



DrumBeat: October 8, 2008

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Topic: [Miscellaneous](#)

[Oil prices: Buckle up for a wild ride](#)

Outlook for crude depends largely on the health of the global economy. Analyst predictions range from a fall to \$50 or a surge to \$150 a barrel.

NEW YORK (CNMoney.com) -- Expect nothing but volatility for oil prices over the next year or two - with the fate of the global economy largely dictating whether crude will fall to \$50 or shoot up to \$150 a barrel.

The global economy is teetering on the edge, and no one really knows if it will muscle through this credit crunch or succumb to a pronounced recession.

With crude prices so closely linked to the health of the economy - unemployed people tend to drive a lot less - oil analysts don't really know where oil prices are headed either.

[Oil prices skid to 2008 low on falling demand](#)

NEW YORK - Oil prices fell Wednesday, touching their lowest level this year, — as the government reported a huge spike in crude inventories while giving more evidence of dwindling demand.

Light, sweet crude for November delivery was down \$1.23 at \$88.83 in afternoon trading on the New York Mercantile Exchange, paring earlier losses after the stock market rose into positive territory after being down most of the day.

Oil prices earlier fell to \$86.05, the lowest level since Dec. 6, 2007.

Crude has now fallen about 40 percent since surging to an all-time record \$147.27 a barrel on July 11.

But Wednesday's losses were limited by growing speculation that the Organization of the Petroleum Exporting Countries could cut output to keep prices from falling too hard. OPEC officials, worried about declining oil revenue, in recent days have urged members of the cartel not to pump too much crude in a bid to keep prices above \$100.

[Preparing for a Financial Crisis, Electric Utilities Unlikely to Spend Despite Critical Needs, Says Analyst Scotto](#)

The needs are everywhere – more power plants, more transmission lines, major upgrades to the existing grid. But even as the threat of blackouts grows daily, in the wake of Wall Street’s meltdown the capital-intensive electric utility is unlikely to carry out desperately-needed improvement projects.

So says Daniel Scotto, veteran Wall Street electric utility financial analyst, one of the few on the Street who understands how Wall Street’s woes are likely to impact the Byzantine, multi-trillion-dollar electric utility industry.

[In Wake of Street Crisis, ‘I Wouldn’t Own Any of These Heavy Nuclear Utilities’ - Analyst Scotto \(Part 2 of 2\)](#)

With Congress on the verge of committing a king’s ransom of taxpayer money to cope with the meltdown on Wall Street, it will have little appetite for guaranteeing billions of dollars in loans for new nuclear power plants, which could end America’s “nuclear revival” before it’s even begun.

That’s according to veteran Wall Street utility financial analyst Dan Scotto, who told EnergyTechStocks.com that federal loan guarantees for new nuclear power plants (without which Wall Street is unlikely to advance utilities the money to build) are now “way, way off Congress’s radar screen.”

[Venezuela's Chavez to survive crisis despite oil fall](#)

CARACAS (Reuters) - Venezuelan President Hugo Chavez will likely emerge unscathed from the current global financial contagion even if tumbling crude prices force the oil-dependent OPEC nation to scale back spending in the coming months.

The crisis, which the socialist Chavez gleefully calls the end of capitalism, has helped push crude oil to an 8-month low after it hit a record near \$150 per barrel and sparked dire predictions by Chavez adversaries of an economic meltdown.

But analysts say billions of dollars in cash reserves and widely available financing by political allies will let Chavez ride out a sustained oil price fall of even several years.

[Qatar's Model May Break Gas Price Link With Oil, Analyst Says](#)

(Bloomberg) -- Qatar, the world's biggest producer of liquefied natural gas, may force the decoupling of gas prices from crude oil, an industry analyst said.

“The gas market will become detached from oil when enough surplus LNG capacity appears and when enough LNG carriers become available on a spot basis to transport

the surplus LNG," Leo Drollas, deputy executive director at the Centre for Global Energy Studies, said at the Sparks and Flames conference in Amsterdam.

[Tide turning on Nigeria oil delta thefts-Governor](#)

LONDON (Reuters) - Nigeria is winning its fight against militants and criminals in its oil-producing Niger Delta but social and economic conditions must also be improved to solve the problem, a regional governor said on Wednesday.

Rivers State governor Rotimi Amaechi has taken a tough approach to dealing with the violence since he took office last year and is keen to attract more foreign investment.

"Things have got much better -- kidnappings are down," Amaechi told Reuters in an interview.

[First council since Second World War set up to look at food security](#)

The production, supply and consumption of food in Britain is to be investigated by a dedicated Government council.

