



DrumBeat: May 21, 2008

Posted by [Gail the Actuary](#) on May 21, 2008 - 9:09am

Topic: [Miscellaneous](#)

[Oil Monitor \(IEA\) to Slash Estimate Of World's Supply of Crude \(parts behind paywall\)](#)

The world's premier energy monitor is preparing a sharp downward revision of its oil-supply forecast, a shift that reflects deepening pessimism over whether oil companies can keep abreast of booming demand.

The Paris-based International Energy Agency is in the middle of a large study of the condition of world's top oil fields. Its findings won't be released until November, but the bottom line is already clear: Future crude-oil supplies could be far tighter than previously thought.

[Oil prices pass \\$134 after government report of a drop in crude and gasoline inventories](#)

NEW YORK (AP) -- Runaway oil prices blew past \$130 a barrel for the first time Wednesday and kept going, while gasoline prices persisted in their own relentless climb, rising above \$3.80 a gallon. Supply worries, rising demand and a slumping dollar are conspiring to make filling up the car -- and paying for just about everything else -- a growing burden for Americans.

With gas and oil prices setting new records on a daily basis, many analysts are beginning to wonder whether anything can stop prices from rising. There are technical signals in the futures market, including price differences between near-term and longer-term contracts, that crude may soon fall. But with demand for oil growing in the developing world, and little end in sight to supply problems in producing countries such as Nigeria, few analysts are willing to call an end to crude's rally.

[The TOD:Canada News Round-Up: May 21st 2008](#)

[Crude's Price Surge Attracts Oil-Field Thieves](#)

Tankers, Pipelines Grow as Targets; Few Crimes Solved

A sharp rise in oil-field thefts is driving oil companies and law enforcement to beef up

security at wells that are being targeted more frequently as a source of easy money. Thieves are tapping into pipelines, paying off truck drivers and sometimes simply driving up to wells in tanker trucks and pumping the oil out of storage containers.

[OPEC oil supply rising in May-Petrologistics](#)

LONDON, May 21 (Reuters) - OPEC oil supply in May is expected to rise by 700,000 barrels per day (bpd), led by higher output from members including Nigeria and Saudi Arabia, an industry consultant said on Wednesday.

The increase comes during a month in which oil has soared to record highs and indicates OPEC is again pumping more than its supply limit after a strike in Nigeria lowered output and Saudi Arabia opted to pump more.

All 13 OPEC members are expected to pump 32.4 million bpd this month compared with a revised 31.7 million bpd in April, Conrad Gerber of tanker tracker Petrologistics, told Reuters.

[Oilpatch gears up for a comeback](#)

Buoyed by surging natural gas and record oil prices, the western Canadian oilpatch is gearing up for a recovery in the second half of 2008.

[Crude In The Stratosphere: Wall Street Regroups](#)

With oil prices at record levels investors pulled out of U.S. stocks on Tuesday, as the outlook for the U.S. consumer seemed to grow bleaker by the hour. Forecasts of \$150 oil, another uptick in a key inflation measure, and concerns the credit crunch's next wave could hit consumer lending all lent credence to a dour outlook.

['Peak oil' sentiment pumping up long-term futures](#)

"You have had a lot of press, whether from OPEC or other market watchers, calling for significantly higher prices than what we're seeing today," said Eric Wittenauer, an energy analyst at Wachovia Securities in St. Louis. "Those can be proof positive for the higher end of the curve."

[As oil soars, Japan's plan makes sense](#)

Japan also shifted away from oil to natural gas, which is available from less distant and more reliable suppliers such as Brunei and Indonesia. Natural gas

provides about 15 per cent of Japan's energy needs, up from 2.7 per cent in 1975. Oil provides about 46 per cent, down from 71 per cent. Coal accounts for about 22 per cent, up from 18 per cent, and other sources provide the remainder.

[American Cuts US Flights; Airline Stocks Plummet](#)

American Airlines said it plans to cut domestic capacity by 11 percent to 12 percent this year as fuel prices reach record highs and the weak U.S. economy casts a shadow over the summer travel season.

[US calls on China to join global energy group, help stabilize oil markets](#)

A U.S. official urged China on Tuesday to join the International Energy Agency — a group of major oil consumers that includes the United States and European governments — and aid its efforts to keep petroleum markets stable in times of crisis.

[OPEC secretary-general says world oil market well supplied](#)

OPEC's secretary-general says the world oil market is well supplied despite prices that have risen above US\$129 a barrel.

[An Oracle of Oil Predicts \\$200-a-Barrel Crude](#)

An analyst at Goldman Sachs, Mr. Murti has become the talk of the oil market by issuing one sensational forecast after another. A few years ago, rivals scoffed when he predicted oil would breach \$100 a barrel. Few are laughing now.

[Our Phony Economy](#)

There were warnings about the Housing Bubble on the web for years before the market tanked. Now we are warning you about the approaching global maximum of oil volumetric flow rates, a concept which others call "peak oil." Thank God for the internet. In the meantime, merrily we roll along, living in the phony economy Big Brother has invented for us.



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