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May 4, 2015

RE: 15-00140-FOIA
Final Report of the 2008-2009
Investigation regarding the
Interagency Task Force on
Commodity Markets Interim Report
on Crude Oil


This is in response to your request dated May 4, 2015, under the Freedom of Information Act seeking access to a copy of the Final Report of the 2008-2009 Investigation regarding the Interagency Task Force on Commodity Markets Interim Report on Crude Oil. In accordance with the FOIA and agency policy, we have searched our records, as of May 4, 2015, the date we received your request in our FOIA office.

We have located 81 pages of responsive records. I am granting partial access to, and am enclosing copies of, the accessible records. Portions of these pages contain personal information, which is exempt from release under FOIA Exemption 6 because individuals' right to privacy outweighs the general public's interest in seeing personal identifying information. 5 U.S.C. § 552(b)(6); *see also The Lakin Law Firm v. FTC*, 352 F.3d 1122 (7th Cir. 2003).

If you are not satisfied with this response to your request, you may appeal by writing to Freedom of Information Act Appeal, Office of the General Counsel, Commodity Futures Trading Commission, Three Lafayette Centre, 8th Floor, 1155 21st Street, N.W., Washington, D.C. 20581, within 30 days of the date of this letter. Please enclose a copy of your original request and a copy of this response.

If you have any questions about the way we handled your request, or about our FOIA regulations or procedures, please contact Linda J. Mauldin at 202-418-5497.

Sincerely,


Joan E. Fina
Assistant General Counsel

**An Investigation of Allegations of Wrongdoing
In Connection with the Release of the
Interim Report on Crude Oil Prepared by the
Interagency Task Force on Commodity Markets**

REPORT OF INVESTIGATION

Prepared by the
Office of the Inspector General
Commodity Futures Trading Commission

September 11, 2008

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dated June 9, 2008

APPENDIX V Letter from the Acting Chairman to the United States Senate
dated July 8, 2008.

EXECUTIVE SUMMARY

This report presents the results of an investigation of allegations of wrongdoing regarding the Interim Report on Crude Oil (Interim Report) issued by the Interagency Task Force on Commodity Markets (ITF) on July 22, 2008. Four U.S. Senators made the following allegations:

- The authors and contributors of the Interim Report on Crude Oil knowingly used flawed data that was inaccurate (and not the government's best available data)
- The Interim Report analyzed the crude oil markets using flawed analytical methods
- The Commodity Futures Trading Commission (CFTC) timed the release of the Interim Report improperly in order to influence a Senate vote

To investigate these allegations, we interviewed 44 individuals, including officers and employees of CFTC, the Treasury Department, the Energy Information Agency, the Federal Reserve Board, the Department of Agriculture, the Securities and Exchange Commission and the Council of Economic Advisers. We reviewed multiple drafts of the Interim Report, relevant Email, Congressional testimony, proposed legislation and other materials. We reviewed the analyses used in the Interim Report.

Our report concludes the evidence does not support the allegations. With regard to data accuracy, we conclude based on witness interviews and documentary evidence that the Interim Report used the most complete and accurate information available. During preparation of the Interim Report, a significant correction to CFTC market data necessitated amendments to the draft and analysis. However, all necessary revisions were completed prior to release of the Interim Report. In addition, we conclude the data used to compile the Interim Report was not incomplete. Certainly additional information could be valuable, and the Interim Report disclosed that additional market information recently requested by the Agency would be analyzed in a future report scheduled for release in September.

We also conclude that the Interim Report did not employ a flawed analytical method. The analytical method employed in the Interim Report has been widely accepted for decades, and any caveats or limitations were fully disclosed in the Interim Report.

Finally, we conclude that the Interim Report was most likely not released in order to influence a Senate vote. While the release date did closely precede a Senate vote, on balance it appears more likely that the Interim Report had been previously scheduled for release in mid-July, weeks before the Senate vote was scheduled. The facts indicate a coincidence more than a contrived event.

While we conclude the allegations are not supported, we also conclude that a CFTC Special Announcement issued on July 18, 2008, should have disclosed more. The Special Announcement briefly disclosed a position reclassification in energy futures, and was accompanied by parallel Commitment of Traders (COT) Reports giving before and after views of the position classifications. We believe the July 18, 2008 Special Announcement should have stated in narrative form the same information disclosed to market professionals through the COT Reports regarding the size of the reclassification and the affected categories. In addition, the Special Announcement should have explained that all future studies would use the revised data, that the circumstances of the reclassification would be closely reviewed, and that any necessary amendments to prior testimony, publications, studies or presentations would be announced.

PART ONE INTRODUCTION

I. Allegations and Scope of Investigation.

In August 2008, the CFTC Office of the Inspector General (OIG) began an investigation of allegations concerning the Interim Report issued by the ITF on July 22, 2008. The allegations were received from four United States Senators (“the Senators”).¹ The Senators alleged that the Interim Report² contained inaccurate, incomplete or flawed information. Specifically, the Senators alleged that the report was issued before CFTC received all information necessary to complete a comprehensive analysis of the crude oil market, and that the report was issued based on incorrect large trader data compiled by CFTC. In addition, the Senators requested an investigation into whether the Interim Report was based on flawed analysis; and whether it was timed improperly to influence a Senate vote on pending legislation.

II. Methodology of the Investigation

During the course of our investigation, we interviewed 44 individuals,³ with follow up discussions in some instances. Individuals interviewed included:

- The Acting Chairman and the three current Commissioners at CFTC⁴
- Michael Loesch, Chief of Staff, CFTC
- Selected staff in the Offices of the Chairman and Commissioners, CFTC
- Richard Shilts, Director, Division of Market Oversight (DMO), CFTC
- (b)(6) (ret.), Deputy Director, Market Surveillance Section, DMO, CFTC

¹ See Appendix I.

² Interagency Task Force on Commodity Markets, Interim Report on Crude Oil, July 22, 2008, <http://www.cftc.gov/stellent/groups/public/@newsroom/documents/file/itfinterimreportoncrudeoil0708.pdf>.

³ Interviews were conducted in person, by phone, and by video conference.

⁴ CFTC refers to the headquarters office in Washington D.C., unless otherwise noted. “Staff” includes supervisory personnel below the Deputy level.

- Staff in the Market Surveillance Section, Headquarters and Central Region, DMO, CFTC
- Staff in the Market Information Group, Eastern Region, Market Surveillance Section, DMO, CFTC
- Staff in the Market Surveillance Group, Eastern Region, Market Surveillance Section, DMO, CFTC
- Jeffrey R. Harris, Chief Economist, CFTC
- Staff in the Office of the Chief Economist (OCE), CFTC
- Terry Arbit, General Counsel, CFTC
- Ianthe J. Zabel, Director, Office of External Affairs, CFTC
- Staff in the Office of External Affairs, CFTC
- Michael R. Baye, Chief Economist and Director of the Bureau of Economics, Federal Trade Commission.
- Floyd D. Gaibler, Deputy Under Secretary for Farm And Foreign Agricultural Services, US Department of Agriculture
- James Overdahl, Chief Economist, Securities and Exchange Commission
- [REDACTED], Associate Director for Risk Analysis, Microstatistics, and Financial Reports, Federal Reserve Board
- [REDACTED], Deputy Associate Director, Division of International Finance, Federal Reserve Board
- Stephen Harvey, Director, Office of Oil and Gas, Energy Information Agency, Department of Energy
- [REDACTED], Assistant Secretary for Economic Policy, U.S. Department of Treasury
- [REDACTED], Acting Deputy Assistant Secretary, Microeconomic Analysis, U.S. Department of Treasury
- Staff of the Council of Economic Advisers

In addition to these interviews, we reviewed documentary evidence including:

- Multiple drafts of the Interim Report
- Multiple CFTC Form 40 Reports-Statement of Reporting Traders (Form 40)
- Relevant Email traffic of CFTC staff
- Press releases, Congressional testimony and other public communications issued by CFTC
- An audio tape of Confidential CFTC Surveillance Briefing to CFTC Commissioners on July 18, 2008
- Related economic studies and information

III. Organization of this Report

This report is organized into seven parts. Part Two gives background information regarding the creation of the Interagency Task Force, as well as a timeline leading up to the release of the Interim Report, including the reclassification of futures and options on futures positions in crude oil that occurred in July 2008. Part Three describes the allegations that were received and will be addressed in the report. Part Four addresses the allegation that the Interim Report was based on information that was inaccurate and not the best available to the CFTC. Part Five addresses the allegation that the Interim Report was based on flawed analyses and incomplete data. Part Six addresses the allegation that the Interim Report was timed to coincide with a Senate vote. Part Seven summarizes the findings and conclusions.

PART TWO BACKGROUND

In May 2008, CFTC announced it would issue Special Calls to obtain information from swaps dealers and commodity index traders regarding trading in energy futures markets.⁵ The CFTC also described the Special Calls in public statements issued in June and July 2008.⁶ The CFTC stated it would gather this information for the following purposes:

- 1. Improve Transparency for Energy Markets Index Trading Activity:** The Commission will use its existing Special Call authorities to immediately begin to require traders in the energy markets to provide the agency with monthly reports of their index trading to help the CFTC further identify the amount and impact of this type of trading in the markets.
- 2. Review of Trader Reporting and Classification:** The Commission will develop a proposal to routinely require more detailed information from index traders and swaps dealers in the futures markets, and to review whether classification of these types of traders can be improved for regulatory and reporting purposes.

⁵ CFTC Special Call authority and processes are described in detail at 17 CFR Chap. 1 Part 21.

⁶ See Fenton, J, "Presentation for CFTC's Energy Markets Advisory Committee Meeting," http://www.cftc.gov/stellent/groups/public/@newsroom/documents/speechandtestimony/event061008_fenton.pdf, and the Opening Statement of CFTC Acting Chairman Walt Lukken Before the Agricultural Advisory Committee, July 29, 2008, available at <http://www.cftc.gov/stellent/groups/public/@newsroom/documents/pressrelease/lukkenaacstatement072908.pdf>.

3. Examine Trading Practices for Index Traders: The Commission will review the trading practices for index traders in the futures markets to ensure that this type of trading activity is not adversely impacting the price discovery process, and to determine whether different practices should be employed.⁷

CFTC announced the formation of the ITF on June 10, 2008.⁸ The ITF would include representatives of CFTC, the Federal Reserve, the Department of the Treasury, the Securities and Exchange Commission, the Department of Energy and the Department of Agriculture.⁹ The CFTC stated:

High commodity prices are posing a significant strain on U.S. households and the announced Interagency Task Force will aid public and regulatory understanding of the forces that are affecting the functioning of these markets. The Interagency Task Force will strive to complete its work as expeditiously as possible, and will make public the results.¹⁰

The ITF met for the first time on June 12, 2008. After June 12, the ITF determined to issue an interim report on crude oil. Subsequent telephone conferences of the ITF took place, including phone conferences on June 30, July 7, and July 10, 2008.

On July 10, 2008, the Acting Chairman announced the intent of the ITF to issue an interim report on crude oil “in the coming weeks.”¹¹

On July 15, 2008, Senators Reid, Durbin, Schumer, Dorgan, and Murray introduced Senate Bill 3268, titled the “Stop Excessive Energy Speculation Act of 2008.”¹² The bill was ordered read the first time and placed on Senate Legislative Calendar under Read the First Time.¹³

On July 17, 2008, Senate Bill 3268 was read the second time, and placed on the Senate Legislative Calendar under General Orders. A motion to proceed to consideration of measure, and a cloture motion on the motion to proceed to the measure, were both presented in the Senate.

On July 18, 2008, CFTC posted to their website a “Special Announcement” stating that “the Commission staff has reclassified certain positions in the energy futures

⁷ The CFTC Press Release may be found here:

<http://www.cftc.gov/newsroom/generalpressreleases/2008/pr5503-08.html>

⁸ The CFTC Press Release may be found here:

<http://www.cftc.gov/newsroom/generalpressreleases/2008/pr5508-08.html>.

⁹ The Interim Report also listed the Federal Trade Commission as a participant. Interim Report, *supra*, p.1.

¹⁰ See fn.7.

¹¹ <http://www.cftc.gov/stellent/groups/public/@newsroom/documents/speechandtestimony/opalukken-46.pdf>.

¹² http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:s3268pcs.txt.pdf.

¹³ All legislative information regarding S3268 is obtained from the Library of Congress website, available at: <http://thomas.loc.gov>.

and options markets from the Commercial category to the Noncommercial category,” that separate COT Reports with and without the reclassification were being posted for that week, and that the following week CFTC intended to publish revised historic data.¹⁴

On July 21, 2008, a motion on Senate Bill 3268 to proceed to measure was considered in the Senate.

On July 22, 2008, a motion on Senate Bill 3268 to proceed to measure was considered in the Senate, and Cloture was invoked in the Senate at 11:28 am by a Ye-Nay Vote of 94-0. The CFTC posted the Interim Report on its website at approximately 4:00 p.m., along with a press release.¹⁵

On July 25, 2008, a second cloture motion on Senate Bill 3268 failed by a vote of 50-43.

PART THREE DESCRIPTION OF ALLEGATIONS

On August 14, 2008, Senators Cantwell, Dorgan, Nelson, and Wyden issued a request to Inspector General Lavik to conduct an investigation into matters related to the release of the Interim Report.¹⁶ In their letter, the Senators made the following statements and raised the following concerns:

- “Why was the report released after CFTC staff had determined that critical information upon which it was based was inaccurate”
- “The unannounced and unexpected Interim Report was released just a few days before a key Senate vote on a pending bill related to speculation in the oil markets. The report, which specifically addressed speculation, appears to have been created and released to influence that Senate vote.”
- “[W]e request that you investigate the process by which the Interim Report was prepared and released, including but not limited to the decision on timing of the public release, the decision to characterize the information contained in the report not only as accurate, but as the best available data, and to identify the individuals involved in making these decisions.”
- “We also ask you to investigate and determine whether other flawed data or analyses were used in preparing the Interim Report.”

¹⁴ <http://www.cftc.gov/marketreports/commitmentsoftraders/index.htm>.

¹⁵ See <http://www.cftc.gov/newsroom/generalpressreleases/2008/pr5520-08.html>.

¹⁶ See Appendix I.

The Senators did not allege violations of specific criminal or civil statutes or regulations. We therefore conducted this investigation as an administrative investigation from the outset.

PART FOUR
**EVIDENCE, ANALYSIS AND CONCLUSIONS REGARDING
THE ACCURACY OF DATA USED IN THE INTERIM REPORT**

I. Reclassification of Crude Oil Positions for the Commitment of Traders Report

In the August 14, 2008 letter, the four Senators focused on the July 18, 2008 reclassification of a large position in crude oil – from “commercial” to “non-commercial” – as the basis for their concern that the report was based on inaccurate information. Our interviews with CFTC staff and management revealed the following chain of events.

Following the Acting Chairman’s May 2008 announcement that Special Calls would be used to extract information from swaps dealers and index traders, CFTC staff in DMO issued over 40 Special Calls to 32 entities. As a result of that inquiry, during the week of July 14, DMO Market Surveillance staff in the Central and Eastern Regions learned that crude oil futures positions (as well as option on futures) that were the subject of a Special Call were not properly categorized. This information came to light when representatives of the Special Call recipient contacted CFTC to clarify its status.

