



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 | 136.11 | 0.06 | 136.9 | 135.43 | 135.8 | 16,192 | 477,236 | WTI Crude |
| HOA | 386.4700 | 1.3100 | 388.03 | 384.55 | 384.89 | 548 | 68,105 | Heating Oil |
| RBA | 338.3 | 0.22 | 338.9 | 336.5 | 338 | 493 | 69,606 | Unleaded Gas |
| NGA | 121.09 | 1.0300 | 121.3 | 119.55 | 119.55 | 1,690 | 206,501 | 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. N118 n ComdtyECO
 Enter all fields and hit <GO>

1) Custom Calendars 2) Options 3) Al Economic Calendars

Region North America Country United States Type Energy / Commoditie 

Date 07/09/08 United States: Energy / Commodities

| | Date | Time | A M | Event | Period | Survey | Actual | Prior | Revised |
|-----|-------|-------|-----|--------------------------------|--------|--------|--------|--------|---------|
| 29) | 07/09 | 09:35 | ☒ | DOE U.S. Crude Oil Inventories | JUL 4 | -2100K | -- | -1982K | -- |
| 30) | 07/09 | 09:35 | ☒ | DOE U.S. Gasoline Inventories | JUL 4 | 100K | -- | 2100K | -- |
| 31) | 07/09 | 09:35 | ☒ | DOE U.S. Distillate Inventory | JUL 4 | 2000K | -- | 1264K | -- |
| 32) | 07/09 | 09:35 | ☒ | DOE U.S. Refinery Utilization | JUL 4 | 0.13% | -- | 0.63% | -- |
| 33) | 07/09 | 09:35 | ☒ | DOE Cushing OK Crude Inventory | JUL 4 | -- | -- | 173K | -- |
| 34) | 07/09 | 09:35 | ☒ | API U.S. Crude Oil Inventories | JUL 4 | -- | -- | -1276K | -- |
| 35) | 07/09 | 09:35 | ☒ | API U.S. Gasoline Inventories | JUL 4 | -- | -- | 103K | -- |
| 36) | 07/09 | 09:35 | ☒ | API U.S. Distillate Inventory | JUL 4 | -- | -- | -10K | -- |
| 37) | 07/10 | 09:30 | ☒ | EIA Natural Gas Storage Change | JUL 4 | 95 | -- | -- | -- |
| 38) | 07/11 | 12:00 | ☒ | Baker Hughes U.S. Rig Count | JUL 11 | -- | -- | 1921 | -- |
| 39) | 07/16 | 09:30 | ☒ | DOE U.S. Crude Oil Inventories | JUL 11 | -- | -- | -- | -- |
| 40) | 07/16 | 09:30 | ☒ | DOE U.S. Gasoline Inventories | JUL 11 | -- | -- | -- | -- |
| 41) | 07/16 | 09:30 | ☒ | DOE U.S. Distillate Inventory | JUL 11 | -- | -- | -- | -- |
| 42) | 07/16 | 09:30 | ☒ | DOE U.S. Refinery Utilization | JUL 11 | -- | -- | -- | -- |
| 43) | 07/16 | 09:30 | ☒ | DOE Cushing OK Crude Inventory | JUL 11 | -- | -- | -- | -- |
| 44) | 07/16 | 09:30 | ☒ | API U.S. Crude Oil Inventories | JUL 11 | -- | -- | -- | -- |
| 45) | 07/16 | 09:30 | ☒ | API U.S. Gasoline Inventories | JUL 11 | -- | -- | -- | -- |
| 46) | 07/16 | 09:30 | ☒ | API U.S. Distillate Inventory | JUL 11 | -- | -- | -- | -- |
| 47) | 07/17 | 09:30 | ☒ | EIA Natural Gas Storage Change | JUL 11 | -- | -- | -- | -- |

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 | | | | | | |
|-------------|----------|--------|---------|----------|-------------|----------|--------|---------|----------|--------|-----|
| | Yest. | Yest. | Today's | Contract | | Yest. | Yest. | Today's | Contract | | |
| Last | Open Int | Volume | Volume | Month | Last | Open Int | Volume | Volume | Month | | |
| F.CLAQ08 | 136.11 | 0.00 | 277,656 | 14,585 | AUG | F.QOQ08 | 136.67 | 54,082 | 95,667 | 16,366 | AUG |
| F.CLAU08 | 136.78 | 0.00 | 106,203 | 3,328 | SEP | F.QOU08 | 137.59 | 99,497 | 74,719 | 14,280 | SEP |
| F.CLAV08 | 137.22 | 0.00 | 27,527 | 640 | OCT | F.QOV08 | 138.51 | 73,227 | 39,565 | 6,790 | OCT |
| F.CLAX08 | 137.88 | 0.00 | 16,109 | 506 | NOV | F.QOX08 | 139.22 | 29,625 | 14,039 | 2,588 | NOV |
| F.CLAZ08 | 138.37 | 0.00 | 26,768 | 612 | DEC | F.QOZ08 | 139.73 | 62,930 | 17,552 | 1,771 | DEC |
| F.CLAF09 | 138.34 | 0.00 | 3,673 | 2 | JAN | F.QOF09 | 140.52 | 25,501 | 3,863 | 327 | JAN |

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.

