



## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	133.12	-1.49	135.18	132.5	133.6	36,550	552,979	WTI Crude
HOA	379.0200	-3.7200	385.43	378.06	379.76	2,375	148,121	Heating Oil
RBA	340.7	-3.09	346.59	340	342.1	864	117,723	Unleaded Gas
NGA	129.59	0.2600	129.74	128.96	129.45	610	218,204	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**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAN08	133.12	na	555,860	17,881	JUL
F.CLAQ08	133.76	na	286,712	14,120	AUG
F.CLAU08	134.29	na	121,187	2,469	SEP
F.CLAV08	134.50	na	61,961	516	OCT
F.CLAX08	134.65	na	27,397	307	NOV
F.CLAZ08	134.93	na	63,592	1,254	DEC

**ICE - BRENT**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QON08	134.26				
F.QOQ08	132.75	125,733	112,994	31,144	AUG
F.QOU08	133.89	108,224	57,396	18,239	SEP
F.QOV08	134.71	49,089	31,874	11,793	OCT
F.QOX08	135.31	21,340	15,873	6,932	NOV
F.QOZ08	135.74	63,910	22,604	8,952	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

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.