The Council of Food Policy Advisors will sit alongside the National Economic Council set up last week to address the financial crisis.

Hilary Benn, the environment secretary, has set up the council to advise the government on the affordability, security of supply and the environmental impact of food production.

He said the growing world population, climate change and rising fuel costs were all leading to an unprecedented threat to Britain's food security.

[New Zealand: Register planned for car pooling](#)

Car pooling to save on fuel costs may be coming to Oamaru under a plan by the Natural Heritage Society and Waitaki Resource Recovery Trust.

The venture will be launched at the Health Active Living Oamaru (Halo) expo on October 19 encouraging people to share trips, not only to save fuel but to cope with the long-term impacts of climate change and peak oil.

[Newly discovered fungus strips pollutants from oil](#)

A humble fungus could help oil companies clean up their fuel to meet tightening

emissions standards. The fungus, recently discovered in Iran, grows naturally in crude oil and removes the sulphur and nitrogen compounds that lead to acid rain and air pollution.

[End use of fossil fuels in 20 years, UK warned](#)

Britain must abandon using almost all fossil fuels to produce power in 20 years' time, the government's climate change watchdog will warn today.

The independent Climate Change Committee will publish its advice to the government that the UK should set a 2050 target of cutting all greenhouse gas emissions by at least 80% - including the emissions from aviation and transport, which were previously excluded.

Because it is unlikely that emissions from aviation and shipping will be cut so dramatically, other sectors, particularly power generation, would have to reduce emissions by much more, with big increases in energy efficiency, wind and tide power, and probably new nuclear generators, Lord Turner of Ecchinswell, the committee chairman, told the Guardian.

[George Monbiot: This green subsidy for car makers is just a disguised corporate bail-out](#)

While all eyes were fixed on the banking bail-out, a bucketload of public money was quietly sloshed into the pockets of another undeserving cause. Last week, George Bush agreed to lend \$25bn to US car manufacturers. It's a soft loan, which will cost the government \$7.5bn. Few people noticed; fewer fought it. The House of Representatives approved the measure by 370 votes to 58. The great corporate bail-out is spreading like the plague.

[Rural communities best equipped to cope with climate change: UN report](#)

Rural communities which protect nature and exploit forests, wetlands and wildlife sustainably will be the best equipped to cope with the droughts and floods that will increasingly hit Africa, Asia and Latin America with climate change, says a new UN-backed report.

Nature-based enterprise, says the report from the World Resources Institute in Washington DC, offers the world's 2 billion rural poor key survival tools to weather the extreme changes that are expected. It argues that communities must be given secure rights to access, manage and profit from, the natural resources they depend on daily and calls on governments and development agencies to scale up such approaches.

[Warming Andes stymies Peruvian potato farmers](#)

"Climate change is bringing new and more frequent diseases during the harvest," said Cesar Portocarrero, a civil engineer who has been studying the effects of global warming on the Peruvian Andes for decades. "As plagues and temperatures increase, farmers are forced to go higher and higher up the mountains to avoid them. Eventually they'll have nowhere to go."

One of the big losers is the 1.8 million potato farmers like Huanuco, who depend on predictable climate. Most are ill prepared to handle new pests and diseases that have materialized as temperature and rainfall patterns have shifted, agronomists say.

[How to buy a scooter for your commute](#)

The economy is tanking. Bleak financial headlines are bombarding us every day. And on top of everything else, gasoline prices continue to be painfully high.

If you're on the prowl for ways to save as much money as possible right now, you may be among the growing numbers of consumers who are showing an interest in scooters. Of course, depending on the weather where you live, a scooter might not be a viable year-round answer for you – but get this: A cute and trendy scooter can cost as little as \$4 to fill up. Just \$4!

[Saving gas, beyond the car](#)

Taking a hard look at the relationship between peak oil (when the maximum rate of oil extraction is reached) and water shortages paints a grim picture.

Oil supplies from non-OPEC sources have already peaked, according to Dr. Peter Wells, an oil industry consultant who works for Toyota. Drilling may produce new sources, but they are likely to be much smaller and many times more expensive to extract than existing wells. Producing energy from untapped sources (such as shale and tar sands), as well as producing alternative energy requires massive amounts of water that the U.S. currently doesn't have.

Back-to-back presentations on these subjects at the recent Toyota Sustainable Mobility Seminar were enough to dampen the car enthusiasm of a room full of automotive journalists. In the final analysis, nothing is ever likely to be as cheap or convenient as the light, sweet crude oil of years past.

This raises two key questions: As a society, where do we go from here? And if you're in the business of making cars, how do you plan your future?

