



## The Morning Email: Oil

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
CLA	135.76	-0.92	137.13	135.52	136.09	28,152	559,298	WTI Crude
HOA	383.0000	-3.0000	387.25	382.59	384.84	2,310	144,764	Heating Oil
RBA	345.41	-1.26	347.98	345.41	346.5	651	164,097	Unleaded Gas
NGA	133.24	1.1400	133.24	132.6	132.6	918	175,536	Natural Gas

All contracts quoted are electronic.

All contraces 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	135.76	na	432,210	15,089	JUL
F.CLAQ08	136.32	na	418,850	19,456	AUG
F.CLAU08	136.68	na	57,338	1,959	SEP
F.CLAV08	136.75	na	25,579	359	OCT
F.CLAX08	136.79	na	13,223	209	NOV
F.CLAZ08	136.89	na	32,066	411	DEC

**ICE - BRENT**

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QON08	134.26				
F.QOQ08	135.43	101,481	95,399	27,904	AUG
F.QOU08	136.22	111,231	39,546	16,205	SEP
F.QOV08	136.77	46,462	21,507	8,524	OCT
F.QOX08	137.25	20,940	10,547	5,491	NOV
F.QOZ08	137.50	62,418	15,255	5,310	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.

