

Market Research

Direct Exposure to Crude Oil via USO

Whether you're actively seeking crude oil exposure to a) hedge a business risk or b) satisfy asset allocation parameters, USO may be your tool of choice. Listed on the American Stock Exchange, USO is an ETF (exchange traded fund) designed to track the movements of West Texas Intermediate light sweet crude oil, the widely reported benchmark for the western hemisphere. USO trades like an equity, allowing direct commodity exposure without the need for a commodity futures account. One may take a long or a short position in USO.

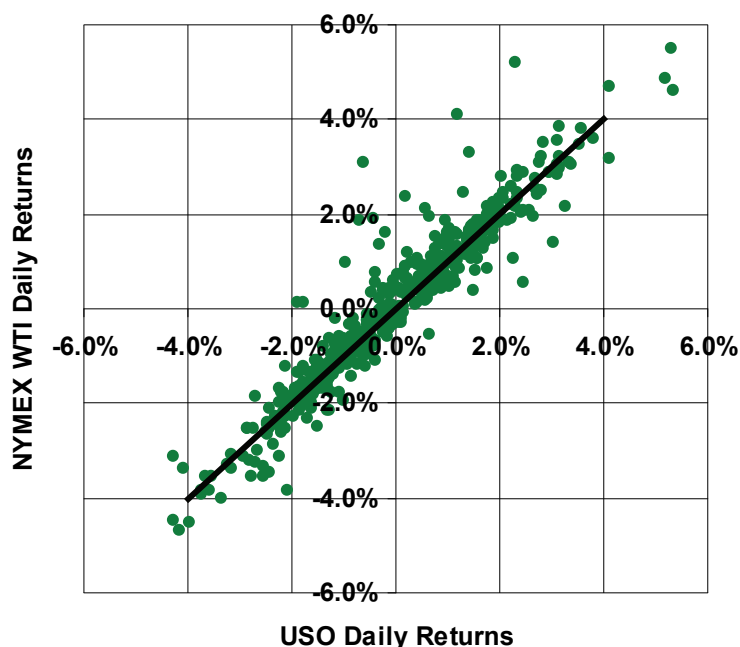
Research confirms a 90% correlation of daily returns between USO and WTI Futures contracts traded on the New York Mercantile Exchange (NYMEX) from 10Apr06, fund inception, through 31Jan08. For purpose of this research, the NYMEX WTI futures contract was rolled from the prompt month to the second month two calendar weeks prior to the expiration of the prompt month contract. Returns exclude transactions costs.

Descriptive statistics for price, change in price, and returns are summarized below for both sets of data. An X-Y plot demonstrates the strong correlation which exists between the daily returns of USO and WTI Futures. The black line, shown for comparison purposes, represents the grouping of a perfectly correlated set of data.

USO provides a strong correlation to crude oil for the hedger or investor wanting direct exposure to crude oil price. It is also important to point out that direct exposure to crude oil price also means direct exposure to crude oil price risk! Returns can be very large AND very negative. Make sure you understand your exposure. Make sure you understand the investment vehicle prior to transacting. Learn more about USO at www.unitedstatesoilfund.com.

Descriptive Statistics

	USO	NYMEX WTI
Observations	453	453
Price		
Lowest	\$43.23	\$51.81
Highest	\$78.47	\$99.62
Change in Price		
Lowest	\$(2.96)	\$(3.80)
Highest	\$ 3.73	\$ 4.36
One Std Dev	\$ 1.02	\$ 1.28
Returns		
Lowest	-4.27%	-4.68%
Highest	5.36%	5.48%
One Std Dev	1.69%	1.78%



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