

## 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
CLA	45.41	-2.57	47.51	44.7	47	35,263	592,066	WTI Crude
HOA	146.6200	-4.0400	149.5	144.53	148.5	1,041	93,905	Heating Oil
RBA	103.31	-4.55	107.11	102.05	105.52	1,846	76,339	Unleaded Gas
NGA	54.71	-1.2700	55.7	54.71	55.7	890	141,192	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. N242 n Index ECO  
 9<G0> to set as default calendar

1) Custom Calendars      2) Options      Economic Calendars

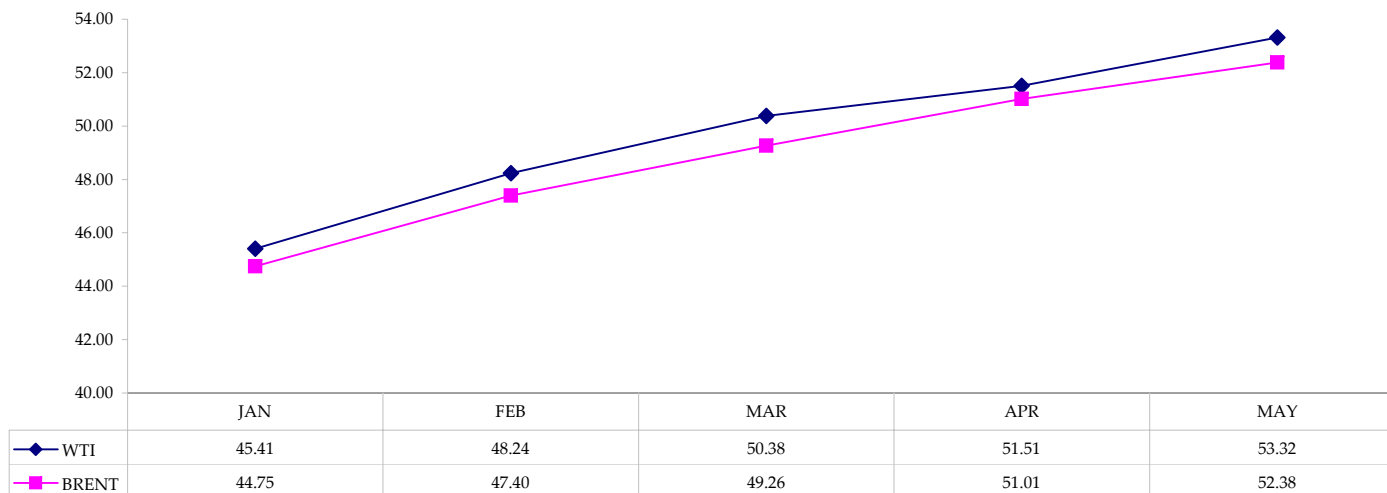
Region **North America**    Country **United States**    Type **Energy / Commodities**

Date **12/11/08**      05:09:57      **United States: Energy / Commodities**

	Date	Time	A M	Event	Period	Survey	Actual	Prior	Revised
29)	12/11	09:35		EIA Natural Gas Storage Change	DEC 5	-77	--	-64	--
30)	12/12	12:00		Baker Hughes U.S. Rig Count	DEC 12	--	--	1852	--
31)	12/16	13:00		Spending Pulse Gas Demand	DEC 12	--	--	9.33	--
32)	12/17			OPEC Conference - Oran, Algeria					
33)	12/17	09:35		DOE U.S. Crude Oil Inventories	DEC 12	--	--	392K	--
34)	12/17	09:35		DOE U.S. Gasoline Inventories	DEC 12	--	--	3722K	--
35)	12/17	09:35		DOE U.S. Distillate Inventory	DEC 12	--	--	5614K	--
36)	12/17	09:35		DOE U.S. Refinery Utilization	DEC 12	--	--	3.10%	--
37)	12/17	09:35		DOE Cushing OK Crude Inventory	DEC 12	--	--	-80K	--
38)	12/17	09:35		API U.S. Crude Oil Inventories	DEC 12	--	--	3436K	--
39)	12/17	09:35		API U.S. Gasoline Inventories	DEC 12	--	--	5046K	--
40)	12/17	09:35		API U.S. Distillate Inventory	DEC 12	--	--	3744K	--
41)	12/18	09:35		EIA Natural Gas Storage Change	DEC 12	--	--	--	--
42)	12/19	12:00		Baker Hughes U.S. Rig Count	DEC 19	--	--	--	--
43)	12/23	13:00		Spending Pulse Gas Demand	DEC 19	--	--	--	--
44)	12/24	09:35		DOE U.S. Crude Oil Inventories	DEC 19	--	--	--	--
45)	12/24	09:35		DOE U.S. Gasoline Inventories	DEC 19	--	--	--	--
46)	12/24	09:35		DOE U.S. Distillate Inventory	DEC 19	--	--	--	--
47)	12/24	09:35		DOE U.S. Refinery Utilization	DEC 19	--	--	--	--

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						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	45.41	0.00	282,170	24,573	JAN	F.QOF09	44.75	42,478	98,174	16,789	JAN
F.CLAG09	48.24	0.00	134,515	12,878	FEB	F.QOG09	47.40	144,468	102,477	29,142	FEB
F.CLAH09	50.38	0.00	55,193	3,085	MAR	F.QOH09	49.26	99,487	46,947	9,397	MAR
F.CLAJ09	51.51	0.00	134,515	12,878	APR	F.QOJ09	51.01	144,468	102,477	29,142	APR
F.CLAK09	53.32	0.00	17,052	583	MAY	F.QOK9	52.38	21,802	11,010	2,428	MAY
F.CLAM09	54.04	0.00	23,766	509	JUN	F.QOM9	53.54	39,345	102,477	2,536	JUN
F.CLAN09	56.34	0.00	8,639	208	JUL	F.QON09	54.91	16,986	4,613	885	JUL
F.CLAQ09	57.29	0.00	2,344	135	AUG	F.QOQ09	55.85	12,013	3,381	1,110	AUG
F.CLAU09	58.04	0.00	1,822	78	SEP	F.QOU09	56.77	15,690	2,475	909	SEP
F.CLAV09	54.26	0.00	1,629	47	OCT	F.QOV09	58.00	9,426	1,730	489	OCT
F.CLAX09	55.57	0.00	1,736	17	NOV	F.QOX09	#VALUE!	11,482	1,636	599	NOV
F.CLAZ09	58.35	0.00	19,748	303	DEC	F.QOZ09	59.40	51,072	13,050	3,348	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.