During the first two days of that week, DMO staff and management consulted with representatives of the Special Call recipient. The classification error appeared to stem from notations on the Form 40s¹⁷ filed by the entity or entities involved. The written notations on the Form 40s dated back several years, and it appears the notations were appropriate, or non-consequential, for several years. In 2007, however, relevant account activity gave rise to a re-examination of the Form 40s. The Director of DMO and the Deputy Director for Market Surveillance both stated that the Form 40s should have been re-evaluated, and the classification changed, in July 2007. Because the Form 40 notations were idiosyncratic, the error appears to be unique and not likely to be repeated. The Director of DMO stated they will be studying the situation and implementing appropriate modifications to avoid similar situations in the future.

DMO staff and management understood the size of the position reclassification and the gravity of the situation.¹⁸ Those expressing an opinion indicated it was the largest position reclassification they could remember.¹⁹

¹⁷ <http://www.cftc.gov/stellent/groups/public/@forms/documents/file/cftcform40.pdf>.

¹⁸ One DMO manager stated that the events of that week were like having a root canal every day.

¹⁹ DMO management and staff involved in this matter and interviewed for this report had, on average, 23 years experience each at CFTC.

On Wednesday, July 16, DMO managers met with the Acting Chairman and members of his staff in Washington to discuss the situation. The Chief Economist for CFTC, who was overseeing the production of the Interim Report on Crude Oil, also attended, as did the General Counsel and staff from the CFTC Office of External Affairs.²⁰ DMO managers stated that they advised the Acting Chairman to do the following:

- Correct the classification error in the COT Reports as soon as possible in order to avoid any later allegation of attempted concealment of the information.
- Issue side-by-side corrected and uncorrected COT Reports for the next scheduled COT report release date. COT Reports are regularly posted to the CFTC website on Friday. Side-by-side COT Reports would provide the most complete information.
- Notify the public that the change resulted from a reclassification of positions. This would be necessary in order to prevent any possible misconception that one or more new large traders had entered or exited the market.
- Refrain from disclosing the identity of the entity or entities associated with the reclassified positions due to the disclosure restrictions found at Section 8 of the Commodity Exchange Act.²¹
- Release revised COT Reports to correct the reclassification error going back to when the incorrect classification began. The revised COT Reports could not be completed before Friday, July 18. DMO staff recommended issuing the revised historical COT Reports the following Friday, July 25, 2008.

The recommendations made by DMO management on Wednesday, July 16 were in line with the views expressed by DMO staff. The Acting Chairman shared the concerns raised by DMO management and staff regarding the gravity of the situation and the importance of publishing corrected COT Reports as soon as practicable. The Acting Chairman decided to follow the recommendations of DMO management.

The revised COT Reports were posted on the CFTC website as planned on July 18 and July 25, 2008.²² The July 18 COT Reports were posted along with a Special Announcement to explain the circumstances surrounding the reclassification.²³

²⁰ The Office of External Affairs “acts as the CFTC’s liaison with news media, producer and market user groups, educational and academic groups, and the general public, provides information about the CFTC, and spearheads customer protection initiatives.” <http://www.cftc.gov/aboutthecftc/index.htm>.

²¹ Section 8 of the Commodity Exchange Act, 7 USC 12, restricts the disclosure of, among other things, position data by futures traders. The CFTC Office of the General Counsel interprets section 8 of the Act to prohibit disclosure of the reclassified trader in this instance, and we have found no authority to indicate that such interpretation of section 8 is incorrect.

²² See Appx. I. The OIG reviewed the logs of these postings and confirmed these dates.

Discussions concerning how to draft the Special Announcement were largely addressed at management level in DMO. At the July 16 meeting, DMO management recommended announcing the reclassification in the same manner that earlier reclassifications had been announced by CFTC. The only difference between this reclassification and past reclassifications would be the publication of side-by-side COT Reports, with publication of historical revised COT Reports to follow.

Prior reclassification notices were assembled and reviewed,²⁴ and an old announcement of a position reclassification from commercial to non-commercial was used as a model. Drafts were prepared by DMO management and reviewed and approved by senior agency officials and the Acting Chairman. Staff level employees offered proofreading and editing assistance.

The Acting Chairman, his Chief of Staff and legal counsel, and DMO management agreed that they should be “as transparent as possible,” but should “avoid over politicizing or under politicizing” the announcement. A manager in DMO stated that issuing a more explanatory statement was discussed, but it was felt that any statement other than the usual CFTC reclassification statement could cause problems, such as accusations of trying to “spin” the data, or the inadvertent publication of sufficient information to permit identification of the entity or entities involved.

It appears that all agreed that following CFTC precedent in this regard was the best way to address the situation and inform the public regarding the reclassification. Everyone interviewed expected the Special Announcement to generate media attention. The Acting Chairman made the final decision regarding how to present the reclassification, and briefed the other CFTC Commissioners on the situation at a closed surveillance briefing held on July 18, 2008.

II. Effect of the COT Position Reclassification on the Interim Report

The OCE did not use COT Reports to construct the Interim Report.²⁵ Instead, OCE staff drew from confidential CFTC market data collected for surveillance purposes. Market surveillance data maintained by CFTC allows for more precise categorization of commercial and non-commercial positions. The OCE drew from sub-categories for commercial participants including commercial producers, commercial manufacturers,

²³ In addition, the Acting Chairman directed the Office of External Affairs to notify the appropriate members of Congress, consistent with section 8 of the Commodity Exchange Act. Staff in the Office of External Affairs stated that notice was given by telephone during that week.

²⁴ The OIG reviewed a listing of all reclassification announcements produced by DMO and given to the Acting Chairman during his deliberations on this matter.

²⁵ In fact, the COT Reports (which are not required by law or regulation) are not used by CFTC for market surveillance. A description of the CFTC Market Surveillance Program may be found at: <http://www.cftc.gov/industryoversight/marketsurveillance/cftcsurveillance.html>. A description of COT Reports may be found at http://www.cftc.gov/marketreports/commitmentsoftraders/cot_about.html.

commercial dealers and swap dealers; and drew from sub-categories for non-commercial participants including hedge funds, floor brokers and traders.²⁶

The Chief Economist attended the Wednesday, July 16, 2008, meeting and was briefed on the reclassification. Concerns developed over how the reclassified data might impact the Interim Report. All agreed that publishing the Interim Report without updating the data to reflect the position reclassification, and instead waiting to include the new data in the final report, would be unacceptable. The Chief Economist and the Acting Chairman agreed that the analysis previously prepared for the draft Interim Report would have to be prepared a second time with the corrected data. In addition, as the analysis contained in the draft Interim Report was based on studies previously prepared and presented outside the Agency, any errors in earlier publications or presentations would require public correction.

During the July 16 meeting, the Chief Economist sent this Email to three OCE staff: “Guys – Pls don’t leave before I get back to the ofc. I should be back down by 5:30.” Upon returning to the office, the Chief Economist met with the Deputy Director for Market Surveillance, OCE staff and Market Surveillance staff. The group determined how to execute the Acting Chairman’s decision to issue the Interim Report with the revised data.

It was decided that the database already obtained by OCE from DMO for purposes of creating the Interim Report would be altered as appropriate to accurately account for the reclassified positions. Because OCE already had the database, the only information they needed was the relevant trader identification codes, the relevant contracts, and the corrected position classifications. As described by Market Surveillance staff, OCE just “puts in the I.D. and switches the classification, and does it for the length of time that is called for.”²⁷ After the database was corrected, OCE staff would perform its analysis a second time.

The others left for the day and one OCE staff member stayed on to reclassify the positions and rerun all analysis contained in the draft Interim Report. He finished “running the numbers” well after midnight, and returned the next morning to oversee the creation of new charts as well as necessary amendments to the text of the report. The Chief Economist was at the office before 8 am on July 17th to review the results. The results were also reviewed by other staff in OCE.

In the end, the new data revealed a quantitative change but not a qualitative change. In other words, the numbers changed, but not enough to alter the results. One

²⁶ Interim Report, *supra*, p.21.

²⁷ This procedure represented a departure from the usual practice. The Chief Economist indicated that, under ordinary circumstances, OCE staff will download revised market surveillance data each time an analysis is repeated. In this instance, due to time constraints, DMO staff and OCE staff determined to revise the data already obtained by OCE.

OCE staff member stated he was “somewhat surprised” at this result, but it demonstrated the strength of the conclusions.

OCE staff provided the CFTC OIG with relevant Email documenting the data revision, as well as drafts of the Interim Report showing charts and text before and after the data revision. OIG examined the revised econometric tests.²⁸

IV. Analysis and Conclusions

All statements and documentary evidence obtained in this investigation point to the conclusion that the Interim Report on Crude Oil was published with the most accurate market information available to the CFTC at the time. In light of the position reclassification published on July 18, 2008, OCE corrected their data set, repeated their analyses, and reevaluated their conclusions. The new results were published in the Interim Report. While we believe the four Senators raised valid concerns in this regard, the Interim Report appears accurate as of its release date.

The Senators’ concerns and accusations were valid due to the manner in which the reclassification was presented to the public. We believe fuller disclosure was required in this situation.

To be sure, it is to the credit of CFTC management and staff that the revised COT Reports were ready for publication within days of the discovery and determination to reclassify the relevant futures positions. However, the COT Reports are not plain to the layman. On July 18, 2008, both the revised and unrevised versions of the relevant COT Reports (“short version”) contained 19 pages of nearly identical tables.²⁹ Each table was labeled with the relevant futures contract. Position data was identified as “commercial” or “non-commercial” and further broken down as long and short and, for non-commercial positions, “spreads.” Long and short non-reportable positions were also displayed. The July 18, 2008 reports looked no different than COT Reports posted to the CFTC website on any given Friday. Detailed instructions titled “How to Read the Commitments of Traders Reports” are available on the CFTC website,³⁰ and while we believe the instructions are clear and informative to any market professional, we believe they would not assist a layman to understand the import of the two sets of COT Reports published on July 18, 2008.

In addition to the before-and-after COT Reports, the CFTC published the following Special Announcement on the COT Reports webpage:

²⁸ We did find a minor typographical error in the chart published in the Interim Report at page 28. We alerted OCE staff to the error, which was insignificant.

²⁹ See Appendix II.

³⁰ http://www.cftc.gov/marketreports/commitmentsoftraders/cot_about.html.

Special Announcement – July 18, 2008

Effective with this week's Commitments of Traders (COT) report, the Commission staff has reclassified certain positions in the energy futures and options markets from the Commercial category to the Noncommercial category. As described in the Backgrounder for the COT report, reportable traders provide information to the Commission, on a market-by-market basis, on whether they use a market for commercial purposes, i.e., use a market for hedging or risk-management. This information is normally the basis used for determining a trader's classification as a commercial trader in the COT report. However, Commission staff periodically evaluate these classifications and will change a classification in light of new or additional information. In this instance, information provided as part of a Commission Special Call to select market participants improved the Commission's knowledge of certain business operations, resulting in the reclassification of certain positions because commercial hedging or risk management activities did not constitute a significant part of the overall trading activity.

In the interest of transparency and for the purpose of identifying the impact of these changes, as the COT report is released today, we will also publish additional tables that show data for this week's COT Reports for energy markets, that reflect how they would have looked had these updated classifications not been made. Those tables are accessible through these links: Futures Only; Futures and Options Combined. The CFTC also intends to publish revised historical COT data for these markets next week.³¹

We understand from interviews and other evidence reviewed in the course of this investigation that the reclassification of positions announced on July 18 resulted in, among other things, a shift of approximately 10% of the open interest in crude oil from the classification "Commercial" to the classification label "Non-Commercial, Spreads." We also understand that this information would be clear to any experienced reader of the COT Reports.³²

Interest in COT Reports is usually limited to a specialized audience; however, this was a significant reclassification. Everyone interviewed realized this was a serious matter – the largest reclassification that could be recalled – and that it would likely generate public attention. In addition, this was the first time CFTC published revised

³¹ <http://www.cftc.gov/marketreports/commitmentsoftraders/index.htm>.

³² See, e.g., McCullough, Robert Jr., Seeking the Cause of the July 3rd Spike in World Oil Prices, p.14-15 (August 5, 2008), <http://www.mresearch.com/pdfs/350.pdf>:

COT Reports to completely correct the error. No one interviewed indicated they believed the reclassification would go unnoticed.

We believe in this instance the reclassification should have been disclosed to the public on July 18, 2008, in such language that one need not be a market professional to understand its impact. This was not done.

In addition, we believe the notice should have stated that the Commission will review the facts giving rise to the reclassification promptly in order to discover both its cause and its effect, if any, on market surveillance.³³ We believe the notice should have informed the public that all future studies addressing crude oil – including the Interim Report on Crude Oil, which had been announced only eight days earlier– would include the reclassified position data going back to the beginning of the classification error. Finally, the notice should have informed the public that the position reclassification did not alter any previous studies or Congressional testimony regarding the crude oil market, but if further research indicated any error, a formal announcement would be made.

If nothing else, the failure to explain clearly the basic facts pertaining to the reclassification placed the Chief Economist in a difficult situation with regard to the Interim Report. To be sure, the July 18, 2008 reclassification did not alter the analysis contained in the Interim Report. Nevertheless, we understand from our interview with the Chief Economist that concerns were raised regarding how to address the reclassification in the Interim Report.

Certainly one concern was that any attempt to describe the reclassification would conflict with future official Commission statements regarding the reclassification. Another concern was that a detailed discussion could inadvertently disclose the identity of the entity or entities associated with the reclassified positions.

Footnote seven of the Interim Report stated: “The analysis in this report is based on data through July 18, 2008.”³⁴ We understand that the text of footnote seven was intended to convey the fact that the Interim Report was based on updated and accurate surveillance data following the crude oil position reclassification. In light of the deficiencies in the Special Announcement issued on July 18, we believe it did not and could not convey that fact. In order to understand the full import of footnote seven, a reader would need to know that July 18, 2008 was associated with a reclassification in crude oil positions for use in the COT Report, and further would likely benefit from expertise in analyzing the original and revised COT Reports published that day.

³³ Position classification data maintained by DMO is just one tool used by CFTC Market Surveillance to monitor the markets. “[A]ccording to CFTC staff, analyzing market data is an art as well as a science.” GAO, Report to Congressional addressees, Trends in Energy Derivatives Markets Raise Questions about CFTC’s Oversight (GAO-08-25), p.47 (October 2007).

³⁴ Interim Report, *supra*, p19 n.7.

To restate, we conclude that the Interim Report was based on accurate and best available data. However, the concerns giving rise to this investigation were well-founded. We believe these concerns could have been avoided through a narrative and clear disclosure of the same facts pertaining to the July 18 reclassification that were probably understood by market professionals through the COT Reports.

PART FIVE
EVIDENCE, ANALYSIS AND CONCLUSIONS REGARDING THE ANALYSIS
EMPLOYED IN THE INTERIM REPORT

I. Introduction and Description of the Structure of the Interim Report

In addition to investigating whether the data used in the Interim Report was inaccurate, we were asked to “investigate and determine whether any other flawed data or analyses were used in the report.” We did contact Congressional staff to find out if there were specific types of flaws in the data or analyses that we should look for, and were informed that there were no specific instructions. We determined to interview CFTC staff in the OCE, as well as members of the ITF in order to obtain their views on the analysis and data in the report.

The Interim Report on Crude Oil consists of an introduction; an executive summary; background sections discussing various aspects of the current crude oil market such as supply and demand; exchange and interest rates; data tables showing open interest by various market participants between 2003-2008; and analyses that examines whether speculative activity in the crude oil markets has caused price movements between January 2000 and June 2008.