The answer to both questions involves learning to use less gas – and soon.

[54 Production Platforms Destroyed in GOM](#)

MMS estimates that from September 13, 2008 through September 14, 2008, approximately 1,450 oil and gas production platforms in the Gulf of Mexico were exposed to hurricane conditions, winds greater than 74 miles per hour. As of August 2008, there were more than 3,800 production platforms in the Gulf of Mexico; these structures range in size from single well caissons in water depths of ten feet to a large complex facility in water depth greater than 7,000 feet.

[Transocean downgraded on market woes](#)

Analysts at investment bank Dahlman & Rose today moved shares in drilling company Transocean from 'buy' to 'hold' in light of current activity within the commodities and financial markets, despite steady dayrates on drilling rigs, a move that could be experienced by other major players in the industry.

"We believe the latest drops in oil prices will have an impact on management's decision-making during the next few months—especially as it relates to the special dividend," said the bank in a statement.

[New Continental Shelf Rights Add to NZ Offshore Exploration Estate](#)

New Zealand's rights over the Continental Shelf sea floor around its coast have been officially extended by 1.7 million square kilometers or 42% greater than covered by the 200 nautical mile-wide EEZ area.

The Government recently announced that a special United Nations Commission has officially confirmed New Zealand's claim to the 1.7 million sq km Extended Continental Shelf (ECS) area that includes rights to resources such as petroleum and minerals beneath and on the seafloor.

[Somali troops free British oil worker; 1 killed](#)

BOSSASO, Somalia (Map, News) - A Somali government official says troops have freed a British oil worker abducted in northern Somalia.

Energy and Minerals Ministry official Farah Abdi Hussein says one of the abductors has been killed and another wounded during a battle to free the man. The oil worker, an employee of Canada-based Africa Oil Corp., was unharmed.

[Egyptian Companies Seek Oil Projects in Iraq](#)

Egypt has formed a delegation of oil companies to probe petroleum projects in Iraq,

Egyptian Minister of Petroleum Sameh Fahmi said on Tuesday.

The Egyptian delegation will have talks with Iraqi officials on rehabilitating the oil infrastructure in Iraq, the Egyptian MENA news agency quoted Fahmi as saying.

[No crisis for energy start-ups in Calgary](#)

CALGARY • As money drains out of some of Canada's biggest energy companies, private oil and gas startups led by star management teams are still capturing hundreds of millions of dollars in cash here in Calgary.

[Shell Aims to Grow in Ukraine, Starts Drilling in 2009](#)

Royal Dutch Shell PLC's subsidiary Shell Ukraine E&P is planning to drill its first well in the country in 2009, and is looking for further opportunities in the country, the company's general manager, Patrick Van Daele, told Dow Jones Newswires Wednesday.

[Pakistan: Draft of new petroleum policy finalised](#)

KARACHI: Petroleum ministry has finalised the draft of new petroleum policy which will be presented for approval in the next meeting of the Economic Coordination Committee (ECC) of the cabinet, Acting Petroleum Secretary G A Sabri told The News.

Petroleum Policy 2008 will help expedite the exploration of oil and gas reserves after last year's policy failed to generate any activity at a time when the country faced severe energy crisis.

[U.S. Welcomes Chinese Firms to Invest in Energy Sector](#)

The United States would welcome Chinese investments in its oil and gas sector, an official with the U.S. department of energy said on Wednesday.

"If they want to invest in our oil and gas sector, I can't imagine we would have any objections," Alan Hegburg, deputy assistant secretary in the department, told Reuters on the sidelines of an oil conference in Cape Town.

[Time Is Up Congress - And America](#)

Oil will collapse in price to \$20/bbl. Unfortunately nobody will have any money to buy gasoline, or a car, so it won't matter. As in The Depression millions of automobiles will be

scrapped after being abandoned by their owners for lack of insurance and registration fee money. Cheap scooters will become the dominant form of transportation for those with jobs, as they will be all most people can afford.

As credit collapses distribution of food and other essentials will break down. Unable to access credit, trucking companies will be unable to get goods to market. The current distribution system for food requires travel of over 500 miles from production to consumption; this is untenable in a market where stable credit is unavailable. Food distribution will be severely impacted and in some areas may break down below critical levels.

Unemployment will reach 25% within two years. Median income will fall by 30% nationally. Foreclosures will reach 20 million homes. The government will step in with HOLC-style remediation but it won't matter - the unemployed won't be able to pay irrespective of the price.

