



Drumbeat: August 9, 2013

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[Peak oil? David Rosenberg gives seven reasons](#)

Here are seven points from Mr. Rosenberg:

1. Oil demand has declined in the industrialized world since 2005. The International Energy Agency now projects global demand at 97 million barrels a day, down 13 per cent from the 112 million projected about 15 years ago.
2. Oil subsidies are falling, notably in producing nations, “offsetting natural demand growth from the emerging markets.”
3. Technology to get the stuff out of the ground is evolving quickly. “Fracking along with new discoveries of conventional gas in short order has increased world reserves to 200 years from 50 years.”

[North American oil boom eases OPEC supply problems - IEA](#)

(Reuters) - North America's shale boom is insulating the world from steep oil price spikes as several OPEC members struggle to maintain production due to unrest and infrastructure problems, the International Energy Agency (IEA) said on Friday.

The agency, which consults developed nations on energy policies, said key among those disruptions were Libya and Iraq, where violence has steeply curtailed output. Upcoming work on key Iraqi terminals could further upset oil buyers in Europe, Asia and the United States.

[IEA Trims Estimate for 2014 Global Oil Demand Growth on Economy](#)

The International Energy Agency trimmed forecasts for global oil demand growth in 2014 amid slowing expansion in China and a struggle to secure a recovery in the U.S. and Europe.

Global consumption will increase by 1.1 million barrels a day, or 1.2 percent, to 92 million next year, the Paris-based adviser to energy-consuming nations said today in its monthly market report. The expansion is 100,000 barrels a day less than last month, when the estimate for 2014 was first introduced. Refinery operating rates will ease after a record surge in July, the IEA said.

[OPEC Maintains Estimate for Global Oil Demand Growth in 2014](#)

The Organization of Petroleum Exporting Countries kept estimates for global oil demand growth in 2014 unchanged amid a stable outlook for the world economy.

World oil consumption will increase by 1 million barrels a day, or 1.2 percent, next year to about 90.8 million a day, the group's Vienna-based secretariat said in its monthly market report today. Increasing output from countries outside OPEC means demand for the organization's crude will slide to 29.7 million barrels a day, or about 600,000 a day less than its 12 members pumped last month, the report showed.

[US becoming 'refiner to the world' as diesel demand grows](#)

Running at their highest levels in six years, U.S. refineries are finding strong demand for diesel fuel, used widely in cars outside of the United States, and other distillates, like jet fuel.

"Any companies with refining assets on the Gulf Coast are expanding their export terminals," said Fadel Gheit, senior energy analyst at Oppenheimer, citing Valero, Shell and Marathon Petroleum. "The profitability is not that clear, but the trend is very clear."

[WTI Snaps Five-Day Drop as China Industrial Output Gains](#)

West Texas Intermediate crude rose for the first time in six days, trimming a weekly drop as industrial production advanced more than forecast in China, the second-biggest oil consumer.

Futures gained as much as 1.4 percent in New York, snapping the longest streak of declines since December. China's factory output climbed 9.7 percent in July from a year earlier, 0.8 percentage points higher than forecast in a Bloomberg survey, figures from the National Bureau of Statistics show. Prices showed little reaction to a cut in the International Energy Agency's estimate for 2014 global oil demand growth. WTI fell yesterday amid speculation that the Federal Reserve will trim stimulus measures in the U.S.

"Better than expected Chinese industrial data was always going to give a boost to risky assets such as oil," said Michael Hewson, a market analyst at CMC Markets Plc in London, who forecasts North Sea Brent crude to drop to \$103 a barrel by the end of the year and WTI to fall as low as \$95. "Oil did drop yesterday so we were always going to get a bit of a pullback from that too."

[Middle East crude production to be hit by maintenance and industrial action](#)

Crude supply from some of the Middle East and North Africa's oil producers is expected to be lower as output is disrupted by maintenance work and industrial action.

Libya's production is set to drop further as workers at the country's Arabian Gulf Oil Company (AGOCO) protest over management changes and the company's structure.

"Union members met today in the fields of Mesla, Nafoora, Sarir and Hamada, and they decided to cut production in these fields at a rate of 10,000 barrels per day (bpd) until (the government) responds to their demands," Saad Denar, vice president of the federation of oil workers, told Reuters.

[Hedge Funds Make Record Bearish Corn Bets on Supply](#)

U.S. farmers are poised to reap their biggest-ever corn crop, expanding global stockpiles to the most in 13 years and spurring hedge funds and other speculators to make record bets that prices will keep slumping.