In order to determine whether speculative activity in the crude oil markets has caused price movements, the Interim Report employed a method of analysis known as Granger Causality. Put very simply, the Granger Causality test examines the correlation between two data sets. More specifically:

According to the definition of causality posited by Granger, a variable X “causes” another variable Y when the prediction of the current value of Y can be improved by incorporating information on past values of X.³⁵

II. Granger Causality and Weaknesses Associated with the Analysis Contained in the Interim Report.

Each individual interviewed in the course of this investigation and familiar with the analyses used in the Interim Report stated that, given the data available, Granger

³⁵ Doane, Michael J. and Spulber, Daniel F., Open Access and the Evolution of the U.S. Spot Market for Natural Gas, 37 J.Law and Econ 477, 496 (October 1994)(citing Clive W. Granger, Investigating Causal Relations by Econometric Models and Cross Spectral Methods, 37 Econometrica 424 (1969)).

Causality was an appropriate method of analysis. All interviewed stated that it is a widely accepted method of analysis, and has been used for decades for similar analyses. OCE staff stated that Granger Causality has been used consistently by CFTC to analyze the energy markets for at least two years.

All individuals interviewed stated that Granger Causality as a tool for economic analysis does have its weaknesses. Weaknesses discussed by individuals included the fact that Granger Causality may not enable a researcher to specifically identify a likely cause of an event when multiple factors are impacting an outcome. Moreover, it was noted that Granger Causality is not fool-proof; that is, even if position changes by speculators preceded price movements, there could still be other factors causing price movements. Nevertheless, all economists familiar with the Interim Report and interviewed during the course of this investigation stated that the Interim Report adequately disclosed the weaknesses associated with Granger Causality.

We agree. The Interim Report discusses weaknesses associated with Granger Causality analysis at page 28:

While these statistical tests present the most complete examination to date of the relation between position changes and price changes, they – like all statistical tests – have some limitations. First, the analysis was performed for trader groups rather than individual traders. Consequently, these tests would not be able to detect if the positions of some traders within a trading category have much greater influence over prices than the positions of other traders in that category. Second, the tests utilize end of day position data. Thus, the tests may not capture any intraday position-price relationships. Finally, the tests were performed on aggregated net position changes in the nearby contracts alone (defining nearby as the futures contract with the largest open interest). As a result, the tests do not reflect a systematic effect of position changes at different maturities on either the prices of the nearby futures contract or on the whole term structure of futures prices.³⁶

In addition, footnote 10 of the Interim Report reads as follows:

Granger Causality tests do not prove a causal relationship between variables, only a statistical probability that, over a long enough period of time, one variable leads another.³⁷

We examined other discussions of the weaknesses associated with Granger Causality testing,³⁸ and found nothing indicating the Interim Report did not understand such weaknesses.

³⁶ Interim Report, *supra*, p.28-29.

³⁷ *Id.*, p.27 n.10.

³⁸ See, e.g., Strnad, Jeff, Deflation and the Income Tax, 59 Tax L. Rev. 243, 291 n.124 (Spring 2006).

III. Other Issues Regarding Potential Flaws in Analysis Contained in the Interim Report

Individuals interviewed in the course of this investigation did express concern that the Interim Report was issued prior to receipt and analysis of all data previously requested by the CFTC. As previously stated, CFTC had issued over 40 Special Calls to 32 entities earlier in the year, with the goal of obtaining crude oil position and trade information from swaps dealers and index traders. No one expressed any concern that the absence of this additional data rendered the analysis in the Interim Report inaccurate or misleading. However, views were expressed that with the Special Call information the report would be more informative, and without this additional information the Interim Report was of less use.

While these concerns are valid, we believe the Interim Report fully disclosed the character of the information analyzed, as well as the additional information that was anticipated for a subsequent report slated for release in September. Certainly it would have been improper to fail to disclose that certain market information that may be relevant had not yet been obtained and analyzed. However, the Executive Summary of the Interim Report states:

The Task Force will continue to develop its analysis of crude oil and expand its work to cover other commodities in the coming months. New data from CFTC's Special calls on the activities of commodity swap dealers and commodity index traders is expected to become available for review during this time. In addition, an examination of prices in other commodities is expected to further enhance understanding of commodity markets.³⁹

In addition, the Concluding Remarks state:

In June 2008, the CFTC issued requests for disaggregated information – Special Calls – to swap dealers and commodity index traders. Data submitted in response to the special calls is expected to enable a detailed analysis of index trading and over-the-counter swaps across a wide variety of futures markets. This analysis, in turn, would enable the CFTC to gauge the effectiveness of current rules and regulations governing the dynamics of futures markets.⁴⁰

We believe the Interim Report adequately disclosed the possible weaknesses associated with the available data. As explained in PART SIX, we believe the CFTC had adequate reason to issue an Interim Report in July 2008 notwithstanding the outstanding Special Calls.

³⁹ Interim Report, *supra*, p.3.

⁴⁰ *Id.*, p.32 n.11.

In addition, three individuals stated that the report did not include intra-day trade data. All opined that intra-day trade data would permit a more detailed examination between price movements and trade activity by speculators. Two individuals indicated that this data is not maintained by CFTC Market Surveillance. One indicated that obtaining the volume of data that would be necessary to complete a study would be onerous.⁴¹

One individual indicated that data from similar crude oil futures traded on the Intercontinental Exchange (ICE) could give a more complete market picture, but also stated it could be difficult to compare data from the two exchanges. He opined that OCE may determine to examine ICE data in the future.

Finally, it came to our attention that the Herfindahl-Hirschman Index (HHI) has been suggested as a possible tool to assist analysis of energy futures and over the counter markets.⁴² The Interim Report does not address HHI. The Department of Justice has described HHI as follows:

"HHI" means the Herfindahl-Hirschman Index, a commonly accepted measure of market concentration. It is calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. For example, for a market consisting of four firms with shares of thirty, thirty, twenty and twenty percent, the HHI is 2600 ($30^2 + 30^2 + 20^2 + 20^2 = 2600$).

The HHI takes into account the relative size and distribution of the firms in a market and approaches zero when a market consists of a large number of firms of relatively equal size. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases.

Markets in which the HHI is between 1000 and 1800 points are considered to be moderately concentrated, and those in which the HHI is in excess of 1800 points are considered to be concentrated. Transactions that increase the HHI by more than 100 points in concentrated markets presumptively raise antitrust concerns under the Horizontal Merger Guidelines issued by the U.S. Department of Justice and the Federal Trade Commission. See *Merger Guidelines § 1.51*.⁴³

Because it appears HHI is first and foremost a tool to analyze antitrust issues, its potential to assist analysis of exchange traded futures and options on futures may not be

⁴¹ The lack of intraday trading information was discussed in the Interim Report. Id., p.28..

⁴² See Press Release, Sen. M. Cantwell, Senators Cantwell, Wyden Call for Federal Agencies to Use New Market Collection Tools to Protect Consumers (Aug. 7, 2008).

⁴³ Available at <http://www.usdoj.gov/atr/public/testimony/hhi.htm>.

relevant in this context.⁴⁴ In the course of our interviews, we did question economists both inside and outside CFTC regarding HHI. No one interviewed endorsed HHI as a reliable and proven tool to analyze the futures markets. The Acting Chairman stated that he is aware of the issue and has instructed the Chief Economist to look into HHI.

IV. Analysis and Conclusions

We found no indication that the analysis used in the Interim Report was flawed. The possible weaknesses of Granger Causality analysis were fully explained. The fact that CFTC had not yet obtained data from swaps dealers and commodity index traders was fully disclosed. HHI was not employed in connection with the report, but we do not believe its absence affected the report's reliability or integrity. We note that the Acting Chairman states that the possible usefulness of HHI as an analytical method will be explored.

PART SIX EVIDENCE, ANALYSIS AND CONCLUSIONS REGARDING THE TIMING OF THE RELEASE OF THE INTERIM REPORT

I. Evidence Regarding the Decision to Release the Interim Report on July 22, 2008

On July 15, 2008, Senators Reid, Durbin, Schumer, Dorgan and Murray introduced Senate Bill 3268, the "Stop Excessive Energy Speculation Act of 2008."⁴⁵ The bill proposed a number of undertakings by CFTC, including requirements to:

- set maximum speculative position limits on nonlegitimate hedge trading
- identify each large over-the-counter transaction or class of such transactions in order to detect and prevent potential price manipulation of, or excessive speculation in, any contract listed for trading on a registered entity
- routinely require detailed reporting from index traders and swap dealers in markets under its jurisdiction
- disaggregate and make public monthly: (1) the number of positions and total value of index funds and other passive, long-only positions in energy markets; and (2) data on speculative positions relative to bona fide physical hedgers in those markets

⁴⁴ We are aware of recent research discussing the applicability of HHI to analyze the CFTC COT Reports, and offer no opinion. See McCullough, Robert Jr., Seeking the Cause of the July 3rd Spike in World Oil Prices, p.13-14 (August 5, 2008), <http://www.mresearch.com/pdfs/350.pdf>.

⁴⁵ http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:s3268pcs.txt.pdf.

On July 22, 2008, a motion on Senate Bill 3268 to proceed to measure was considered in the Senate, and cloture⁴⁶ was invoked in the Senate by a vote of 94-0. This vote took place at 9:48 a.m. On July 22, 2008, the Interim Report was posted on the CFTC web site at approximately 4:00 p.m. The report concluded that, based on an analysis of available detailed trade information maintained by CFTC, it did not appear that speculators were driving the crude oil prices, and were instead trading in response to crude oil prices. On July 25, 2008, a second cloture motion on Senate Bill 3268 failed by a vote of 50-43.

We investigated the allegation that the Interim Report “appears to have been created and released to influence that Senate vote, which would be highly improper in our view.”⁴⁷ Certainly the timing of the release of the Interim Report only three days before the July 25th vote provides circumstantial evidence. The implication would be that, after a cloture motion passed on July 22nd, the CFTC was motivated to rush the Interim Report to completion in order to influence the vote on the 25th.

We interviewed the Acting Chairman, staff in the Office of the Chairman, the Chief of Staff, the General Counsel, the Director of External Affairs, staff in the Office of External Affairs, the Chief Economist, staff in the OCE and members of the ITF to ascertain whether this was the case. All agency officials denied it. Members of the ITF either denied it or stated they had no knowledge regarding the release date.

The Chairman and staff in the Office of External Affairs provided us with evidence that, earlier in the Summer, the Interim Report was targeted for release in mid-July due to mounting interest expressed by both Houses of Congress. On May 27, 2008, the Acting Chairman received a letter from the Chairman of the Senate Committee on Energy and Natural Resources (the Committee Chairman). In addition to a set of questions requiring detailed response, the Committee Chairman generally suggested that his Committee would benefit “from a greater understanding of certain aspects of the CFTC’s oversight of – and statistical analysis in relation to – energy commodity markets.”⁴⁸

On June 9, 2008, the Acting Chairman received a letter from Senators Feinstein, Stevens, Cantwell, Snowe and Wyden (June 9 letter).⁴⁹ The June 9 letter requested a study to be completed by mid-July. The request anticipated an exploration of issues not addressed in the Interim Report, such as the use of emergency powers and further

⁴⁶ Cloture is described on the US Senate website: “The cloture rule—Rule 22—is the only formal procedure that Senate rules provide for breaking a filibuster. A filibuster is an attempt to block or delay Senate action on a bill or other matter. Under cloture, the Senate may limit consideration of a pending matter to 30 additional hours of debate.” http://www.senate.gov/reference/reference_index_subjects/Cloture_vrd.htm.

⁴⁷ See Appendix I.

⁴⁸ See Appendix III.

⁴⁹ See Appendix IV.

regulation concerning futures trading by index funds. On July 8, 2008, the Acting Chairman responded to the June 9 letter.⁵⁰ The response stated, among other things, that the ITF “is meeting regularly and is working to make public a report as soon as possible.”

On July 10, 2008, the Acting Chairman announced that the ITF would issue an Interim Report on Crude Oil. This announcement was made during a hearing before the House Appropriations Subcommittee on Agriculture Rural Development, Food and Drug Administration, and Related Agencies.⁵¹ In short, there are several indications that the Interim Report was created and scheduled for release in mid-July, independent of the Senate vote, in order to respond to contemporaneous concerns voiced by Congress.

The Acting Chairman, as well as the Chief of Staff and staff of the Office of External Affairs stated they were aware of Senate Bill 3268, and that its existence was also a factor in the decision to release the report in mid-July. However, while they were aware of the legislation, they denied any intent to influence the vote. The General Counsel stated that he was aware that “Congress was acting or getting ready to act;” however, the time frame for the release of the Interim Report pre-dated the events in Congress. The Chief Economist said he was generally aware that legislation had been proposed to regulate speculative trading, but stated he had not studied and was not following it in detail, and was not aware of any Senate vote. Members of the ITF we interviewed were not aware of the Senate vote.

While the earlier expressions of Congressional interest, as well as the views of the Acting Chairman, the Chief of Staff, the General Counsel, the Chief Economist, staff in External Affairs, and the ITF members regarding the timing of the release of the Interim Report are certainly relevant in a broad sense, and certainly indicate the Interim Report was not released in order to influence the Senate vote, we believe such considerations do not address the core issue here.

At bottom, any debate regarding whether the release of a report is proper hinges on the quality of the report. We would presume an intentionally biased report would be intended to improperly influence all who read it. On the other hand, the release of an unbiased report – even one of an interim nature – should be useful regardless of timing. We believe the crucial issue was whether the Acting Chairman (or anyone else) improperly influenced the conclusions published in the Interim Report. If so, this would lend credence to the allegation that publication was timed to influence a Senate vote.

When asked, the Acting Chairman stated that he did not influence the Interim Report in any way, and he received no pressure in that regard from outside the Agency. The Chief of Staff also stated that there were no efforts to influence the Interim Report. When asked if the Acting Chairman or anyone else had tried to influence the findings

⁵⁰ See Appendix V.

⁵¹ The Acting Chairman’s Testimony is available here:

<http://www.cftc.gov/stellent/groups/public/@newsroom/documents/speechandtestimony/opalukken-46.pdf>

published in the Interim Report in any way, the responses of the Chief Economist and OCE staff were more extreme.

The Chief Economist stated that he has gotten no pressure from the Acting Chairman at all. He volunteered that, having enjoyed past success uncovering anomalies in the equities markets,⁵² he would be glad to uncover groundbreaking information or theory to explain recent price movements in crude oil. He also stated that the volume of published opinion and Congressional interest bothers him immensely, but so far all research points to the conclusions published in the Interim Report.

Three staff members of OCE who worked on the Interim Report all stated that they received no pressure from the Chief Economist, the Acting Chairman or anyone else regarding the conclusions to be reached. One OCE staff member stated that, if such a situation arose, he would not jeopardize his future status and reputation in academia. He stated that he would quit CFTC rather than participate in the publication of a biased study. Another OCE staff member also stated that he received no pressure regarding the conclusions published in the Interim Report, that his reputation as an economist was too important to risk, and that he believes the Interim Report protects his reputation. A third OCE staffer, when asked, volunteered that he would not only leave if improperly pressured in connection with his research, he actually knew where he would be going to work. He stated that he had not been influenced by the Acting Chairman, the Chief Economist or anyone else in the performance of his duties.⁵³

The Chief Economist stated that the original target release date for the Interim Report was July 18, 2008.⁵⁴ That deadline was not met due to the additional work necessary to update the report to reflect the reclassification of crude oil positions announced on July 18. This involved not only amending the relevant portions of the draft, but also re-circulating the draft to members of the ITF for review.