House prices will fall to well under \$100,000 nationally on a median basis but with lending all but non-existent you'll need 50% down. A few people will make out like bandits near the bottom, being able to buy up homes for \$10,000 each in blocks of 10 at a time - for cash. 60% of America will be renters; nearly half of all homeowners will ultimately lose their homes to foreclosure.

Civil unrest will break out in major cities when incomes fall but the cost of food and essential services fail to come down materially, leaving millions of Americans hungry, broke and homeless. Unlike in the 1930s America will not quietly stand in soup lines - instead they will riot, loot and burn. The National Guard will be called up but will find it impossible to exert meaningful control without shutting down all commerce in the affected areas. The decision will be made to cordon off the cities and deny entry to anyone who does not live in that specific neighborhood, essentially shutting down commercial activity. GDP will fall by 30%.

The S&P 500 will fall to 150 and flatline, a 90% loss. CNBC and Bloomberg will cease broadcasting. Volume will fall to 10% of former levels.

[Energy firms likely to trim their spending](#)

The financial crisis that has choked credit markets also may stem the flow of capital spending by oil and natural gas companies as the situation shakes out, analysts said.

"All the oil companies, large and small, will cut back their capital spending," Fadel Gheit, an oil analyst with Oppenheimer & Co. in New York, predicted. "The ones that keep their capital spending intact will be the exception, not the rule."

Even if companies have the money for new exploration and production projects, "they will say, 'We will wait for the market to cool off,'" he said.

The industry also is watching crude prices, now at around \$90 a barrel after approaching \$150 in midsummer.

[Some OPEC members float idea of oil supply cut](#)

LAGOS/ANTALYA, Turkey (Reuters) - OPEC may need to intervene to balance the oil market if prices fall further, Nigeria said on Wednesday, making it the latest country in the exporters' group to float the prospect of supply curbs.

Nigeria joins Libya, Iran and Iraq, fellow members of the Organization of the Petroleum Exporting Countries, in expressing concern this week about the impact of the financial crisis on the oil market.

[Business is booming for the prophets of doom](#)

WHAT will happen if, as a consequence of this financial disaster, there is a withdrawal of mass support for the existing economic order? There may be no viable socialist alternative with any credibility, but the loyalty of the population to an increasingly crisis-prone economic system will be severely tested.

There are no obvious solutions to such unprecedented challenges and simultaneous crises. But if nothing else emerges from the maelstrom, the role of the state in rescuing American capitalism from its internal contradictions will be the final antidote to free-market hagiography.

[Russian Bombers Escorted By Japanese Fighter Jets](#)

(Bloomberg) -- Russian strategic bombers flying over the Sea of Japan were escorted by Japanese fighter jets on two occasions today before returning to base, Russian Air Force spokesman Vladimir Drik said.

The two Tu-22M3 strategic bombers left an air base in Russia's Far East as part of a training exercise, Stability 2008, Drik said by telephone in Moscow today. As they flew over the Sea of Japan they were accompanied for about 30 minutes by two Japanese F-15 fighter jets, he said.

Later, Japanese F-15 jets from a different air base flew alongside the two bombers for about four minutes before the bombers returned to Russian territory, Drik said. A Japanese Air Self-Defense Force spokesman, Masanori Tsuji, said he hadn't heard the report about fighters scrambling and couldn't comment.

Russia is currently holding its largest air force exercises since the 1991 collapse of the Soviet Union, while a naval convoy on its way to Venezuela is staging a show of strength in the Mediterranean.

[OPEC would cut output at below \\$80: source](#)

DUBAI (Reuters) - OPEC was unlikely to cut output at its December meeting unless the price for crude produced by its members fell below \$80 a barrel, an OPEC source said on Wednesday.

The price for OPEC's basket of crude stood just above that threshold on Tuesday, at \$80.04 a barrel.

"The price is still reasonable," the source told Reuters. "If it stays where it is then OPEC will stick to the output levels decided at the last meeting. I think if it falls below \$80, OPEC will do more."

[BP's Forties Crude Oil Output May Fall in January](#)

(Bloomberg) -- BP Plc said production of North Sea Forties oil, part of the benchmark used to price two-thirds of the world's crude, will probably rise 4 percent in December before falling in January.

BP, the operator of the Forties Pipeline System, forecasts December production at 700,000 barrels a day, compared with 673,000 barrels a day in November, according to an update on its Web site. January output is scheduled to decline 2.7 percent to 681,000 barrels a day, it said. October production is forecast at 649,000 barrels a day.

[Nigeria targets 4 mln barrels per day by 2010](#)

CAPE TOWN (Reuters) - Nigeria is optimistic that the falling world oil price will stabilise and it expects to lift its production to 4 million barrels per day by 2010, the African nation's oil minister said on Wednesday.