[Exxon, Imperial to Buy Conoco Oil-Sands for \\$723 Million](#)

Exxon Mobil Corp. and Imperial Oil Ltd. agreed to buy ConocoPhillips' Clyden lease for about C\$751 million (\$723 million), expanding their holdings in the booming Alberta oil-sands region.

The sale includes 226,000 net acres of undeveloped land near the southern edge of the Athabasca oil sands, Houston-based ConocoPhillips said in a statement today. Under the agreement, Exxon will hold 72.5 percent of the leasehold and Calgary-based Imperial, which Exxon controls, will have 27.5 percent, the companies said.

[PetroChina to join Exxon on giant Iraqi oilfield - source](#)

BEIJING/MOSCOW (Reuters) - China's biggest energy firm PetroChina will join Exxon Mobil in developing Iraq's giant West Qurna oilfield and is in talks with Lukoil to buy into a second project at the field, industry sources said on Friday.

China is already the top foreign player in Iraq's southern oilfields and a deal at West Qurna would boost its dominance and could make PetroChina the biggest single foreign investor.

[Norway Fund Says Emerging Market Slump Curbed Returns](#)

Norway's sovereign wealth fund, the world's largest, said a slump in emerging markets held back returns in the second quarter amid concern over a slowdown in the Chinese economy.

The fund lost 5.9 percent on its stock investments in emerging markets in the second quarter, in part because of speculation of weaker growth in China, the investor said. In total, the \$760 billion fund rose 0.1 percent, or 17 billion kroner (\$2.9 billion), in the period, helped by U.S. and Japanese stocks. Stocks rose 0.9 percent, while bond investments dropped 1.4 percent. Real estate investments rose 3.9 percent.

[ANALYSIS: German 4 GW new coal plants in testing after first fire](#)

(Platts) - Five new coal-fired power plants in Germany with a combined capacity of around 4 GW have had their "first fire" over recent weeks and will be generating electricity in the hot testing phase over the next couple of months, according to a Platts survey of the five plant operators. The projects include RWE's Hamm D unit (800 MW), EnBW's RDK 8 (912 MW), Vattenfall's first block at Hamburg-Moorburg (840 MW), Steag's Walsum 10 unit (725 MW) and GDF Suez's new coal-fired power plant at Wilhelmshaven (800 MW).

[Mine Deal Puts New Scrutiny on China's State Industries](#)

ZHONGSHE, China — A moribund coal mine here descends deeply, more than 3,800 feet underground. But the deal in which a Chinese state-owned conglomerate bought it may be even darker and more labyrinthine.

The Zhongshe mine and two others, in Shanxi Province in northern China, are at the center of unusually public accusations of mismanagement and corruption afflicting one of the nation's flagship state conglomerates, China Resources. Critics say that the \$1.6 billion purchase was vastly overpriced and illegal and that large sums may have been squandered or, as some are claiming, improperly diverted.

[How Dumb Is Immigration Debate? This Dumb.](#)

In recent years, the net inflow of new undocumented immigrants arriving from Mexico has fallen to zero. Some of the decline is due to the U.S. recession and a falloff in construction, which employed a lot of migrant workers. But some is due to an improving economy in Mexico, where unemployment is 5 percent and wages have been rising. "I personally think the huge boom in Mexican immigration is over," Massey said.

Yet the political debate over immigration is stuck in 1985. Congress is focused above all on how to further militarize an already militarized border -- despite the fact that doubling the size of the border patrol since 2004 and installing hundreds of miles of barriers and surveillance equipment appears to have been counterproductive. At any rate, the flow of unauthorized immigration has slowed dramatically. "Listening to the Republicans, you'd think waves of people are crossing the border," Massey said. "But illegal migration stopped four years ago and has been zero since."

[Rejecting Keystone Will Have Little to No Impact on Greenhouse Gas Emissions](#)

A new study from IHS, a prominent, independent energy research firm, says that a thumbs down from President Barack Obama on the Keystone Pipeline would have minimal to no impact on U.S. greenhouse gas (GHG) emissions.

It found that “Venezuelan heavy oil—and Venezuela—would be the number one beneficiary of a negative decision on Keystone.”

[Will Keystone XL Pipeline Create Many Construction Jobs?](#)

The construction of Keystone XL, which would generate 3,950 person-years of work according to the U.S. Department of State, has a job creation potential on par with building a shopping mall or the campus renovations the University of Oregon announced last week.

Moreover, after it's built, Keystone XL will only employ between 35 and 50 people — and some of those positions will be filled in Canada. That's a small fraction of the long-term employment benefits one could expect from a shopping mall.

