

## The Morning Email: Oil

### Table of Contents

**Pg 1** Quotes

**Pg 2** Economic Releases

**Pg 3** Spreads - WTI and BRENT

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## ENERGY MATRIX - NYMEX PRODUCTS

NYMEX	Last	NET	High	Low	Open	Volume	Yest. Vol	SYM Name
<b>CLA</b>	74.09	2.24	74.25	71.81	72.16	16,810	450,413	WTI Crude
<b>HOA</b>	218.6500	5.3600	218.9	213.33	213.64	702	54,827	Heating Oil
<b>RBA</b>	171.98	5.37	172	166.91	168.5	979	55,283	Unleaded Gas
<b>NGA</b>	69.56	1.7000	69.87	68.5	68.54	1,768	134,744	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.CLAX08	74.09	0.00	141,907	6,951	NOV
F.CLAZ08	74.29	0.00	188,743	12,884	DEC
F.CLAF09	74.43	0.00	32,216	2,467	JAN
F.CLAG09	74.77	0.00	12,568	605	FEB
F.CLAH09	74.40	0.00	8,571	233	MAR
F.CLAJ09	74.85	0.00	12,568	605	FEB

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	66.31	0	0	0	NOV
F.QOZ08	71.69	120,190	117,484	27,956	DEC
F.QOF09	73.06	96,435	48,684	12,437	JAN
F.QOG09	74.20	39,264	18,671	5,338	FEB
F.QOH09	75.15	27,431	11,547	4,012	MAR
F.QOJ09	75.99	39,264	18,671	5,338	FEB

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.

