

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	97.07	-4.11	101.19	96.31	101	66,911	475,506	WTI Crude
HOA	280.6200	-13.2900	292	280	292	5,414	76,894	Heating Oil
RBA	259.45	-17.51	280.25	258.1	280.25	10,083	108,005	Unleaded Gas
NGA	72.95	-0.7100	75.09	72.33	73.72	3,450	174,909	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	97.07	0.00	273,124	44,719	OCT
F.CLAX08	97.35	0.00	139,291	24,337	NOV
F.CLAZ08	97.93	0.00	64,356	9,024	DEC
F.CLAF09	98.60	0.00	17,931	1,047	JAN
F.CLAG09	99.20	0.00	4,971	541	FEB
F.CLAH09	100.25	0.00	3,505	359	MAR
F.CLAJ09	101.90	0.00	4,971	541	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	93.97	25,779	68,239	10,071	OCT
F.QOX08	95.88	106,153	110,925	36,757	NOV
F.QOZ08	97.40	106,333	58,650	18,512	DEC
F.QOF09	99.00	41,382	17,745	5,685	JAN
F.QOG09	99.95	22,969	5,200	2,130	FEB
F.QOH09	100.65	19,556	2,509	803	MAR
F.QOJ09	101.19	22,969	5,200	2,130	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.