[Leak at Oil Sands Project in Alberta Heightens Conservationists' Concerns](#)

The oil company calls it “seepage.” Environmentalists describe it as a “blow out.”

Either way, the leak at the oil sands project in Northern Alberta — which has spilled 280,022 gallons of oil across 51 acres since June — is stoking the controversy over the energy source.

[Colorado Fracking Stresses Regulators as Permit Bids Soar](#)

New rules governing oil and gas extraction in Colorado may increase the review period for permits and add to a backlog of well applications as energy exploration proceeds at a pace to eclipse last year's record.

[Rail Agency Probes Possible Safety Flaws in Crude Transit](#)

The Federal Railroad Administration said it is investigating the safety of transporting crude oil by rail, including whether chemicals used in hydraulic fracturing are corroding tank cars.

Regulators in July 29 a letter to the American Petroleum Institute, a Washington-based lobbying and standards-setting group for the oil and gas industry, said the chemical composition of the crude is sometimes misclassified at a lower hazard level, violating existing safety rules.

In some cases, the tank cars shipping the hazardous material may not be equipped with “required design enhancements,” the FRA said in the letter sent three weeks after a deadly explosion in Quebec of a train hauling oil.

[Tesla shares soar on earnings surprise](#)

Tesla Motors shares put the pedal to the metal on Wednesday in after-hours trading following results that show the company's revenue is growing better than forecasts and profit that blew past expectations.

[Tesla aces its first crash test](#)

NEW YORK (CNMoney) - The Tesla Model S just got another rave review, this one from the National Highway Traffic Safety Administration's crash test.

NHTSA gave the Model S its top five-star rating for each safety category -- front-end crash, side crash and rollover crash. NHTSA had not previously tested the Model S, which came out last year, or Tesla's other model, the Tesla Roadster.

[Get on the Bus](#)

Improving bus service—not building new trains—offers the best route to better mass transit.

[One Small Step: The Big Benefits of Walking to Work](#)

Commuters who trade in their car for a pair of comfortable shoes will do more than just save money on gas, new research finds.

A study by researchers at Imperial College London and University College London discovered that people who walk to work are roughly 40 percent less likely to have diabetes compared with those who drive to work.

[Kan, Tepco execs won't face negligence charges](#)

Prosecutors do not plan to indict former Prime Minister Naoto Kan and executives of Tokyo Electric Power Co. over the Fukushima No. 1 nuclear meltdown calamity that started on March 3, 2011, investigative sources said Friday.

The prosecutors decided, based on the testimony of tsunami experts, that the government and Tepco could not have foreseen the monster waves that hit the complex after the Great East Japan Earthquake struck, due to the lack of “unified knowledge” on

the height of tsunami.

[Falsified Reports After Fukushima Fan Anti-Nuclear Korea](#)

For Seoul residents, South Korea's decision to keep four nuclear reactors offline because of faked safety reports means power shortages, and a summer of sweltering homes and offices. Lee Jin Gon has bigger concerns.

"We feel unsafe day and night," Lee said, pointing at the cause of his nervousness, one of the closed reactors in the town of Yangnam, a four-hour journey southeast of the capital. "We became worried about nuclear safety after the Fukushima accident. Now it's worse," he said, adding that locals have held protests to close the whole plant.

[Nuclear Power Plant in South Carolina At Risk For Shutdown](#)

A nuclear power plant located near Hartsville, South Carolina is at risk for being shut down, according to a research study conducted at the Vermont Law School. However, the plant has a license to operate until 2030 and operators Duke Energy say they have no plans to retire it early.

[Dong Energy Spearheads Offshore Wind Cost-Cutting Drive](#)

Dong Energy A/S, Denmark's state-controlled utility, is leading a drive to cut offshore wind-power costs by as much as 40 percent by the end of the decade.

Dong is working with six other companies and three British and Irish universities to study ways of using less steel in wind-turbine foundations at sea to make the technology more affordable, it said today in an e-mailed statement.

[The Peak Oil Crisis: The 3rd Window](#)

We currently are living through one of the more interesting yet bizarre periods in the history of science. The interesting part is that the evidence continues to accumulate that there has indeed been a scientific discovery fully as significant as the steam engine, electricity, radio, atomic energy, or micro circuitry – perhaps even combined. The bizarre part is that 99+ percent of us have either no, or possibly a distorted idea, of what is happening. I am talking about the third window that nature left open for us into the energy locked inside atoms –popularly known as “cold fusion.”