An ITF member representing the Treasury Department stated that he reviewed a second draft of the Interim Report with other ITF members during a conference call on Thursday July 10, 2008. He was subsequently made aware of the reclassification during the next week, and was told the release date would have to be pushed back. On Saturday, July 19, he received his last draft of the Interim Report to review and edit. He completed his comments to CFTC by return Email on Monday, July 21. The CFTC General Counsel stated that he reviewed the final draft late in the day on July 21, and he made a few non-substantive edits. The Interim Report was issued the next day.

⁵² See, e.g., Christie William G., Harris Jeffrey H, and Schultz Paul H., *Why did NASDAQ Market Makers Avoid Odd Eighths Quotes?*, Journal of Finance, Vol 49(5), pg 1841-1860 (December 1994).

⁵³ An employee in the Market Surveillance section also volunteered that he had left other employment when improperly pressured in his research, and would do so here if the case arose. He stated he had not been pressured regarding his analysis of the crude oil markets.

⁵⁴ Four members of the OCE staff came in over the July 5 weekend in order to help meet that deadline. OCE staff also worked over the July 19 weekend.

II. Analysis and Conclusions

We conclude that the Agency did not time the release of the Interim Report to influence any Senate vote. While the release date does give rise to circumstantial evidence, the views and statements of all involved squarely oppose the circumstantial evidence. We are influenced by the fact that the evidence shows that the planned release date of the July 18th was pushed back to the 22nd due to the position reclassification, and believe this was the overriding factor and event dictating the release date for the report. We are also persuaded by the fact that we failed to find any other improper influence associated with the creation of the report.

PART SEVEN **SUMMARY OF FINDINGS AND CONCLUSIONS**

In this report, we investigated allegations of wrongdoing in connection with the July 22, 2008 publication of the Interagency Task Force Interim Report on Crude Oil. The allegations were:

- The authors and contributors of the Interim Report on Crude Oil knowingly used information that was inaccurate and incomplete
- The Interim Report analyzed the crude oil markets using flawed analytical methods
- The CFTC timed the release of the Interim Report improperly in order to influence a Senate vote

In the course of this investigation, we interviewed 44 individuals, including officers and employees of CFTC, the Treasury Department, the Energy Information Agency, the Federal Reserve Board, the Department of Agriculture, the Securities and Exchange Commission and the Council of Economic Advisers. We reviewed drafts of the Interim Report both before and after the reclassification of crude oil positions, as well as other presentations and papers by CFTC addressing energy markets. We reviewed relevant Email, Congressional testimony and proposed legislation. We researched Granger Causality and the Herfindahl-Hirschman Index.

We conclude the allegations are not substantiated. The Interim Report was based on the most accurate data available at the time. To be sure, the Interim Report did not address commodity index trading and swaps dealers; however, the Interim Report clearly explained that information on swaps and index trading was being collected and would be addressed in a separate report slated for release in September.

The analysis employed by the OCE was not flawed. Granger causality has been in existence since 1969. It is widely known and widely used, and it has been used in other energy market studies.⁵⁵ CFTC used Granger Causality to analyze energy markets in the past. Possible weaknesses associated with Granger Causality were fully disclosed.

We believe it important that CFTC employed a method of analysis consistent with recent past CFTC analyses of the crude oil market. Analytical consistency matters. Employing a series of discrete analytical models could indicate an attempt to locate an analytical model solely for the purpose of achieving a pre-ordained result. It appears that use of the Herfindahl-Hirschman Index might not have been advisable in this instance for that reason alone, though we note with approval that the OCE will be examining HHI further for possible application in the future.

Finally, it does not appear the Interim Report was issued in order to improperly influence a Senate vote. While the report was released only two days before the vote, and while the Acting Chairman freely admitted that he was aware of the legislation, all involved claim there was no intent to release the Interim Report in order to influence any vote. The timeline leading up to the release predates announcement of the vote and appears dominated by the position reclassification. We therefore conclude based on all the evidence that timing of the release of the Interim Report depended on the Chief Economist's determination that the report was ready for release.

As we stated earlier, we believe that the Special Announcement issued on July 18, 2008, should have disclosed to the public – in narrative form – the same information disclosed to market professionals through the COT Reports, with greater explanatory material. We also believe the Special Announcement should have explained that all future studies would use the revised position data, that the circumstances of the reclassification would be closely reviewed, and that any necessary amendments to prior testimony, publications, studies or presentations would be formally announced.

We are convinced that the magnitude of the situation was clear to everyone involved at CFTC; and all expected the reclassification to generate media attention. Therefore we do not believe there was any attempt to conceal the reclassification. However, the decision to present the raw data in a manner consistent with past reclassifications, so as to avoid any accusation of politicizing or “spinning” the announcement, did not suffice.

What resulted was a publication that only industry professionals could easily interpret, and was subject to misinterpretation. While it is always easy to sit in judgment after the fact,⁵⁶ we believe the better course would have been to say more at the outset.

⁵⁵ See fn.31.

⁵⁶ “Hindsight is always twenty-twenty.” Billy Wilder (1906-2002).

APPENDIX I

United States Senate

WASHINGTON, DC 20510

August 14, 2008

A. Roy Lavik, Inspector General
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Mr. Lavik:

We are writing to request that you investigate the role of the Commodities Futures Trading Commission (CFTC) in its capacity as chair of the Interagency Task Force on Commodity Markets and its release of the Interim Report on Crude Oil on July 22, 2008. In particular, we request that you investigate how this report was prepared and why it was released after the CFTC staff had determined that critical information upon which it was based was inaccurate.

We also request that you investigate the suspicious timing of the Interim Report. The unannounced and unexpected Interim Report was released just a few days before a key Senate vote on a pending bill related to speculation in the oil markets. The report, which specifically addressed speculation, appears to have been created and released to influence that Senate vote, which would be highly improper in our view.

On June 10, 2008, the CFTC announced the formation of an Interagency Task Force on Commodity Markets. The Task Force is chaired by CFTC staff and on July 22, 2008 the Task Force issued an Interim Report on the crude oil market. Notwithstanding a finding that "the positions of non-commercial traders in general, and hedge funds in particular, often move in the same direction as prices," the report concluded that the increase in oil prices between January 2003 and June 2008 was largely due to fundamental supply and demand factors. This conclusion appears to be based, to significant degree, on analyses by CFTC staff of trading positions included in the CFTC Commitments of Traders Report (COT), including the correlations of commercial and non-commercial traders to price movements and trading volumes.

However on July 18, 2008, just days before the Interim Report was issued, the CFTC staff issued a special announcement revealing that speculative investors played a larger role in oil trading than the CFTC staff realized. In fact, speculative, non-commercial trading accounted for nearly half of the oil trading on the New York Mercantile Exchange (NYMEX). In short, CFTC staff determined that based upon additional data obtained as a result of a special data call to select market participants, it had been incorrectly classifying a significant number of non-commercial trades carried out by a single large trader as commercial. This "reclassification," which represented approximately 10% of the NYMEX crude oil futures and options positions, essentially raises the percent of NYMEX oil trades officially attributable to speculative investors to 48% from 38%. Some outside experts believe that the non-commercial trades account for an even higher percentage and the CFTC is itself continuing to collect information from this special data call regarding other traders which could further alter this balance.

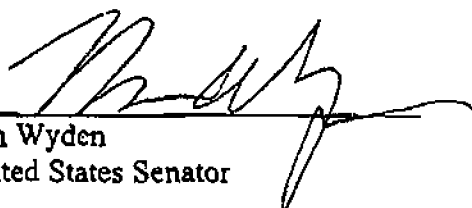
We are greatly disturbed that although CFTC staff obviously knew that underlying data used to prepare the Interim Report was seriously flawed, the Interim Report was nonetheless publicly released. Indeed, the CFTC press release announcing the Report (Release 5520-08) states that the report "for the first time, attempts to compile the government's best available data and analysis into one report." In fact, CFTC knew that this data was NOT the government's best available data, but was decidedly flawed data.

Consequently, we request that you investigate the process by which the Interim Report was prepared and released, including but not limited to the decision on timing of the public release, the decision to characterize the information contained in the report not only as accurate, but as the best available data, and to identify the individuals involved in making these decisions. We also ask you to investigate and determine whether other flawed data or analyses were used in preparing the Interim Report.


Because the Interim Report was just that, an interim report of an important, ongoing agency activity, establishing the integrity of CFTC's management of, and procedures for, conducting and reporting its analyses of the commodity markets is of the greatest national concern. We therefore expect you to give this request the highest priority. If you believe that your office lacks the necessary investigative resources to conduct this investigation, we stand prepared to work with the President's Council on Integrity and Efficiency (PCIE) and the Executive Council on Integrity and Efficiency (ECIE) – the two interagency coordinating committees for the Federal Government's Inspectors General – to ensure that you have the resources that you need.

Because the CFTC Task Force activities are ongoing and the Task Force is expected to issue a final report on oil markets in a matter of weeks, it is imperative that your review of this matter be completed as soon as possible. We therefore request that you complete your investigation and report to the Commission and Congress on your findings no later than September 12, 2008.

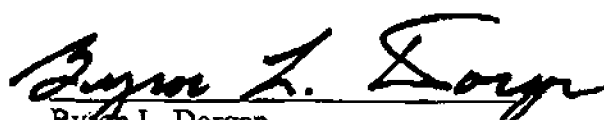
Sincerely,



Ron Wyden
United States Senator



Maria Cantwell
United States Senator



Byron L. Dorgan
United States Senator



Bill Nelson
United States Senator

APPENDIX II

GULF # 6 FUEL 3.0% SULFUR SWAP - NEW YORK MERCANTILE EXCHANGE Code-02165A
FUTURES ONLY POSITIONS AS OF 07/15/08

-----							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
-----							-----		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----							-----		
{CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		6,794	
COMMITMENTS									
0	0	0	6,619	6,489	6,619	6,489	175	305	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						113)			
0	0	0	235	235	235	235	-122	-122	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
0.0	0.0	0.0	97.4	95.5	97.4	95.5	2.6	4.5	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						38)			
0	0	0	27	27	27	27			

NY RES FUEL 1.0% SULFUR SWAP - NEW YORK MERCANTILE EXCHANGE Code-02165B
FUTURES ONLY POSITIONS AS OF 07/15/08

-----							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
-----							-----		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----							-----		
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		7,179	
COMMITMENTS									
0	805	0	6,914	6,209	6,914	7,014	265	165	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						217)			
0	0	0	222	257	222	257	-5	-40	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
0.0	11.2	0.0	96.3	86.5	96.3	97.7	3.7	2.3	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						35)			
0	2	0	24	23	24	25			

EUR 3.5% FUEL OIL RTD CAL SWAP - NEW YORK MERCANTILE EXCHANGE Code-02165E
FUTURES ONLY POSITIONS AS OF 07/15/08

-----							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----							-----		
(CONTRACTS OF 1,000 METRIC TONS)						OPEN INTEREST:		3,620	
COMMITMENTS									
0	179	68	3,045	2,891	3,113	3,138	507	482	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						121)			
0	16	-9	189	242	180	249	-59	-128	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
0.0	4.9	1.9	84.1	79.9	86.0	86.7	14.0	13.3	

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 35)
 0 3 3 27 31 30 34

SING FUEL OIL 180 CAL SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02165G

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 METRIC TONS)						OPEN INTEREST:		3,297
0	60	25	2,682	2,642	2,707	2,727	590	570
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						277)		
0	5	-15	229	230	214	220	63	57

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

0.0 1.8 0.8 81.3 80.1 82.1 82.7 17.9 17.3

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 37)

0 2 1 31 30 32 32

NO. 2 HEATING OIL, N.Y. HARBOR - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-022651

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 42,000 U.S. GALLONS)						OPEN INTEREST:		227,987
29,807	15,247	34,629	131,764	154,262	196,200	204,138	31,787	23,849
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						12,649)		
1,079	1,930	4,172	6,408	4,589	11,659	10,691	990	1,958

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

13.1 6.7 15.2 57.8 67.7 86.1 89.5 13.9 10.5

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 133)

38 20 39 65 65 122 109

SING GASOIL SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02265J

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1000 BARRELS)						OPEN INTEREST:		7,876
323	200	400	7,103	7,206	7,826	7,806	50	70
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						276)		
25	0	0	325	330	350	330	-74	-54

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

4.1	2.5	5.1	90.2	91.5	99.4	99.1	0.6	0.9
-----	-----	-----	------	------	------	------	-----	-----

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 43)

2	1	3	29	31	33	34
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SING GASOIL/RDAM GASOIL SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02265T

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		6,490
1,116	516	0	5,149	5,974	6,265	6,490	225	0
COMMITMENTS								
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-25)		
0	0	0	75	-25	75	-25	-100	0

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

17.2	8.0	0.0	79.3	92.0	96.5	100.0	3.5	0.0
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 27)

2	2	0	13	16	15	18
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NATURAL GAS - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-023651

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(10,000 MMBTU'S)						OPEN INTEREST:		964,168
217,143	311,604	303,355	364,433	315,751	884,931	930,710	79,237	33,458
COMMITMENTS								
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-7,510)		
1,815	7,647	-15,734	2,167	1,673	-11,752	-6,414	4,242	-1,096

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

22.5	32.3	31.5	37.8	32.7	91.8	96.5	8.2	3.5
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 234)

94	47	86	78	68	218	166
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MICHCON BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365A

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		98,340
1,508	7,084	1,690	86,499	80,909	89,697	89,683	8,643	8,657
COMMITMENTS								

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -250)

616	-475	-10	-856	119	-250	-366	0	116
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

1.5	7.2	1.7	88.0	82.3	91.2	91.2	8.8	8.8
-----	-----	-----	------	------	------	------	-----	-----

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 30)

2	1	2	24	24	26	27
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PERMIAN BASIS SWAP - NEW YORK MERCANTILE EXCHANGE Code-02365B
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S) OPEN INTEREST: 69,910

COMMITMENTS

3,067	10,021	3,238	57,031	48,058	63,336	61,317	6,574	8,593
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 3,205)

0	-177	387	2,818	2,567	3,205	2,777	0	428
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

4.4	14.3	4.6	81.6	68.7	90.6	87.7	9.4	12.3
-----	------	-----	------	------	------	------	-----	------

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 38)

2	2	3	29	24	32	28
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M-3 BASIS SWAP - NEW YORK MERCANTILE EXCHANGE Code-02365C
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S) OPEN INTEREST: 107,270

COMMITMENTS

0	684	3,687	93,606	94,262	97,293	98,633	9,977	8,637
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 3,352)

0	117	253	2,439	3,068	2,692	3,438	660	-86
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

0.0	0.6	3.4	87.3	87.9	90.7	91.9	9.3	8.1
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 35)

0	1	1	31	27	32	28
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TCO BASIS SWAP - NEW YORK MERCANTILE EXCHANGE Code-02365D
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S) OPEN INTEREST: 94,860

COMMITMENTS

5,704	2,708	214	74,961	80,126	80,879	83,048	13,981	11,812
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						388)		
0	0	0	1,323	459	1,323	459	-935	-71

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

6.0	2.9	0.2	79.0	84.5	85.3	87.5	14.7	12.5
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:

2	1	1	21	26	24	27	33)
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MALIN BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365E

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)							OPEN INTEREST:	49,849
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COMMITMENTS

3,020	1,790	5,134	38,106	39,154	46,260	46,078	3,589	3,771
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-48)		
0	-364	0	-48	316	-48	-48	0	0