"We in Nigeria remain optimistic that the oil price will stabilise," Nigerian Oil Minister Odein Ajumogobia said at the Africa Upstream 2008 oil conference in Cape Town. "Our ambition is to reach 4 million barrels per day by 2010."

[Eq. Guinea sees oil output up to 400,000 bpd in 2009](#)

CAPE TOWN (Reuters) - Equatorial Guinea's oil production is likely to rise about 5 percent to an average of 400,000 barrels per day next year, an official in the African nation's energy department said on Wednesday.

"It will probably be about 400,000 barrels (per day)," Diosdado Engono Bengono, director general of hydrocarbons in the nation's ministry of mines, industry and energy, told Reuters at an oil conference in Cape Town.

[Valero says restarting Houston refinery units after Ike](#)

NEW YORK (Reuters) - Valero Energy Corp said Wednesday it will be restarting some units at its 130,000 barrel-per-day oil refinery in Houston, Texas after repairs from Hurricane Ike.

[Russia to delay construction of proposed gas pipeline to China - Xinhua](#)

BEIJING (XFN-ASIA) - Russia will delay the construction of proposed gas pipeline to China due to competition from other gas sources in the Chinese market, the official Xinhua News Agency reported, citing Russian media.

The Altai gas pipeline project, designed to ship 30 bln cubic meters of natural gas per year from western Siberia to China, was excluded from Russia's recently released blueprint for gas industry development through 2030, the agency said.

[US oil production at lowest level since 1946-gov't](#)

WASHINGTON (Reuters) - U.S. crude oil production this year is expected to fall below 5 million barrels per day for the first time since shortly after World War Two, the government's top energy forecasting agency said on Tuesday.

The lower output is due to hurricanes Gustav and Ike, which at one point shut in almost all the 1.3 million barrels a day in oil production in the Gulf of Mexico, according to the U.S. Energy Information Administration.

About 45 percent of Gulf oil output is still offline weeks after the hurricanes struck.

[Oil Rebounds From 10-Month Low After Central Banks Cut Rates](#)

(Bloomberg) -- Crude oil rebounded from a 10-month low after central banks in the U.S., Europe and China reduced interest rates to thaw credit markets.

The Federal Reserve, European Central Bank, Bank of England, Bank of Canada and Sweden's Riksbank each cut their benchmark rates by half a percentage point. Crude had earlier dropped with industrial metals on concerns that bail-out plans already being implemented will fail to avert worldwide recession that cuts energy demand.

``The coordinated rate cuts may slow the decline and perhaps even stabilize prices as some market participants view the move as positive for economic and oil demand growth," said Mike Wittner, London-based head of oil market research at Societe Generale SA.

[Nigeria says OPEC may need to act to stop oil slide](#)

LAGOS (Reuters) - Nigeria said on Wednesday that OPEC may need to intervene to balance the oil market if the price of crude continues to slide, making it the latest OPEC member to voice concern about the impact of the global financial crisis.

"There may be a need to intervene to balance the market if the price slide seemingly predicted on (lower) demand and over-supply continues," Nigerian Oil Minister Odein Ajumogobia told Reuters.

[Oil prices could fall more - Eni CEO](#)

ROME (Reuters) - Oil prices could fall further with signs pointing to dropping demand, Italian oil company Eni SpA's chief executive officer, Paolo Scaroni, said on Wednesday.

He said the company's international growth would be unaffected by the current market turmoil.

[OPEC may need to cut if oil under \\$90: Iraq](#)

ANTALYA, Turkey (Reuters) - OPEC may need to consider cutting oil output if the price of crude remains below \$90, Iraqi Oil Minister Hussain al-Shahristani told Reuters on Wednesday.

"It has been a source of concern since the price has fallen since June and July," he said on the sidelines of an energy conference in the Turkish coastal city Antalya.

[OPEC members move to support oil prices](#)

CALGARY - With oil prices sliding nearly 40% from their July high, and predictions of a return to US\$50-a-barrel oil becoming louder, some members of the OPEC cartel seem to be getting nervous their petrodollar hauls are lightening up.

[Balts hope Georgia conflict boosts energy case](#)

TALLINN (Reuters) - Ulo Kikas, harbor captain at the port of Muuga, stands at the top of the multi-storey harbor building near Estonia's capital and points down to a network of vacant railway tracks for oil product wagons.

"That used to be full of trains," he said. In the distance is an empty quay. "That is the coal terminal. There used to be piles of coal there, you could see them from here. Now

there is nothing."

The reason, