

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	56.46	0.3	56.56	54.67	55.44	19,242	409,032	WTI Crude
HOA	183.2800	-0.2600	183.77	179.19	181.86	1,072	85,165	Heating Oil
RBA	125	0.19	125.43	122	124	903	66,796	Unleaded Gas
NGA	63.04	-1.0100	64	62.83	63.49	717	167,622	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. P110 n Corp ECO
 9<GO> to set as default calendar

1) Custom Calendars		2) Options		3) Alerts		Economic Calendars	
Region	North America	Country	United States	Type	Energy / Commoditie		
Date	11/13/08	05:11:00		United States: Energy / Commodities			
Date	Time A M	Event	Period	Survey	Actual	Prior	Revised
22)	11/13 10:00	API U.S. Distillate Inventory	NOV 7	-	-	-1855K	-
23)	11/13 10:00	API U.S. Gasoline Inventories	NOV 7	-	-	1624K	-
24)	11/13 10:00	API U.S. Crude Oil Inventories	NOV 7	-	-	1787K	-
25)	11/13 10:00	DOE Cushing OK Crude Inventory	NOV 7	-	-	1815K	-
26)	11/13 10:00	DOE U.S. Refinery Utilization	NOV 7	0.20%	-	-0.06%	-
27)	11/13 10:00	DOE U.S. Distillate Inventory	NOV 7	900K	-	1206K	-
28)	11/13 10:00	DOE U.S. Gasoline Inventories	NOV 7	100K	-	1123K	-
29)	11/13 10:00	DOE U.S. Crude Oil Inventories	NOV 7	1000	-	1787	-
30)	11/14 09:35	EIA Natural Gas Storage Change	NOV 7	46	-	12	-
31)	11/14 12:00	Baker Hughes U.S. Rig Count	NOV 14	-	-	1992	-
32)	11/19 09:35	DOE U.S. Crude Oil Inventories	NOV 14	-	-	-	-
33)	11/19 09:35	DOE U.S. Gasoline Inventories	NOV 14	-	-	-	-
34)	11/19 09:35	DOE U.S. Distillate Inventory	NOV 14	-	-	-	-
35)	11/19 09:35	DOE U.S. Refinery Utilization	NOV 14	-	-	-	-
36)	11/19 09:35	DOE Cushing OK Crude Inventory	NOV 14	-	-	-	-
37)	11/19 09:35	API U.S. Crude Oil Inventories	NOV 14	-	-	-	-
38)	11/19 09:35	API U.S. Gasoline Inventories	NOV 14	-	-	-	-
39)	11/19 09:35	API U.S. Distillate Inventory	NOV 14	-	-	-	-
40)	11/20 09:30	EIA Natural Gas Storage Change	NOV 14	-	-	-	-

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.
 H367-55-0 13-Nov-08 5:11:00

NYMEX - WTI

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.CLAX08	71.28				
F.CLAZ08	56.46	0.00	230,214	15,815	DEC
F.CLAF09	57.27	0.00	90,820	5,865	JAN
F.CLAG09	58.10	0.00	24,146	810	FEB
F.CLAH09	59.12	0.00	12,395	560	MAR
F.CLAJ09	58.74	0.00	24,146	810	APR

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

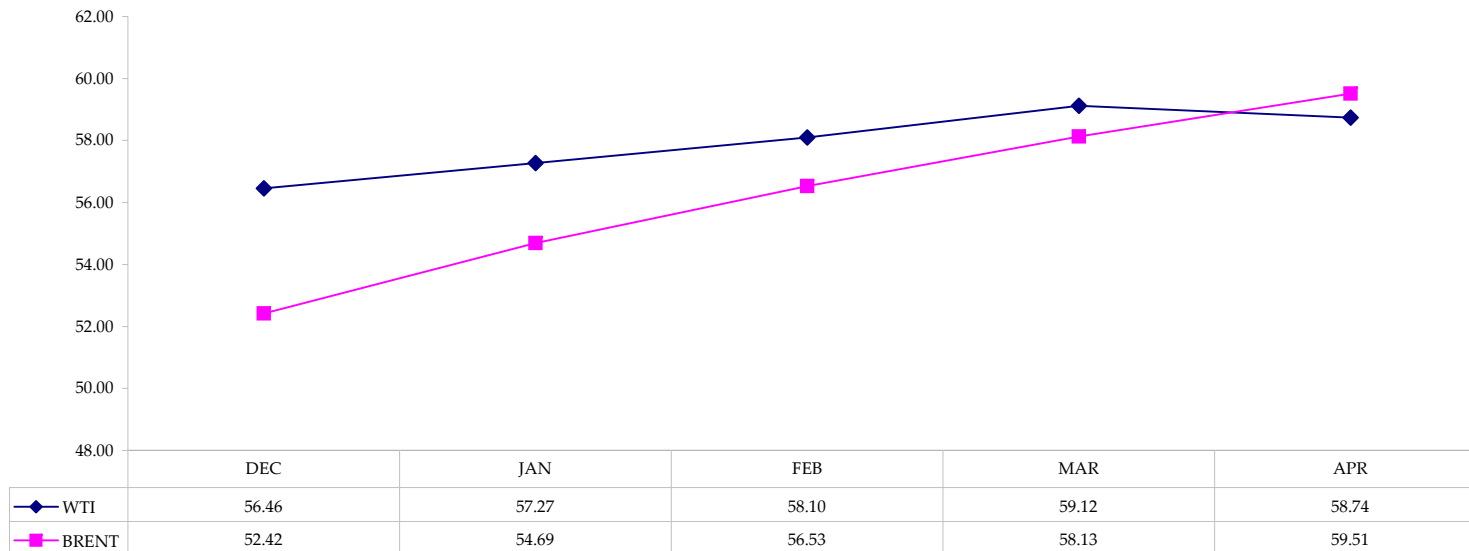
ICE - BRENT

	Last	Yest. Open Int	Yest. Volume	Today's Volume	Contract Month
F.QOX08	#VALUE!				
F.QOZ08	52.42	33,838	95,870	7,784	DEC
F.QOF09	54.69	137,051	128,518	25,142	JAN
F.QOG09	56.53	91,848	52,632	7,480	FEB
F.QOH09	58.13	36,618	15,101	3,118	MAR
F.QOJ09	59.51	91,848	52,632	7,480	APR

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.



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Crack Spreads relative to Crude:

If crack spread weak then less incentive to store crude.

That's bearish for crude.

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Contango is bearish for price.