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

6.1	3.6	10.3	76.4	78.5	92.8	92.4	7.2	7.6
-----	-----	------	------	------	------	------	-----	-----

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:

1	1	1	18	18	20	19	24)
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PG&E CITYGATE BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365F

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)							OPEN INTEREST:	72,162
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COMMITMENTS

4,702	3,999	4,086	53,856	54,225	62,644	62,310	9,518	9,852
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						1,180)		
-62	-1,734	1,220	745	749	1,903	235	-723	945

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

6.5	5.5	5.7	74.6	75.1	86.8	86.3	13.2	13.7
-----	-----	-----	------	------	------	------	------	------

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:

2	1	1	22	25	25	26	31)
---	---	---	----	----	----	----	-----

NGPL TEXOK BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365G

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
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LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		101,457
COMMITMENTS								
3,450	3,333	2,963	89,495	89,677	95,908	95,973	5,549	5,484
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						1,687)		
302	-394	172	1,243	2,063	1,717	1,841	-30	-154
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
3.4	3.3	2.9	88.2	88.4	94.5	94.6	5.5	5.4
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						48)		
1	3	3	29	38	32	42		

NGPL MID-CON BASIS SWAP - NEW YORK MERCANTILE EXCHANGE Code-02365K
FUTURES ONLY POSITIONS AS OF 07/15/08

-----							NONREPORTABLE	
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS	
-----							-----	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
-----							-----	
(2,500 MMBTU'S)						OPEN INTEREST:		116,111
COMMITMENTS								
6,004	1,608	6,349	94,173	94,319	106,526	102,276	9,585	13,835
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						720)		
4,577	-181	-613	-3,150	970	814	176	-94	544
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
5.2	1.4	5.5	81.1	81.2	91.7	88.1	8.3	11.9
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						34)		
2	1	3	23	26	26	30		

DEMARC BASIS SWAP - NEW YORK MERCANTILE EXCHANGE Code-02365L
FUTURES ONLY POSITIONS AS OF 07/15/08

-----							NONREPORTABLE	
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS	
-----							-----	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
-----							-----	
(2,500 MMBTU'S)						OPEN INTEREST:		56,919
COMMITMENTS								
826	2,388	6,381	45,265	37,495	52,472	46,264	4,447	10,655
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						17)		
-382	-96	288	173	-156	79	36	-62	-19
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
1.5	4.2	11.2	79.5	65.9	92.2	81.3	7.8	18.7
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						28)		
2	2	4	18	17	22	21		

VENTURA BASIS SWAP - NEW YORK MERCANTILE EXCHANGE Code-02365M
FUTURES ONLY POSITIONS AS OF 07/15/08

-----							NONREPORTABLE	
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS	
-----			-----		-----		-----	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
-----			-----		-----		-----	
(2,500 MMBTU'S)						OPEN INTEREST:		106,445
COMMITMENTS								
6,321	7,863	19,607	79,790	75,306	105,718	102,776	727	3,669
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-1,060)		
985	186	-592	-1,423	-744	-1,030	-1,150	-30	90
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
5.9	7.4	18.4	75.0	70.7	99.3	96.6	0.7	3.4
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						30)		
4	1	3	17	20	22	23		

DOMINION BASIS SWAP - NEW YORK MERCANTILE EXCHANGE							Code-02365N		
FUTURES ONLY POSITIONS AS OF 07/15/08									
NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(2,500 MMBTU'S)							OPEN INTEREST:		60,364
COMMITMENTS									
0	39	3,099	50,768	47,853	53,867	50,991	6,497	9,373	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							-170)		
0	-307	-253	118	-220	-135	-780	-35	610	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
0.0	0.1	5.1	84.1	79.3	89.2	84.5	10.8	15.5	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							31)		
0	1	1	28	26	29	27			

WAHA BASIS SWAP - NEW YORK MERCANTILE EXCHANGE							Code-023650		
FUTURES ONLY POSITIONS AS OF 07/15/08									
NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(2,500 MMBTU'S)							OPEN INTEREST:		96,466
COMMITMENTS									
1,620	3,045	6,960	82,431	82,392	91,011	92,397	5,455	4,069	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							-463)		
-2,911	2,767	572	2,773	-1,934	434	1,405	-897	-1,868	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
1.7	3.2	7.2	85.5	85.4	94.3	95.8	5.7	4.2	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							50)		
2	3	4	33	35	38	39			

TRANSCO ZONE 3 SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-023658

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)							OPEN INTEREST:	
COMMITMENTS							54,721	
0	6,171	0	47,711	43,903	47,711	50,074	7,010	4,647
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							0)	
0	-1,712	0	0	0	0	-1,712	0	1,712
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
0.0	11.3	0.0	87.2	80.2	87.2	91.5	12.8	8.5
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							22)	
0	2	0	17	14	17	16		

ALBERTA BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035650

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)							OPEN INTEREST:	
COMMITMENTS							118,842	
5,723	26,559	16,544	82,075	64,792	104,342	107,895	14,500	10,947
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							454)	
426	-285	529	112	385	1,067	629	-613	-175
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
4.8	22.3	13.9	69.1	54.5	87.8	90.8	12.2	9.2
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							39)	
2	5	6	32	26	38	33		

CHICAGO BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035651

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)							OPEN INTEREST:	
COMMITMENTS							108,575	
12,638	500	7,430	80,961	87,090	101,029	95,020	7,546	13,555
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							-69)	
497	500	-931	36	1,663	-398	1,232	329	-1,301
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
11.6	0.5	6.8	74.6	80.2	93.0	87.5	7.0	12.5

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 29)
 4 1 4 21 19 26 23

HENRY HUB BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035652

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		49,771
0	2,108	0	48,791	46,559	48,791	48,667	980	1,104
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 713)								
0	2,108	0	713	-935	713	1,173	0	-460
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
0.0	4.2	0.0	98.0	93.5	98.0	97.8	2.0	2.2

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 26)
 0 2 0 17 15 17 17

HOUSTON SHIP CH BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035653

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		228,576
9,675	2,788	7,013	194,180	205,922	210,868	215,723	17,708	12,853
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 248)								
397	-1,604	270	-357	1,558	310	224	-62	24
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
4.2	1.2	3.1	85.0	90.1	92.3	94.4	7.7	5.6

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 57)
 4 4 5 44 42 51 48

NW PIPE ROCKIES BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035654

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		235,196
8,528	14,550	16,662	199,469	196,655	224,659	227,867	10,537	7,329
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 1,776)								
215	-126	-179	3,359	4,227	3,395	3,922	-1,619	-2,146

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

3.6	6.2	7.1	84.8	83.6	95.5	96.9	4.5	3.1
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 48)

3	2	3	41	36	46	39
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PANHANDLE BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-035655

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)	OPEN INTEREST:						236,296
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COMMITMENTS	6,325	3,631	15,138	206,038	209,753	227,501	228,522	8,795	7,774
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 1,958)

-2,220	2,183	10	4,275	-571	2,065	1,622	-107	336
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

2.7	1.5	6.4	87.2	88.8	96.3	96.7	3.7	3.3
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 65)

3	3	5	56	53	62	58
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SAN JUAN BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-035656

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)	OPEN INTEREST:						47,797
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COMMITMENTS	0	209	3,191	37,498	35,661	40,689	39,061	7,108	8,736
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 825)

-263	209	342	960	184	1,039	735	-214	90
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

0.0	0.4	6.7	78.5	74.6	85.1	81.7	14.9	18.3
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 22)

0	1	1	19	14	20	15
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SOCAL BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-035657

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)	OPEN INTEREST:						203,811
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COMMITMENTS	19,451	7,462	15,932	162,704	171,717	198,087	195,111	5,724	8,700
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 3,378)
 751 1,090 715 1,791 1,791 3,257 3,596 121 -218

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 9.5 3.7 7.8 79.8 84.3 97.2 95.7 2.8 4.3

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 51)
 5 1 6 42 43 48 49

TRANSCO ZONE 6 BASIS SWAP - NEW YORK MERCANTILE EXCHANGE Code-035658
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		58,925
COMMITMENTS								
0	4,111	630	48,454	41,469	49,084	46,210	9,841	12,715

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 1,102)
 0 -373 60 207 1,215 267 902 835 200

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 0.0 7.0 1.1 82.2 70.4 83.3 78.4 16.7 21.6

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 28)
 0 2 1 23 20 24 22

HENRY HUB GAS SWAP - NEW YORK MERCANTILE EXCHANGE Code-03565B
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		3,617,587
COMMITMENTS								
1490572	351,451	803,314	1296963	2453773	3590849	3608538	26,738	9,049

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 83,118)
 37,453 25,452 21,604 32,217 40,959 91,274 88,015 -8,156 -4,897

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 41.2 9.7 22.2 35.9 67.8 99.3 99.7 0.7 0.3

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 161)
 33 15 44 106 102 155 147

HENRY HUB PENULTIMATE GAS SWAP - NEW YORK MERCANTILE EXCHANGE Code-03565C
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		1,117,523

COMMITMENTS

119,526	356,983	247,482	746,599	510,550	1113607	1115015	3,916	2,508
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 12,728)

-8,221	39,598	-29,641	50,074	3,078	12,212	13,035	516	-307
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

10.7	31.9	22.1	66.8	45.7	99.6	99.8	0.4	0.2
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 90)

26	16	29	44	43	83	76
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 PJM ELECTRICITY MONTHLY - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-064657

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(40 MEGAWATT HOURS PER PEAK DAY)

OPEN INTEREST: 26,860

COMMITMENTS

1,180	240	392	24,539	25,568	26,111	26,200	749	660
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -340)

0	0	0	-380	-400	-380	-400	40	60
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

4.4	0.9	1.5	91.4	95.2	97.2	97.5	2.8	2.5
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 38)

4	1	2	29	31	33	34
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 NYISO ZONE A LBMP SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06465A

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 400 MEGAWATT HOURS)

OPEN INTEREST: 11,207

COMMITMENTS

1,280	0	0	9,607	10,951	10,887	10,951	320	256
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 0)

0	0	0	0	0	0	0	0	0
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

11.4	0.0	0.0	85.7	97.7	97.1	97.7	2.9	2.3
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 20)

1	0	0	10	14	11	14
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 ISO NEW ENGLAND LMP SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06465H

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
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LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(40 MEGAWATT HOURS PER PEAK DAY)						OPEN INTEREST:		14,789
COMMITMENTS								
3,190	0	337	10,458	13,938	13,985	14,275	804	514
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						66)		
-20	0	0	50	44	30	44	36	22
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
21.6	0.0	2.3	70.7	94.2	94.6	96.5	5.4	3.5
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						24)		
2	0	2	18	18	20	20		

PJM CAL MONTH OFF PK LMP SWAP - NEW YORK MERCANTILE EXCHANGE Code-06465M
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2.5 MEGAWATTS PER OFF PEAK HRS)						OPEN INTEREST:		24,072
COMMITMENTS								
280	480	480	20,884	21,366	21,644	22,326	2,428	1,746
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-360)		
0	0	0	-360	-360	-360	-360	0	0
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
1.2	2.0	2.0	86.8	88.8	89.9	92.7	10.1	7.3
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						24)		
1	1	1	19	18	21	19		

NORTH ILL OFF PK LMP SWAP - NEW YORK MERCANTILE EXCHANGE Code-06465N
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2.5 MEGAWATTS PER OFF PEAK HRS)						OPEN INTEREST:		30,090
COMMITMENTS								
0	240	480	29,574	28,040	30,054	28,760	36	1,330
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-72)		
0	0	0	-72	-288	-72	-288	0	216
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
0.0	0.8	1.6	98.3	93.2	99.9	95.6	0.1	4.4
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						27)		
0	1	1	23	20	24	21		

CINERGY OFF PEAK LMP SWAP - NEW YORK MERCANTILE EXCHANGE Code-064A02
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2.5 MWH X OFF PEAK HOURS PER MONTH)						OPEN INTEREST:		9,486
COMMITMENTS								
120	0	0	7,970	8,338	8,090	8,338	1,396	1,148
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-120)		
0	0	0	-120	-120	-120	-120	0	0
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
1.3	0.0	0.0	84.0	87.9	85.3	87.9	14.7	12.1
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						21)		
1	0	0	14	14	15	14		

CRUDE OIL, LIGHT SWEET - NEW YORK MERCANTILE EXCHANGE Code-067651
FUTURES ONLY POSITIONS AS OF 07/15/08

-----							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
-----			-----		-----		-----	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		1,344,411
COMMITMENTS								
206,153	187,631	222,910	820,851	833,603	1249914	1244144	94,497	100,267
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						28,133)		
-3,608	-15,064	3,318	1,014	13,463	724	1,717	27,409	26,416
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
15.3	14.0	16.6	61.1	62.0	93.0	92.5	7.0	7.5
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						335)		
87	130	136	86	103	268	286		

WTI CRUDE OIL CALENDAR SWAP - NEW YORK MERCANTILE EXCHANGE Code-06765A
FUTURES ONLY POSITIONS AS OF 07/15/08

							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(CONTRACTS OF 1,000 BARRELS)							OPEN INTEREST:		127,502
COMMITMENTS									
9,937	13,636	3,115	79,071	52,492	92,123	69,243	35,379	58,259	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							.)		
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
7.8	10.7	2.4	62.0	41.2	72.3	54.3	27.7	45.7	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							21)		
2	4	5	14	15	19	21			

DUBAI CRUDE OIL CALENDAR SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06765G

							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(CONTRACTS OF 1,000 BARRELS)							OPEN INTEREST:		19,136
COMMITMENTS									
900	600	25	18,011	18,311	18,936	18,936	200	200	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						85)			
0	0	0	-15	-115	-15	-115	100	200	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
4.7	3.1	0.1	94.1	95.7	99.0	99.0	1.0	1.0	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						41)			
1	2	1	30	28	32	31			

WTI CRUDE OIL FINANCIAL - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06765I

-----							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
-----							-----	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
-----							-----	
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		187,405
COMMITMENTS								
16,346	22,189	33,071	127,071	122,869	176,488	178,129	10,917	9,276
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-2,006)		
-420	-310	-1,633	225	150	-1,828	-1,793	-178	-213
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
8.7	11.8	17.6	67.8	65.6	94.2	95.1	5.8	4.9
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						50)		
13	11	22	25	25	48	48		

BRENT FINANCIAL - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06765J

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		30,753
COMMITMENTS								
1,710	7,386	3,000	23,593	18,157	28,303	28,543	2,450	2,210
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						4,689)		
0	5,400	0	5,107	-636	5,107	4,764	-418	-75
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
5.6	24.0	9.8	76.7	59.0	92.0	92.8	8.0	7.2

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 22)
 1 3 2 15 16 18 20

BRENT-DUBAI SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-067650

NON-COMMERCIAL							COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)							OPEN INTEREST:				5,882	
0	600	0	5,882	5,090	5,882	5,690	0	192				
COMMITMENTS												
0	0	0	90	-102	90	-102	0	192				
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							90)					
0	0	0	90	-102	90	-102	0	192				
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS												
0.0	10.2	0.0	100.0	86.5	100.0	96.7	0.0	3.3				

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 24)
 0 2 0 17 14 17 16

PALLADIUM - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-075651

NON-COMMERCIAL							COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 100 TROY OUNCES)							OPEN INTEREST:				15,809	
10,826	2,897	140	2,548	12,265	13,514	15,302	2,295	507				
COMMITMENTS												
32	-500	14	-802	-421	-756	-907	-10	141				
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							-766)					
32	-500	14	-802	-421	-756	-907	-10	141				
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS												
68.5	18.3	0.9	16.1	77.6	85.5	96.8	14.5	3.2				

