

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	107.47	1.24	109.12	106.82	107.75	31,155	392,210	WTI Crude
HOA	302.2200	3.9400	306.48	299.86	299.86	1,808	61,537	Heating Oil
RBA	276.3	7.69	280.43	271.1	271.1	8,303	81,371	Unleaded Gas
NGA	75.9	1.4100	77.05	75.6	76	2,495	133,304	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.CLAV08	107.47	0.00	249,111	23,817	OCT
F.CLAX08	107.85	0.00	73,084	9,355	NOV
F.CLAZ08	108.36	0.00	52,716	3,813	DEC
F.CLAF09	108.24	0.00	12,160	529	JAN
F.CLAG09	109.40	0.00	6,941	366	FEB
F.CLAH09	109.52	0.00	4,458	229	MAR
F.CLAJ09	109.00	0.00	6,941	366	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.QOV08	105.08	73,084	93,064	16,587	OCT
F.QOX08	106.61	125,317	62,138	11,523	NOV
F.QOZ08	108.03	86,439	35,294	7,440	DEC
F.QOF09	108.92	37,119	9,219	2,469	JAN
F.QOG09	110.03	21,562	3,878	933	FEB
F.QOH09	110.65	17,315	3,231	294	MAR
F.QOJ09	110.96	21,562	3,878	933	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.

