

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 | 36.36 | 1.01 | 36.9 | 35.64 | 35.7 | 5,132 | 165,879 | WTI Crude |
| HOA | 125.1200 | 3.0100 | 126 | 124.45 | 124.5 | 389 | 55,400 | Heating Oil |
| RBA | 86 | 2.53 | 86 | 85.7 | 85.7 | 5 | 25,226 | Unleaded Gas |
| NGA | 58.87 | -0.2300 | 59.38 | 58.29 | 58.5 | 195 | 79,299 | 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. N310 n ComdtyECO
 9<GO> to set as default calendar

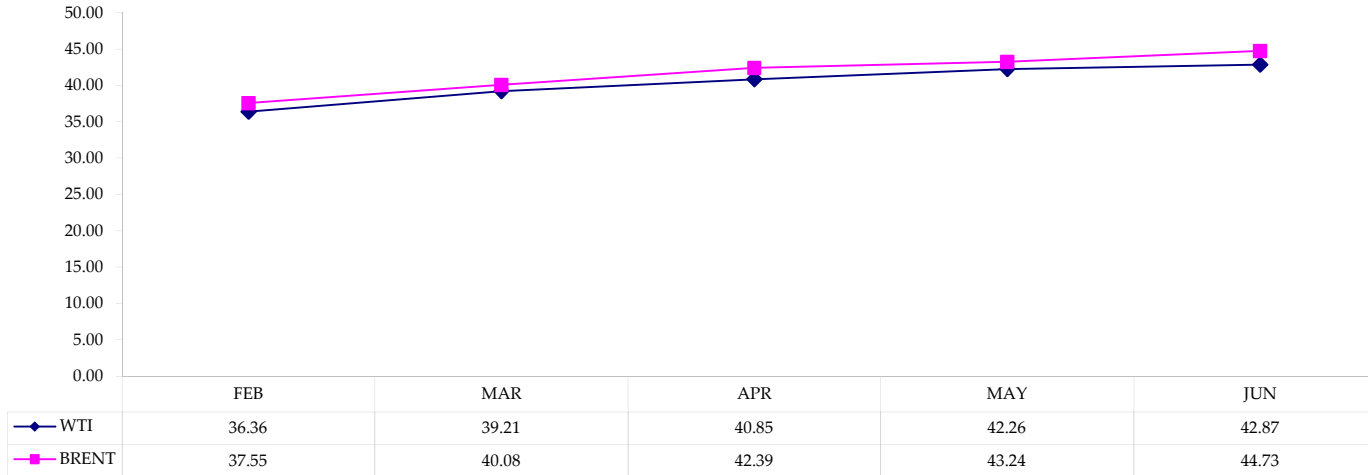
1) Custom Calendars 2) Options 3) Economic Calendars

