



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	143.88	-1.2	145.17	142.49	144.69	20,425	556,517	WTI Crude
HOA	404.9600	-2.7000	408.26	401.32	407.64	1,344	72,101	Heating Oil
RBA	352.78	-3.54	356.3	351.14	356.3	1,294	74,056	Unleaded Gas
NGA	119.67	0.6300	120.9	119.37	119.55	1,665	191,862	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					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	143.88	0.00	308,083	16,962	AUG	F.QOQ08	143.41	42,739	108,858	11,292	AUG
F.CLAU08	144.49	0.00	114,899	6,103	SEP	F.QOU08	144.64	102,192	103,558	14,241	SEP
F.CLAV08	144.86	0.00	33,206	1,202	OCT	F.QOV08	145.52	89,339	44,048	4,898	OCT
F.CLAX08	144.81	0.00	21,423	547	NOV	F.QOX08	146.29	29,371	20,631	2,160	NOV
F.CLAZ08	145.35	0.00	41,933	596	DEC	F.QOZ08	146.75	63,562	25,955	1,997	DEC
F.CLAF09	145.21	0.00	4,058	106	JAN	F.QOF09	146.50	25,750	6,243	209	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.