[Parents, you don't need to buy more stuff](#)

Research shows that having a lot of money changes people's way of looking at things.

Because money allows us to get whatever we want, it reinforces our desire for independence. And as any parent knows, wanting to be left alone to do your own thing is not perfectly compatible with parenting.

It's this incompatibility that undermines the meaning that people typically get out of parenting: If you have enough money to be flying off for a weekend getaway, diaper-changing seems even less appealing. The wealth people accumulate before having kids surprisingly impoverishes the experience of parenting.

Our recent research suggests it's not how much money you have, it's how carefully you spend that money.

[India's Fear of Growth](#)

India's feeling about growth (or the feeling of its political class, at any rate) is that it's all very well, but... It's all very well, but it won't improve public services, attack illiteracy or lift the burden of disease. It's all very well, but it won't end poverty or secure social justice. It's all very well, but what about inequality?

This ambivalence, which Chinese policy makers would see as a form of derangement, pervades India's public discourse -- and India is a vibrant democracy in which public discourse matters. Recently, in an intellectual confrontation that could only happen in India, the authors of two contending texts on the subject of growth have been slugging it out, and their quarrel has been national news.

[Fear of Immortality](#)

By a ratio of nearly 2-to-1, respondents who think that "longer life expectancies would strain our natural resources" say that living to 120 would be bad for society. Respondents who reject the strained-resources claim draw the opposite conclusion: Fifty-nine percent say extended life would be socially beneficial.

[Nanny goat state: D.C. cemetery hires unlikely landscaping crew](#)

Washington D.C.'s Historic Congressional Cemetery is welcoming some strange guests to its 35 acres this week.

They've "hired" approximately six dozen goats, or about two herds, for \$750 a day to rid the area of invasive species like poison ivy.

[Tiny Chinese Island Sets Example for Sustainable Fishing](#)

Zhangzi Island thrives on the seafood industry -- dominated by the Zhangzidao Group, which manages 70,000 hectares of the Yellow Sea. The company is a full-service

operation, covering hatching, farming, processing and trading of shellfish. As the largest seafood company listed on Shenzhen Stock Exchange, it's so embedded into the island community that the 15,000 residents are shareholders: 30 percent of their collective income comes from seafood production.

Once we disembarked, the company took us to local processing facilities where workers split seafood shells with precision water technology, slicing the meat out cleanly, minimizing waste and using scant amounts of energy. Workers put the meat on ice, then boxed it for shipping to local markets where it will be eaten the following morning. The process is efficient, clean and mindful of the environment.

[Deaths of Manatees, Dolphins and Pelicans Point to Estuary at Risk](#)

Along 50 miles of northern estuary waters off Brevard County and the Kennedy space complex, about 280 manatees have died in the last 12 months, 109 of them in the same sudden manner as the Banana River victims. As the manatee deaths peaked this spring, hundreds of pelicans began dying along the same stretch of water, followed this summer by scores of bottlenose dolphins.

The cause continues to evade easy explanation. But a central question is whether the deaths are symptoms of something more ominous: the collapse of the natural balance that sustains the 156-mile estuary's northern reaches.

"We may have reached a tipping point," said Troy Rice, who directs the Indian River Lagoon National Estuary Program, a federal, state and local government partnership at the St. Johns River Water Management District.

[Cut Emissions? Congress Itself Keeps Burning a Dirtier Fuel](#)

WASHINGTON — As part of the climate change agenda he unveiled this year, President Obama made a commitment to significantly reduce the federal government's dependence on fossil fuels. The government, he said in a speech in June at Georgetown University, "must lead by example."

But just two miles from the White House stands the Capitol Power Plant, the largest single source of carbon emissions in the nation's capital and a concrete example of the government's inability to green its own turf.

[Report: Global warming already having dramatic impacts in Calif.: Rising oceans, bigger forest fire predicted](#)

Rising ocean waters. Bigger and more frequent forest fires. More brutally hot summer days.

These aren't the usual predictions about global warming based on computer forecasts. They're changes already happening in California, according to a detailed new report

issued Thursday by the California Environmental Protection Agency.

Climate change is “an immediate and growing threat” affecting the state's water supplies, farm industry, forests, wildlife and public health, the report says. The 258-page document was written by 51 scientists from the University of California, Scripps Institution of Oceanography, Lawrence Berkeley National Laboratory, U.S. Geological Survey and the National Oceanic and Atmospheric Administration, among other agencies and institutions.

”Climate change is not just some abstract scientific debate,” said California EPA Secretary Matt Rodriquez. “It's real, and it's already here.”



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