outlook	DEC	--	--	12.55	--
30)	12/10 09:35	DOE U.S. Crude Oil Inventories	DEC 5	--	--	--	--
31)	12/10 09:35	DOE U.S. Gasoline Inventories	DEC 5	--	--	--	--
32)	12/10 09:35	DOE U.S. Distillate Inventory	DEC 5	--	--	--	--
33)	12/10 09:35	DOE U.S. Refinery Utilization	DEC 5	--	--	--	--
34)	12/10 09:35	DOE Cushing OK Crude Inventory	DEC 5	--	--	--	--
35)	12/10 09:35	API U.S. Crude Oil Inventories	DEC 5	--	--	--	--
36)	12/10 09:35	API U.S. Gasoline Inventories	DEC 5	--	--	--	--
37)	12/10 09:35	API U.S. Distillate Inventory	DEC 5	--	--	--	--
38)	12/11 09:35	EIA Natural Gas Storage Change	DEC 5	--	--	--	--
39)	12/12 12:00	Baker Hughes U.S. Rig Count	DEC 12	--	--	--	--

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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Spreads - WTI and BRENT

NYMEX - WTI						ICE - BRENT					
	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month	
F.CLAF09	46.11	0.00	197,334	13,128	JAN	F.QOF09	44.76	69,984	98,705	13,352	JAN
F.CLAG09	47.62	0.00	60,089	2,923	FEB	F.QOG09	47.07	147,745	58,691	7,233	FEB
F.CLAH09	49.28	0.00	29,553	1,503	MAR	F.QOH09	49.18	59,402	26,938	3,081	MAR
F.CLAJ09	50.59	0.00	60,089	2,923	APR	F.QOJ09	51.01	147,745	58,691	7,233	APR
F.CLAK09	51.73	0.00	9,362	262	MAY	F.QOK9	52.62	15,867	8,349	1,218	MAY
F.CLAM09	53.43	0.00	19,347	268	JUN	F.QOM9	54.27	41,243	58,691	1,620	JUN
F.CLAN09	54.95	0.00	4,045	229	JUL	F.QON09	55.73	14,655	2,453	669	JUL
F.CLAQ09	56.14	0.00	2,275	207	AUG	F.QOQ09	56.95	11,948	850	382	AUG
F.CLAU09	56.98	0.00	1,390	74	SEP	F.QOU09	58.24	13,689	948	236	SEP
F.CLAV09	58.06	0.00	898	51	OCT	F.QOV09	60.20	7,989	634	147	OCT
F.CLAX09	58.88	0.00	757	45	NOV	F.QOX09	#VALUE!	10,681	811	120	NOV
F.CLAZ09	59.43	0.00	11,937	428	DEC	F.QOZ09	61.45	55,135	13,485	1,220	DEC



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

Crack Spreads relative to Crude:

If crack spread weak then less

incentive to store crude.

That's bearish for crude.

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.