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 105)
 53 12 5 16 27 71 42

PLATINUM - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-076651

NON-COMMERCIAL							COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 50 TROY OUNCES)							OPEN INTEREST:				13,943	
8,799	2,464	26	2,016	10,519	10,841	13,009	3,102	934				
COMMITMENTS												
-253	-79	-4	-356	-419	-613	-502	-91	-202				
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							-704)					
-253	-79	-4	-356	-419	-613	-502	-91	-202				

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

63.1	17.7	0.2	14.5	75.4	77.8	93.3	22.2	6.7
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 70)

35	7	2	10	19	45	28
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GASOLINE BLENDSTOCK (RBOB) - NEW YORK MERCANTILE EXCHANGE

Code-111659

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 42,000 U.S. GALLONS)						OPEN INTEREST:		244,161
61,682	14,760	20,543	139,522	197,608	221,747	232,911	22,414	11,250

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -2,209)

-2,804	-417	-464	1,349	-1,421	-1,919	-2,302	-290	93
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

25.3	6.0	8.4	57.1	80.9	90.8	95.4	9.2	4.6
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 181)

62	23	38	77	87	155	135
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SING JET KERO SWAP - NEW YORK MERCANTILE EXCHANGE

Code-26265D

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		4,352
200	0	0	4,010	4,342	4,210	4,342	142	10

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 600)

0	0	0	700	700	700	700	-100	-100
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

4.6	0.0	0.0	92.1	99.8	96.7	99.8	3.3	0.2
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 26)

2	0	0	18	20	20	20
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UP DOWN GC ULSD VS HO SPR SWAP - NEW YORK MERCANTILE EXCHANGE

Code-022A13

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 42,000 GALLONS)						OPEN INTEREST:		15,739
1,320	254	489	13,657	14,921	15,466	15,664	273	75

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 300)

150	0	0	125	275	275	275	25	25
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

8.4	1.6	3.1	86.8	94.8	98.3	99.5	1.7	0.5
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 39)

1	1	1	24	25	26	26		
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SING JET KERO GASOIL SPR SWAP - NEW YORK MERCANTILE EXCHANGE Code-86465C
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 1,000 BARRELS)

COMMITMENTS

125	0	0	4,520	4,495	4,645	4,495	0	150
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OPEN INTEREST: 4,645

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 300)

0	0	0	300	200	300	200	0	100
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

2.7	0.0	0.0	97.3	96.8	100.0	96.8	0.0	3.2
-----	-----	-----	------	------	-------	------	-----	-----

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 27)

1	0	0	18	16	19	16		
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3.5% FUEL OIL RDAM CRACK SPR - NEW YORK MERCANTILE EXCHANGE Code-86565C
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 1,000 BARRELS)

COMMITMENTS

412	0	0	1,824	2,449	2,236	2,449	456	243
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OPEN INTEREST: 2,692

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 49)

32	0	0	-7	10	25	10	24	39
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

15.3	0.0	0.0	67.8	91.0	83.1	91.0	16.9	9.0
------	-----	-----	------	------	------	------	------	-----

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 21)

2	0	0	12	12	14	12		
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GASOIL CRACK SPR SWAP - NEW YORK MERCANTILE EXCHANGE Code-86765C
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 1,000 BARRELS)

OPEN INTEREST: 14,395

COMMITMENTS								
1,486	2,253	418	8,783	8,499	10,687	11,170	3,708	3,225
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						791)		
0	-33	87	486	264	573	318	218	473
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
10.3	15.7	2.9	61.0	59.0	74.2	77.6	25.8	22.4
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						30)		
4	3	3	16	22	20	28		

Updated July 18, 2008

GULF # 6 FUEL 3.0% SULFUR SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02165A

-----							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----							-----		
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		6,794	
COMMITMENTS									
0	0	0	6,619	6,489	6,619	6,489	175	305	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						113)			
0	0	0	235	235	235	235	-122	-122	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
0.0	0.0	0.0	97.4	95.5	97.4	95.5	2.6	4.5	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						38)			
0	0	0	27	27	27	27			

NY RES FUEL 1.0% SULFUR SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02165B

-----							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
-----							-----		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----							-----		
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		7,179	
COMMITMENTS									
0	805	0	6,914	6,209	6,914	7,014	265	165	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						217)			
0	0	0	222	257	222	257	-5	-40	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
0.0	11.2	0.0	96.3	86.5	96.3	97.7	3.7	2.3	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						35)			
0	2	0	24	23	24	25			

EUR 3.5% FUEL OIL RTD CAL SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02165E

-----							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
-----							-----		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----							-----		
(CONTRACTS OF 1,000 METRIC TONS)						OPEN INTEREST:		3,620	
COMMITMENTS									
0	179	68	3,045	2,891	3,113	3,138	507	482	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						121)			
0	16	-9	189	242	180	249	-59	-128	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
0.0	4.9	1.9	84.1	79.9	86.0	86.7	14.0	13.3	

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 35)
 0 3 3 27 31 30 34

SING FUEL OIL 180 CAL SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02165G

NON-COMMERCIAL						COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(CONTRACTS OF 1,000 METRIC TONS)						OPEN INTEREST:		3,297			
0	60	25	2,682	2,642	2,707	2,727	590	570			

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 277)
 0 5 -15 229 230 214 220 63 57

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 0.0 1.8 0.8 81.3 80.1 82.1 82.7 17.9 17.3

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 37)
 0 2 1 31 30 32 32

NO. 2 HEATING OIL, N.Y. HARBOR - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-022651

NON-COMMERCIAL						COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(CONTRACTS OF 42,000 U.S. GALLONS)						OPEN INTEREST:		227,987			
29,807	16,839	36,040	130,353	151,259	196,200	204,138	31,787	23,849			

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 12,649)
 1,079 3,522 5,583 4,997 1,586 11,659 10,691 990 1,958

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 13.1 7.4 15.8 57.2 66.3 86.1 89.5 13.9 10.5

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 133)
 38 21 40 64 64 122 109

SING GASOIL SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02265J

NON-COMMERCIAL						COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(CONTRACTS OF 1000 BARRELS)						OPEN INTEREST:		7,876			
323	200	400	7,103	7,206	7,826	7,806	50	70			

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 276)
 25 0 0 325 330 350 330 -74 -54

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

4.1	2.5	5.1	90.2	91.5	99.4	99.1	0.6	0.9
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 43)

2	1	3	29	31	33	34
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SING GASOIL/RDAM GASOIL SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02265T

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		6,490
1,116	516	0	5,149	5,974	6,265	6,490	225	0

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -25)

0	0	0	75	-25	75	-25	-100	0
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

17.2	8.0	0.0	79.3	92.0	96.5	100.0	3.5	0.0
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 27)

2	2	0	13	16	15	18
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NATURAL GAS - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-023651

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(10,000 MMBTU'S)						OPEN INTEREST:		964,168
217,143	317,791	304,703	363,085	308,216	884,931	930,710	79,237	33,458

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -7,510)

1,815	13,834	-14,386	819	-5,862	-11,752	-6,414	4,242	-1,096
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

22.5	33.0	31.6	37.7	32.0	91.8	96.5	8.2	3.5
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 234)

94	48	87	77	67	218	166
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MICHCON BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365A

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		98,340
1,508	7,084	1,690	86,499	80,909	89,697	89,683	8,643	8,657

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -250)

616	-475	-10	-856	119	-250	-366	0	116
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

1.5	7.2	1.7	88.0	82.3	91.2	91.2	8.8	8.8
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 30)

2	1	2	24	24	26	27		
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PERMIAN BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365B

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S) OPEN INTEREST: 69,910

COMMITMENTS

3,067	10,021	3,238	57,031	48,058	63,336	61,317	6,574	8,593
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 3,205)

0	-177	387	2,818	2,567	3,205	2,777	0	428
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

4.4	14.3	4.6	81.6	68.7	90.6	87.7	9.4	12.3
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 38)

2	2	3	29	24	32	28		
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M-3 BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365C

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S) OPEN INTEREST: 107,270

COMMITMENTS

3,388	684	3,687	90,218	94,262	97,293	98,633	9,977	8,637
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 3,352)

3,388	117	253	-949	3,068	2,692	3,438	660	-86
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

3.2	0.6	3.4	84.1	87.9	90.7	91.9	9.3	8.1
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 35)

1	1	1	30	27	32	28		
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TCO BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365D

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)						OPEN INTEREST:	94,860	
COMMITMENTS								
5,704	2,708	214	74,961	80,126	80,879	83,048	13,981	11,812
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						388)		
0	0	0	1,323	459	1,323	459	-935	-71
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
6.0	2.9	0.2	79.0	84.5	85.3	87.5	14.7	12.5
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						33)		
2	1	1	21	26	24	27		

MALIN BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365E

-----						NONREPORTABLE			
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----						-----			
(2,500 MMBTU'S)						OPEN INTEREST:	49,849		
COMMITMENTS									
3,020	1,790	5,134	38,106	39,154	46,260	46,078	3,589	3,771	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-48)			
0	-364	0	-48	316	-48	-48	0	0	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
6.1	3.6	10.3	76.4	78.5	92.8	92.4	7.2	7.6	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						24)			
1	1	1	18	18	20	19			

PG&E CITYGATE BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365F

-----						NONREPORTABLE			
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----						-----			
(2,500 MMBTU'S)						OPEN INTEREST:	72,162		
COMMITMENTS									
4,702	3,999	4,086	53,856	54,225	62,644	62,310	9,518	9,852	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						1,180)			
-62	-1,734	1,220	745	749	1,903	235	-723	945	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
6.5	5.5	5.7	74.6	75.1	86.8	86.3	13.2	13.7	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						31)			
2	1	1	22	25	25	26			

NGPL TEXOK BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365G

-----						NONREPORTABLE	
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS

LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)					OPEN INTEREST:			101,457
COMMITMENTS								
3,450	3,333	2,963	89,495	89,677	95,908	95,973	5,549	5,484
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:					1,687)			
302	-394	172	1,243	2,063	1,717	1,841	-30	-154
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
3.4	3.3	2.9	88.2	88.4	94.5	94.6	5.5	5.4
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:					48)			
1	3	3	29	38	32	42		

NGPL MID-CON BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365K

FUTURES ONLY POSITIONS AS OF 07/15/08							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		116,111
COMMITMENTS								
6,004	1,608	6,349	94,173	94,319	106,526	102,276	9,585	13,835
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						720)		
4,577	-181	-613	-3,150	970	814	176	-94	544
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
5.2	1.4	5.5	81.1	81.2	91.7	88.1	8.3	11.9
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						34)		
2	1	3	23	26	26	30		

DEMARCO BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365L

FUTURES ONLY POSITIONS AS OF 07/15/08							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(2,500 MMBTU'S)							OPEN INTEREST:		56,919
COMMITMENTS									
826	2,388	6,381	45,265	37,495	52,472	46,264	4,447	10,655	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							17)		
-382	-96	288	173	-156	79	36	-62	-19	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
1.5	4.2	11.2	79.5	65.9	92.2	81.3	7.8	18.7	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							28)		
2	2	4	18	17	22	21			

VENTURA BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-02365M

FUTURES ONLY POSITIONS AS OF 07/15/08

							NONREPORTABLE		
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(2,500 MMBTU'S)							OPEN INTEREST:		106,445
COMMITMENTS									
6,321	7,863	19,607	79,790	75,306	105,718	102,776	727	3,669	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:					-1,060)				
985	186	-592	-1,423	-744	-1,030	-1,150	-30	90	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
5.9	7.4	18.4	75.0	70.7	99.3	96.6	0.7	3.4	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:					30)				
4	1	3	17	20	22	23			

DOMINION BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-02365N

FUTURES ONLY POSITIONS AS OF 07/15/08

-----							NONREPORTABLE		
NON-COMMERCIAL			COMMERCIAL		TOTAL		POSITIONS		
-----			-----		-----		-----		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
-----			-----		-----		-----		
(2,500 MMBTU'S)						OPEN INTEREST:		60,364	
COMMITMENTS									
736	39	3,099	50,032	47,853	53,867	50,991	6,497	9,373	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-170)			
736	-307	-253	-618	-220	-135	-780	-35	610	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
1.2	0.1	5.1	82.9	79.3	89.2	84.5	10.8	15.5	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						31)			
1	1	1	27	26	29	27			

WAHA BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-02365O

FUTURES ONLY POSITIONS AS OF 07/15/08

							NONREPORTABLE POSITIONS		
NON-COMMERCIAL			COMMERCIAL		TOTAL				
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(2,500 MMBTU'S)							OPEN INTEREST:		96,466
COMMITMENTS									
1,620	3,045	6,960	82,431	82,392	91,011	92,397	5,455	4,069	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							-463)		
-2,911	2,767	572	2,773	-1,934	434	1,405	-897	-1,868	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
1.7	3.2	7.2	85.5	85.4	94.3	95.8	5.7	4.2	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							50)		
2	3	4	33	35	38	39			

TRANSCO ZONE 3 SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-02365S

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)							OPEN INTEREST:	
COMMITMENTS							54,721	
0	6,171	0	47,711	43,903	47,711	50,074	7,010	4,647
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							0)	
0	-1,712	0	0	0	0	-1,712	0	1,712
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
0.0	11.3	0.0	87.2	80.2	87.2	91.5	12.8	8.5
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							22)	
0	2	0	17	14	17	16		

ALBERTA BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035650

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)							OPEN INTEREST:	
COMMITMENTS							118,842	
5,723	26,559	16,544	82,075	64,792	104,342	107,895	14,500	10,947
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							454)	
426	-285	529	112	385	1,067	629	-613	-175
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
4.8	22.3	13.9	69.1	54.5	87.8	90.8	12.2	9.2
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							39)	
2	5	6	32	26	38	33		

CHICAGO BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035651

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)							OPEN INTEREST:	
COMMITMENTS							108,575	
12,638	500	7,430	80,961	87,090	101,029	95,020	7,546	13,555
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							-69)	
497	500	-931	36	1,663	-398	1,232	329	-1,301
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
11.6	0.5	6.8	74.6	80.2	93.0	87.5	7.0	12.5

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 29)
 4 1 4 21 19 26 23

HENRY HUB BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035652

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		49,771
COMMITMENTS								
3,680	2,108	0	45,111	46,559	48,791	48,667	980	1,104
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						713)		
3,680	2,108	0	-2,967	-935	713	1,173	0	-460

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

7.4 4.2 0.0 90.6 93.5 98.0 97.8 2.0 2.2

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 26)
 1 2 0 16 15 17 17

HOUSTON SHIP CH BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035653

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		228,576
COMMITMENTS								
9,675	2,788	7,013	194,180	205,922	210,868	215,723	17,708	12,853
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						248)		
397	-1,604	270	-357	1,558	310	224	-62	24

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

4.2 1.2 3.1 85.0 90.1 92.3 94.4 7.7 5.6

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 57)
 4 4 5 44 42 51 48

NW PIPE ROCKIES BASIS SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-035654

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2,500 MMBTU'S)						OPEN INTEREST:		235,196
COMMITMENTS								
8,528	14,550	16,662	199,469	196,655	224,659	227,867	10,537	7,329
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						1,776)		
215	-126	-179	3,359	4,227	3,395	3,922	-1,619	-2,146

