



DrumBeat: October 5, 2006

Posted by [threadbot](#) on October 5, 2006 - 10:01am

Topic: [Miscellaneous](#)

[Update by Leanan on 10/05/06 at 10:03 AM EDT]

[Oil jumps on OPEC's first output cut since 2004](#)

Oil jumped more than a dollar to above \$60 on Thursday after an OPEC delegate said the producer group will cut output by 1 million barrels per day as soon as possible to prop up prices.

Top world exporter Saudi Arabia will lower production by 300,000 barrels per day as part of the plan, the delegate said. Oil has slid from a peak of \$78.40 in July, alarming OPEC, partly due to brimming inventories.

[Why Are Saudis Approving Cheaper Oil?](#)

Unbelievable as it may sound, Saudi Arabia is practically applauding the 22% plunge in global oil prices since July. On Sept. 19, Saudi Oil Minister Ali Naimi called a price of about \$60 per barrel "reasonable." Analysts think the Saudis could even live with a price in the mid-\$50's per barrel. "The Saudi price target is probably lower than the rest of OPEC; they are still happy at \$50 per barrel," says David Kirsch, an analyst at PFC Energy in Washington.

[The good oil](#)

The price of oil has been dropping steadily since peaking at \$US78.40 a barrel in July. One bullish commentator, Michael Lynch, was reported in Forbes as predicting a fall to \$US45 by mid-2007 and even lower in 2008.

[Oil a better bargain than Starbucks?](#)

If you think you're paying through the nose every time you fill up at the pumps, think again, says Matthew Simmons.

Crude oil now costs 11 cents per cup, says the energy industry expert, who recently returned from Beijing, where he paid \$2.25 for a cup of tea at Starbucks.

"Eleven cents a cup — it is the cheapest thing we sell in the world today. It doesn't make any sense," said Mr. Simmons, head of Simmons & Company International, a Houston investment bank that focuses on the energy industry.

[Nigerian militants call off attacks in oil delta](#)

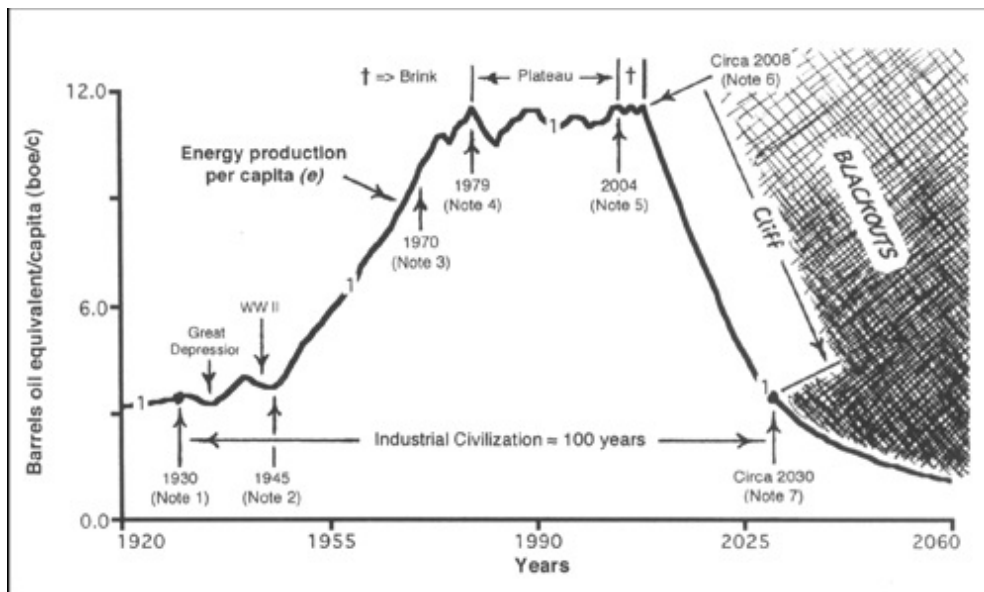
Militants in Nigeria's oil heartland said on Thursday they had called off attacks on troops after two bloody gunbattles and would fight only in response to actions by the military.

The Movement for the Emancipation of the Niger Delta (MEND) said it had killed 17 soldiers in separate firefights in the Niger Delta on Wednesday but would now hold back.

"This whole thing wasn't supposed to happen this way. We were still in the concluding stages of our plans to completely halt Nigerian exports in one swipe," a MEND spokesman said in an email to Reuters.

[Oil Discovery in Israel](#)

From the Wilderness still thinks we're heading for Olduvai: [Industrial Society Rides An Unstable Plateau Before the Cliff](#)



(A graph from TOD is also featured.)

[US car buyers want reliability, not fuel economy: survey](#)

[Could 2007 Be Even Worse for Detroit?](#) Despite drastic cost cuts and new vehicles, history and market forces could conspire to do even more damage to U.S. automakers next year.

[BP faces declining profitability](#)

You've heard of "peak oil", the idea that world oil production is already close to or even at its peak. Now comes the idea of "peak profits", the possibility that oil profits too may have reached their zenith.

[Who Needs the Electric Car?](#)

[UAE to focus on alternative and renewable sources of energy](#)

[French PM Unveils Environmental, Energy Saving Plan](#)

[The Oil Conspiracy](#): Is the Bush administration manipulating oil prices to win elections?

Tom Whipple on [The Peak Oil Crisis: Election 2008](#)

[Can Biofuels Become the Next Petroleum?](#)



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