Region Country Type 
 Date 05:22:18 United States: Energy / Commodities

| | Date | Time | A | M | Event | Period | Survey | Actual | Prior | Revised |
|-----|-------|-------|-------------------------------------|---|--------------------------------|--------|--------|--------|-------|---------|
| 24) | 12/23 | 13:00 | <input checked="" type="checkbox"/> | | Spending Pulse Gas Demand | DEC 19 | -- | -- | 9.10 | -- |
| 25) | 12/24 | 09:35 | <input checked="" type="checkbox"/> | | DOE U.S. Crude Oil Inventories | DEC 19 | 900K | -- | -- | -- |
| 26) | 12/24 | 09:35 | <input checked="" type="checkbox"/> | | DOE U.S. Gasoline Inventories | DEC 19 | 750K | -- | -- | -- |
| 27) | 12/24 | 09:35 | <input checked="" type="checkbox"/> | | DOE U.S. Distillate Inventory | DEC 19 | 900K | -- | -- | -- |
| 28) | 12/24 | 09:35 | <input checked="" type="checkbox"/> | | DOE U.S. Refinery Utilization | DEC 19 | -0.13% | -- | -- | -- |
| 29) | 12/24 | 09:35 | <input checked="" type="checkbox"/> | | DOE Cushing OK Crude Inventory | DEC 19 | -- | -- | -- | -- |
| 30) | 12/24 | 09:35 | <input checked="" type="checkbox"/> | | API U.S. Crude Oil Inventories | DEC 19 | -- | -- | -- | -- |
| 31) | 12/24 | 09:35 | <input checked="" type="checkbox"/> | | API U.S. Gasoline Inventories | DEC 19 | -- | -- | -- | -- |
| 32) | 12/24 | 09:35 | <input checked="" type="checkbox"/> | | API U.S. Distillate Inventory | DEC 19 | -- | -- | -- | -- |
| 33) | 12/24 | 11:00 | <input checked="" type="checkbox"/> | | EIA Natural Gas Storage Change | DEC 19 | -- | -- | -124 | -- |
| 34) | 12/26 | 12:00 | <input checked="" type="checkbox"/> | | Baker Hughes U.S. Rig Count | DEC 26 | -- | -- | 1764 | -- |
| 35) | 12/30 | 13:00 | <input checked="" type="checkbox"/> | | Spending Pulse Gas Demand | DEC 26 | -- | -- | -- | -- |
| 36) | 12/31 | 09:35 | <input checked="" type="checkbox"/> | | DOE U.S. Crude Oil Inventories | DEC 26 | -- | -- | -- | -- |
| 37) | 12/31 | 09:35 | <input checked="" type="checkbox"/> | | DOE U.S. Gasoline Inventories | DEC 26 | -- | -- | -- | -- |
| 38) | 12/31 | 09:35 | <input checked="" type="checkbox"/> | | DOE U.S. Distillate Inventory | DEC 26 | -- | -- | -- | -- |
| 39) | 12/31 | 09:35 | <input checked="" type="checkbox"/> | | DOE U.S. Refinery Utilization | DEC 26 | -- | -- | -- | -- |
| 40) | 12/31 | 09:35 | <input checked="" type="checkbox"/> | | DOE Cushing OK Crude Inventory | DEC 26 | -- | -- | -- | -- |
| 41) | 12/31 | 09:35 | <input checked="" type="checkbox"/> | | API U.S. Crude Oil Inventories | DEC 26 | -- | -- | -- | -- |
| 42) | 12/31 | 09:35 | <input checked="" type="checkbox"/> | | API U.S. Gasoline Inventories | DEC 26 | -- | -- | -- | -- |

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 | 36.00 | | | | | F.QOF09 | #VALUE! | | | | |
| F.CLAG09 | 36.36 | 0.00 | 93,376 | 4,176 | FEB | F.QOG09 | 37.55 | 0 | 55,646 | 1,470 | FEB |
| F.CLAH09 | 39.21 | 0.00 | 31,635 | 647 | MAR | F.QOH09 | 40.08 | 0 | 21,214 | 335 | MAR |
| F.CLAJ09 | 40.85 | 0.00 | 93,376 | 4,176 | APR | F.QOJ09 | 42.39 | 0 | 55,646 | 1,470 | APR |
| F.CLAK09 | 42.26 | 0.00 | 6,184 | 112 | MAY | F.QOK9 | 43.24 | 0 | 1,412 | 115 | MAY |
| F.CLAM09 | 42.87 | 0.00 | 9,568 | 11 | JUN | F.QOM9 | 44.73 | 0 | 55,646 | 73 | JUN |
| F.CLAN09 | 44.08 | 0.00 | 4,565 | 0 | JUL | F.QON09 | 46.22 | 0 | 910 | 0 | JUL |
| F.CLAQ09 | 47.08 | 0.00 | 336 | 0 | AUG | F.QOQ09 | 47.62 | 0 | 588 | 0 | AUG |
| F.CLAU09 | 47.97 | 0.00 | 86 | 0 | SEP | F.QOU09 | 48.62 | 0 | 279 | 0 | SEP |
| F.CLAV09 | 48.00 | 0.00 | 165 | 0 | OCT | F.QOV09 | 49.48 | 0 | 187 | 0 | OCT |
| F.CLAX09 | 48.76 | 0.00 | 180 | 0 | NOV | F.QOX09 | 50.25 | 0 | 198 | 0 | NOV |
| F.CLAZ09 | 49.55 | 0.00 | 2,872 | 7 | DEC | F.QOZ09 | 49.94 | 0 | 1,813 | 0 | 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.