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

3.6	6.2	7.1	84.8	83.6	95.5	96.9	4.5	3.1
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 48)

3	2	3	41	36	46	39
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PANHANDLE BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-035655

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)	OPEN INTEREST:						236,296
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COMMITMENTS	6,325	3,631	15,138	206,038	209,753	227,501	228,522	8,795	7,774
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 1,958)

-2,220	2,183	10	4,275	-571	2,065	1,622	-107	336
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

2.7	1.5	6.4	87.2	88.8	96.3	96.7	3.7	3.3
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 65)

3	3	5	56	53	62	58
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SAN JUAN BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-035656

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)	OPEN INTEREST:						47,797
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COMMITMENTS	0	209	3,191	37,498	35,661	40,689	39,061	7,108	8,736
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 825)

-263	209	342	960	184	1,039	735	-214	90
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

0.0	0.4	6.7	78.5	74.6	85.1	81.7	14.9	18.3
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 22)

0	1	1	19	14	20	15
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SOCAL BASIS SWAP - NEW YORK MERCANTILE EXCHANGE

Code-035657

FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S)	OPEN INTEREST:						203,811
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COMMITMENTS	19,451	7,462	15,932	162,704	171,717	198,087	195,111	5,724	8,700
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 3,378)
 751 1,090 715 1,791 1,791 3,257 3,596 121 -218

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 9.5 3.7 7.8 79.8 84.3 97.2 95.7 2.8 4.3

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 51)
 5 1 6 42 43 48 49

TRANSCO ZONE 6 BASIS SWAP - NEW YORK MERCANTILE EXCHANGE Code-035658
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S) OPEN INTEREST: 58,925
 COMMITMENTS

2,117 4,111 630 46,337 41,469 49,084 46,210 9,841 12,715

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 1,102)
 2,117 -373 60 -1,910 1,215 267 902 835 200

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 3.6 7.0 1.1 78.6 70.4 83.3 78.4 16.7 21.6

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 28)
 1 2 1 22 20 24 22

HENRY HUB GAS SWAP - NEW YORK MERCANTILE EXCHANGE Code-03565B
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S) OPEN INTEREST: 3,617,587
 COMMITMENTS

1490572 359,248 803,654 1296623 2445636 3590849 3608538 26,738 9,049

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 83,118)
 37,453 33,249 21,944 31,877 32,822 91,274 88,015 -8,156 -4,897

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 41.2 9.9 22.2 35.8 67.6 99.3 99.7 0.7 0.3

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 161)
 33 16 45 105 101 155 147

HENRY HUB PENULTIMATE GAS SWAP - NEW YORK MERCANTILE EXCHANGE Code-03565C
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(2,500 MMBTU'S) OPEN INTEREST: 1,117,523
 COMMITMENTS
 119,526 373,639 247,482 746,599 493,894 1113607 1115015 3,916 2,508
 CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 12,728)
 -8,221 56,254 -29,641 50,074 -13,578 12,212 13,035 516 -307
 PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 10.7 33.4 22.1 66.8 44.2 99.6 99.8 0.4 0.2
 NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 90)
 26 17 29 44 42 83 76

PJM ELECTRICITY MONTHLY - NEW YORK MERCANTILE EXCHANGE Code-064657
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(40 MEGAWATT HOURS PER PEAK DAY)						OPEN INTEREST: 26,860		
1,310	240	432	24,369	25,528	26,111	26,200	749	660
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -340)								
130	0	40	-550	-440	-380	-400	40	60
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
4.9	0.9	1.6	90.7	95.0	97.2	97.5	2.8	2.5
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 38)								
5	1	3	28	30	33	34		

NYISO ZONE A LBMP SWAP - NEW YORK MERCANTILE EXCHANGE Code-06465A
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 400 MEGAWATT HOURS)						OPEN INTEREST: 11,207		
1,280	0	0	9,607	10,951	10,887	10,951	320	256
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 0)								
0	0	0	0	0	0	0	0	0
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
11.4	0.0	0.0	85.7	97.7	97.1	97.7	2.9	2.3
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 20)								
1	0	0	10	14	11	14		

ISO NEW ENGLAND LMP SWAP - NEW YORK MERCANTILE EXCHANGE Code-06465H
 FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
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LONG SHORT SPREADS			LONG SHORT		LONG SHORT		LONG SHORT	
(40 MEGAWATT HOURS PER PEAK DAY)					OPEN INTEREST:			14,789
COMMITMENTS								
3,190	0	337	10,458	13,938	13,985	14,275	804	514
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						66)		
-20	0	0	50	44	30	44	36	22
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
21.6	0.0	2.3	70.7	94.2	94.6	96.5	5.4	3.5
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						24)		
2	0	2	18	18	20	20		

PJM CAL MONTH OFF PK LMP SWAP - NEW YORK MERCANTILE EXCHANGE Code-06465M
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(2.5 MEGAWATTS PER OFF PEAK HRS)						OPEN INTEREST:		24,072	
COMMITMENTS									
280	480	480	20,884	21,366	21,644	22,326	2,428	1,746	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-360)			
0	0	0	-360	-360	-360	-360	0	0	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
1.2	2.0	2.0	86.8	88.8	89.9	92.7	10.1	7.3	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						24)			
1	1	1	19	18	21	19			

NORTH ILL OFF PK LMP SWAP - NEW YORK MERCANTILE EXCHANGE Code-06465N
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS		
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT	
(2.5 MEGAWATTS PER OFF PEAK HRS)						OPEN INTEREST:		30,090	
COMMITMENTS									
0	240	480	29,574	28,040	30,054	28,760	36	1,330	
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-72)			
0	0	0	-72	-288	-72	-288	0	216	
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS									
0.0	0.8	1.6	98.3	93.2	99.9	95.6	0.1	4.4	
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						27)			
0	1	1	23	20	24	21			

CINERGY OFF PEAK LMP SWAP - NEW YORK MERCANTILE EXCHANGE

Code-064A02

FUTURES ONLY POSITIONS AS OF 07/15/08

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(2.5 MWH X OFF PEAK HOURS PER MONTH)							OPEN INTEREST:	
COMMITMENTS							9,486	
120	0	0	7,970	8,338	8,090	8,338	1,396	1,148
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							-120)	
0	0	0	-120	-120	-120	-120	0	0
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
1.3	0.0	0.0	84.0	87.9	85.3	87.9	14.7	12.1
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							21)	
1	0	0	14	14	15	14		

CRUDE OIL, LIGHT SWEET - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-067651

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)							OPEN INTEREST:	
COMMITMENTS							1,344,411	
210,013	187,631	369,766	670,135	686,747	1249914	1244144	94,497	100,267
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							28,133)	
252	-15,064	150,174	-149,702	-133,393	724	1,717	27,409	26,416
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
15.6	14.0	27.5	49.8	51.1	93.0	92.5	7.0	7.5
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							335)	
88	130	137	85	102	268	286		

WTI CRUDE OIL CALENDAR SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06765A

							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)							OPEN INTEREST:	
COMMITMENTS							127,502	
22,477	13,636	8,140	61,506	47,467	92,123	69,243	35,379	58,259
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:							.)	
.								
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
17.6	10.7	6.4	48.2	37.2	72.3	54.3	27.7	45.7
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:							21)	
3	4	6	13	14	19	21		

DUBAI CRUDE OIL CALENDAR SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06765G

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		19,136
COMMITMENTS								
900	600	25	18,011	18,311	18,936	18,936	200	200
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						85)		
0	0	0	-15	-115	-15	-115	100	200
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
4.7	3.1	0.1	94.1	95.7	99.0	99.0	1.0	1.0
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						41)		
1	2	1	30	28	32	31		

WTI CRUDE OIL FINANCIAL - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06765I

-----							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
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(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		187,405
COMMITMENTS								
16,346	30,293	40,399	119,743	107,437	176,488	178,129	10,917	9,276
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						-2,006)		
-420	7,794	5,695	-7,103	-15,282	-1,828	-1,793	-178	-213
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
8.7	16.2	21.6	63.9	57.3	94.2	95.1	5.8	4.9
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						50)		
13	12	23	24	24	48	48		

BRENT FINANCIAL - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-06765J

-----							NONREPORTABLE POSITIONS	
NON-COMMERCIAL			COMMERCIAL		TOTAL			
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
-----							-----	
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		30,753
COMMITMENTS								
1,710	7,386	3,000	23,593	18,157	28,303	28,543	2,450	2,210
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						4,689)		
0	5,400	0	5,107	-636	5,107	4,764	-418	-75
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
5.6	24.0	9.8	76.7	59.0	92.0	92.8	8.0	7.2

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 22)
 1 3 2 15 16 18 20

BRENT-DUBAI SWAP - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-067650

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:		5,882
0	600	0	5,882	5,090	5,882	5,690	0	192

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 90)
 0 0 0 90 -102 90 -102 0 192

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 0.0 10.2 0.0 100.0 86.5 100.0 96.7 0.0 3.3

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 24)
 0 2 0 17 14 17 16

PALLADIUM - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-075651

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 100 TROY OUNCES)						OPEN INTEREST:		15,809
10,826	2,897	140	2,548	12,265	13,514	15,302	2,295	507

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -766)
 32 -500 14 -802 -421 -756 -907 -10 141

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS
 68.5 18.3 0.9 16.1 77.6 85.5 96.8 14.5 3.2

NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 105)
 53 12 5 16 27 71 42

PLATINUM - NEW YORK MERCANTILE EXCHANGE
 FUTURES ONLY POSITIONS AS OF 07/15/08

Code-076651

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT
(CONTRACTS OF 50 TROY OUNCES)						OPEN INTEREST:		13,943
8,799	2,464	26	2,016	10,519	10,841	13,009	3,102	934

CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -704)
 -253 -79 -4 -356 -419 -613 -502 -91 -202

PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

63.1	17.7	0.2	14.5	75.4	77.8	93.3	22.2	6.7
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 70)

35	7	2	10	19	45	28
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GASOLINE BLENDSTOCK (RBOB) - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-111659

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 42,000 U.S. GALLONS)						OPEN INTEREST:	244,161
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61,682	16,319	20,597	139,468	195,995	221,747	232,911	22,414	11,250
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: -2,209)

-2,804	1,142	-410	1,295	-3,034	-1,919	-2,302	-290	93
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

25.3	6.7	8.4	57.1	80.3	90.8	95.4	9.2	4.6
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 181)

62	24	39	76	86	155	135
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SING JET KERO SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-26265D

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:	4,352
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200	0	0	4,010	4,342	4,210	4,342	142	10
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 600)

0	0	0	700	700	700	700	-100	-100
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

4.6	0.0	0.0	92.1	99.8	96.7	99.8	3.3	0.2
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 26)

2	0	0	18	20	20	20
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UP DOWN GC ULSD VS HO SPR SWAP - NEW YORK MERCANTILE EXCHANGE
FUTURES ONLY POSITIONS AS OF 07/15/08

Code-022A13

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 42,000 GALLONS)						OPEN INTEREST:	15,739
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1,320	254	489	13,657	14,921	15,466	15,664	273	75
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 300)

150	0	0	125	275	275	275	25	25
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

8.4	1.6	3.1	86.8	94.8	98.3	99.5	1.7	0.5
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 39)

1	1	1	24	25	26	26		
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SING JET KERO GASOIL SPR SWAP - NEW YORK MERCANTILE EXCHANGE Code-86465C
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 1,000 BARRELS) OPEN INTEREST: 4,645
COMMITMENTS

125	0	0	4,520	4,495	4,645	4,495	0	150
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 300)

0	0	0	300	200	300	200	0	100
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

2.7	0.0	0.0	97.3	96.8	100.0	96.8	0.0	3.2
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 27)

1	0	0	18	16	19	16		
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3.5% FUEL OIL RDAM CRACK SPR - NEW YORK MERCANTILE EXCHANGE Code-86565C
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 1,000 BARRELS) OPEN INTEREST: 2,692
COMMITMENTS

412	0	0	1,824	2,449	2,236	2,449	456	243
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CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST: 49)

32	0	0	-7	10	25	10	24	39
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PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS

15.3	0.0	0.0	67.8	91.0	83.1	91.0	16.9	9.0
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NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 21)

2	0	0	12	12	14	12		
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GASOIL CRACK SPR SWAP - NEW YORK MERCANTILE EXCHANGE Code-86765C
FUTURES ONLY POSITIONS AS OF 07/15/08

NON-COMMERCIAL			COMMERCIAL		TOTAL		NONREPORTABLE POSITIONS	
LONG	SHORT	SPREADS	LONG	SHORT	LONG	SHORT	LONG	SHORT

(CONTRACTS OF 1,000 BARRELS)						OPEN INTEREST:	14,395	
COMMITMENTS								
1,486	2,253	418	8,783	8,499	10,687	11,170	3,708	3,225
CHANGES FROM 07/08/08 (CHANGE IN OPEN INTEREST:						791)		
0	-33	87	486	264	573	318	218	473
PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS								
10.3	15.7	2.9	61.0	59.0	74.2	77.6	25.8	22.4
NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS:						30)		
4	3	3	16	22	20	28		

Updated July 18, 2008

APPENDIX III

JEFF BENIGAN, New Mexico, Chairman

DANIEL K. AKAKA, Hawaii
BYRON L. PORTMAN, North Dakota
RON WYDEN, Oregon
THU JOHNSON, South Dakota
MARTY L. LANDREU, Louisiana
MARIA CANTWELL, Washington
KEN SALAZAR, Colorado
THOMAS MENENDEZ, New Jersey
JANET L. LINCOLN, Arkansas
ERNEST SANDERS, Vermont
JOHN TESTER, Montana

PETE V. DOMINICI, New Mexico
JERRY E. CRAIG, Idaho
LISA NEUNOWSKI, Alaska
RICHARD BURR, North Carolina
JIM DEMINT, South Carolina
BOB CORKER, Tennessee
JOHN BARRASSO, Wyoming
JEFF SESSIONS, Alabama
GORDON H. SMITH, Oregon
JIM BURNING, Kentucky
MEL MARTINEZ, Florida

United States Senate

COMMITTEE ON
ENERGY AND NATURAL RESOURCES

WASHINGTON, DC 20510-6150

ENERGY.SENATE.GOV

May 27, 2008

The Honorable Walter Lukken
Acting Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Acting Chairman Lukken:

As you know, American families, farmers and businesses are currently struggling under the weight of record-setting fuel prices. With primary jurisdiction over matters related to national energy policy and energy regulation pursuant to Rule XXV of the Standing Rules of the Senate, the Committee on Energy and Natural Resources has a keen interest in more fully exploring the dynamics underlying the current run-up in oil prices.

To date, the Committee has held two hearings during the 110th Congress related to the role of speculators in U.S. energy markets. In addition, we have held a number of staff-level meetings with the Commodity Futures Trading Commission (CFTC) and other market participants and observers, to better understand the factors contributing to oil prices that have recently exceeded \$133 per barrel. I recognize that tight oil market fundamentals and geopolitics are important determinants of global oil prices. However, I take seriously the testimony of oil industry analysts who have suggested that supply and demand for physical barrels of oil simply cannot fully explain today's prevailing oil prices. Moreover, the lack of comprehensive oil trade data has hampered attempts to quantify the impacts of speculative investment on the prices now imposing hardships on American consumers.

In particular, I remain concerned that the Commission's assertions to date--discounting the potential role of speculation in driving up oil prices--have been based on a glaringly incomplete data set. Increasing trading activity in U.S. crude oil takes place on foreign boards of trade (FBOTs) and in over-the-counter (OTC) markets, for which the CFTC has limited data and oversight authority. Similarly, I am concerned that CFTC analyses classify so-called "swap dealers"--including large investment banks as "commercial" market participants, along side physical hedgers such as oil companies and airlines, rather than as "non-commercial" participants. The practice of including investment banks in the commercial participant category calls into question the CFTC's continued assertion that non-commercial participants, or speculators, follow rather than lead oil price movements.

Finally, I am troubled by the fact the same level of transparency requirements applicable to agricultural commodities are not currently applied to energy trading. Given that the CFTC itself has recently cited escalating diesel and related grain transportation costs as factors contributing to divergent agricultural pricing patterns¹, it would seem that the Commission should exhaust every remedy at its disposal to shed light on current energy market dynamics.

In order to further our inquiry into these matters, the Committee would benefit from a greater understanding of certain aspects of the CFTC's oversight of--and statistical analysis in relation to--energy commodity markets. As such, I would appreciate your response to the attached questions no later than June 10, 2008.

With questions, please contact [REDACTED] or [REDACTED] of the Energy Committee staff, at (202) 224-4971. Thank you for your attention to this request. I look forward to your timely reply.

Sincerely,


Jeff Bingaman
Chairman

cc: Commissioner Michael Dunn
Commissioner Jill E. Sommers
Commissioner Bart Chilton

¹ Statement of Jeffrey Harris, CFTC Chief Economist, Hearing before the Committee on Homeland Security and Government Affairs, U.S. Senate, May 20, 2008.

Questions for the Commodity Futures Trading Commission

Off-Shore Oil Trading:

- 1.) I understand that the CFTC receives on a weekly basis position data from the British Financial Services Authority (FSA) related to the West Texas Intermediate (WTI) crude contract traded on the ICE Futures Europe market--except during the last week of trading for an expiring contract, when such data is received daily.
 - a. Are the data received from the British FSA relative to the ICE Futures Europe WTI contract incorporated into the CFTC's weekly Commitment of Traders reports for crude oil? If not, why not? Do any legal barriers exist to doing so?
 - b. The CFTC testified before the Committee last month that "there is no evidence that position changes by speculators precede price changes for crude oil futures contracts."² Did the data underlying this analysis include position information from ICE Futures Europe WTI contract? If not, why not? If so, what is the breakdown of "commercial" vs. "non-commercial" positions held in ICE Futures Europe WTI contracts from the period in which the contract was launched in 2006, to the present?
 - c. Please quantify the volume of intraday trading in the ICE Futures Europe WTI contract since its launch in 2006, with respect to commercial versus non-commercial market participants.
 - d. As detailed more fully below, I am concerned that CFTC analysis performed relative to the role of "*commercial*" participants in commodity markets includes the activities of swap dealers—large institutional investors that appear to be classified along side physical hedgers in these markets, such as oil companies and airlines. Please quantify the share of swap dealer positions held in the ICE Futures Europe WTI contract, relative to the total share of open interest in the contract, the share of open interest for other "commercial" and "non-commercial" positions.
 - e. Please quantify the volume of intraday trading in the ICE Futures Europe WTI contract attributable to swap dealers, since the contract's launch in 2006.
 - f. Is the position-related data the CFTC receives from the FSA sufficient to assess crude-related positions of any sovereign wealth funds participating in the ICE Futures Europe market? Please quantify this investment and describe any notable trends.
 - g. Please provide the Committee with an account of any cross-border investigation and enforcement efforts that have spanned energy trading activities on both domestic markets and Foreign Boards of Trade. To the extent that such

² Statement of Jeffrey Harris, CFTC Chief Economist, Hearing before the Committee on Energy and Natural Resources, U.S. Senate, April 3, 2008.

information might be governed by existing confidentiality requirements, rest assured the Committee will make arrangements to ensure this information remains private and confidential.

The Swap Dealer Loophole:

- 1.) The Commission has repeatedly testified before Congress that the role of “non-commercial” participants in crude oil markets has not significantly changed during the current period of prolonged run-up in prices. As previously mentioned, this assertion obscures the fact that swap dealers are, for purposes of CFTC analysis, classified along side physical hedgers as “commercial” participants in these markets. I found notable the CFTC’s acknowledgement in testimony before the Committee that “swap dealers now hold significantly larger positions in crude oil,” and that “this development has altered the traditional role of commercial traders” in the oil markets³.
 - a. Please explain the policy rationale for classifying swap dealers as “commercial” market participants, along side entities that participate in these markets as physical hedgers. Is there any current legal barrier to classifying these entities as “non-commercial” market participants for reporting purposes?
 - b. The CFTC has testified before the Committee that “the non-commercial share of total open interest has increased marginally from 31 percent to 37 percent over the past three years⁴”—a figure that excludes the trading activities of swap dealers. How has swap dealers’ share of total open interest grown over the past three years? How has the share of total open interest grown over the past three years when swap dealers are included in the “non-commercial” category?
 - c. Please explain the rules related to “hedging exemptions,” which may allow market participants to exceed position limits for trading crude oil. To what extent are swap dealers eligible for such exemptions, and how often have such exemptions been granted in crude oil since 2006? Similarly, please quantify the extent to which market participants granted hedging exemptions for trading the WTI contract on the New York Mercantile Exchange (NYMEX) hold additional positions in the ICE Futures Europe WTI contract. (While I understand a single corporate entity may have different subsidiaries or affiliates active in each market, please provide this analysis in a manner that aggregates such positions.)
 - d. Please quantify the volume of intraday trading in NYMEX WTI crude contract since 2006, with respect to commercial versus non-commercial market participants, and swap dealers.

Transparency Requirements and Conflicts of Interest:

- 1.) Since January 2007, the CFTC has published a supplemental, weekly “Commitment of Traders” report detailing positions of index traders with respect to 12 agricultural commodities. In announcing the reporting initiative, the CFTC noted that the new report

³ *ibid*

⁴ *ibid*

would incorporate "...positions of managed funds, pension funds and other institutional investors that generally seek exposure to commodity prices as an asset class in an unleveraged and passively-managed manner," along with the "positions of entities whose trading predominantly reflects hedging of over-the-counter (OTC) transactions involving commodity indices—for example, swap dealers holding long futures positions to hedge short OTC commodity index exposure opposite institutional traders such as pension funds."⁵

- a. Why has the CFTC failed to take similar steps to increase transparency with respect to energy commodities through publication of a supplemental Commitment of Traders report—particularly with respect to crude oil?
 - b. Please describe any technical or legal barriers to including in any such supplemental Commitment of Traders report data relative to positions in the ICE Futures Europe WTI contract.
- 2.) Testimony and various press accounts⁶ have recently noted the acquisition of petroleum storage capacity on the part of institutional investors active in energy commodity trading markets. Such trends lead to concerns regarding potential market manipulation strategies. We note that current CFTC regulations (17 CFR Part 19) require that, with respect to certain agricultural commodity markets, entities that exceed speculative position limits must file reports with the Commission outlining their underlying cash positions. Do any such similar reporting requirements apply with respect to energy commodities? If not, why not?
- 3.) Do any conflict-of-interest or insider trading-related regulations apply specifically to commodity market analysts or firms, analogous to those put in place with respect to securities as a result of the Sarbanes-Oxley Act of 2002 (P.L. 107-204)? If so, please describe such regulations—particularly as they apply to commodity market analysts and/or traders employed by investment banks with active proprietary trading operations.

⁵ CFTC News Release, December 5, 2006; <http://www.cftc.gov/newsroom/generalpressreleases/2006/pr5262-06.html>

⁶ Davis, A.; *Where Has All the Oil Gone?*, Wall Street Journal, October 7, 2007.

APPENDIX IV

United States Senate

WASHINGTON, DC 20510

June 9, 2008

The Honorable Walter Lukken
Acting Chairman
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

Dear Mr. Lukken:

On June 6, the price of oil futures increased nearly \$11 per barrel to set a new record of \$138.54. These record increases, which have driven the average price of gasoline nationwide above \$4 per gallon, are hurting American consumers.

We believe that speculation in oil futures by large institutional investors and index funds is inflating the price of oil. The unconstrained and overwhelming entrance of these new commodity investors, who have bet more than 99 percent of their funds on prices rising, must be controlled. We call on you to use existing speculation limit power to constrain the market distortion resulting from this massive influx of capital, and develop a regulatory or legislative proposal to limit the size and influence of investor positions on energy markets.

Recent testimony before numerous Congressional Committees indicates that between 2000 and 2002, major institutional investors began to view commodity futures markets as a new "asset class" suitable to be used in large financial portfolios. Since 2000, investment fund managers have come to believe that commodity index funds act as a hedge against the risk of poor stock market performance and inflation. As Daniel Yergin, one of the nation's leading energy market experts put it: "Oil has become the 'new gold'—a financial asset in which investors seek refuge as inflation rises and the dollar weakens."

Never before have so many institutional investors made large scale investments in commodity markets, but from 2003 to 2008, investments in commodity index funds rose from \$13 billion to \$260 billion. The implications for consumers of this shift are potentially devastating. Unlike

gold, energy and agricultural commodities meet essential needs in the everyday lives of average Americans, and the potential risk that investment strategies will push the price of these goods higher during economic downturns presents a threat to the public welfare that we do not believe is in the best interest of the American public.

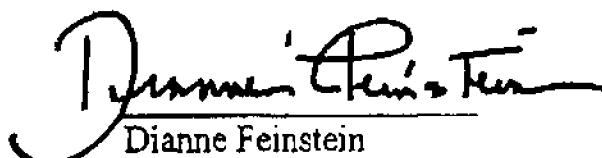
Under the Commodity Exchange Act, the Commission must impose speculation limits on the size of energy trader positions. Crude oil speculative positions are limited to a total of 20 million barrels of oil and 3 million barrels of oil in the last three days of a contract. However, we understand that it has been CFTC's practice to exempt institutional investors from such limits when investors execute their trades through swaps dealers.

We appreciate your recent step to review the trading practices for index traders in the futures markets to ensure that this type of trading activity is not adversely impacting the price discovery process, and to determine whether different practices should be employed. As you conduct this review, we ask that you explore the following with the goal of ensuring the integrity of the marketplace:


- Use your emergency powers to prevent institutional investors from increasing their positions in commodity futures and commodity future index funds;
- Use the position accountability system to reduce the holdings of any institutional investor whose positions exceed these levels, even if those positions are held through swaps dealers;
- Limit exemptions from position limits for "bona fide hedging" to traders who are hedging risk exposure within the underlying commodity;
- Exclude the hedging of broad macroeconomic risk being pursued by institutional investors from the definition of a bona fide hedge, and;
- Propose regulations that would limit the size and influence of institutional investor positions in commodity markets, and express to Congress what additional legislation would be necessary in order to accomplish this end.

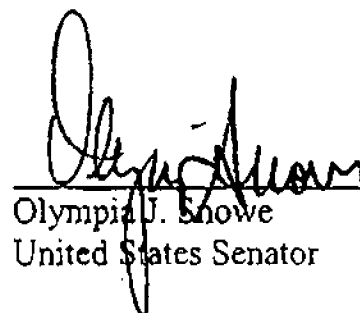
We trust that this review will be conducted as expeditiously as possible, and we hope that you will inform us if it will not be completed by mid July. We have appreciated your efforts to date as Acting Chairman to increase the level of energy market oversight at the Commission, and we are pleased to know that you have opened a number of formal investigations into market manipulation. As the markets continue to evolve, so must our regulation.


Sincerely,


Dianne Feinstein
United States Senator


Ted Stevens
United States Senator


Maria Cantwell
United States Senator


Olympia J. Snowe
United States Senator


Ron Wyden
United States Senator

CC: Commissioner Michael Dunn
Commissioner Jill E. Sommers
Commissioner Bart Chilton

DF/mbn

APPENDIX V



U.S. Commodity Futures Trading Commission
Three Lafayette Centre, 1155 21st Street, NW, Washington, DC 20581

Walter L. Lukken
Acting Chairman

(202) 418-5014
(202) 418-5550 Facsimile
wlukken@cftc.gov

July 8, 2008

The Honorable Dianne Feinstein
United States Senate
Washington, DC 20510

The Honorable Ted Stevens
United States Senate
Washington, DC 20510

The Honorable Maria Cantwell
United States Senate
Washington, DC 20510

The Honorable Olympia J. Snowe
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

Dear Senators Feinstein, Cantwell, Wyden, Stevens, and Snowe:

Thank you for your June 9, 2008 letter concerning the role of institutional investors and index funds in the oil futures markets. I share your concerns for the dangers that record increases in global oil prices pose to our nation's economy and for the hardships that such increases mean for individual Americans, particularly those with the least ability to pay such high prices. No market participant should be allowed to push prices to artificial levels for their own financial benefit, especially when such manipulation would have a significant impact on consumers.

As conditions in the oil futures market have become increasingly turbulent, the Commission has taken a series of steps to ensure that futures prices are being set by the laws of supply and demand rather than by abusive or manipulative practices. On May 29, the Commission announced a number of energy initiatives, including: (1) an agreement with the United Kingdom Financial Services Authority to expand information-sharing concerning energy commodity contracts with U.S. delivery points as well as requirements for position limits and accountability levels for ICE Futures Europe that are equivalent to U.S. standards; (2) steps to increase transparency and controls in U.S. energy futures markets, particularly with regard to the index funds and swap dealers that were the focus of your letter; and (3) the existence of a nationwide crude oil investigation.

In your letter, you listed five separate actions that the Commission should consider as it examines the trading practices of index traders. All Commissioners and members of the Commission's senior staff have received copies of your letter, and I have asked that your suggestions be explored as we expeditiously consider regulatory steps to take or legislation to recommend with regard to index funds' participation in the futures markets.

The Commission has been actively gathering information about the role of index funds in the markets. In late May, the CFTC utilized its special call authorities to gather more detailed data from swap dealers on the amount of off-exchange index trading in the markets and to examine whether index traders are properly classified for regulatory and reporting purposes. Information requests have been issued, and the CFTC expects to receive shortly more detailed information on index funds and other transactions that are being conducted through swap dealers. With this data, the CFTC will provide findings to Congress as soon as practicable—and no later than September 15th—regarding the scope of commodity index trading in the futures markets and recommendations for improved practices and controls, should they be required.

On June 10th, the Commission held the first meeting of its Energy Markets Advisory Committee to discuss the role of index traders in the energy futures markets. In light of the Committee's expertise on energy market issues, I will send copies of your letter to all of the Committee members and welcome any comments they might have on the measures you have suggested for our consideration.

In addition, the Commission recently announced the formation of an interagency task force to evaluate developments in commodity markets. The task force – which includes staff from the CFTC, the Departments of Agriculture, Energy, and Treasury, the Federal Reserve, the Securities and Exchange Commission, the Federal Energy Regulatory Commission, and the Federal Trade Commission – will examine investor practices, fundamental supply and demand factors, and the role of speculators and index traders in the commodity markets. This task force is meeting regularly and is working to make public a report as soon as possible.

Many of the suggestions in your letter are being actively considered by the Commission as it gathers this necessary information on index trading in our markets. It is my goal to help Congress and this agency make informed decisions regarding these evolving markets and we will continue to expeditiously pursue that end understanding the utmost timeliness of this issue.

Thank you for your leadership on these important issues.

Sincerely,

A handwritten signature in dark ink, appearing to read "Walt L. Lukken". The signature is fluid and cursive, with the first name "Walt" being the most prominent part.

Walt Lukken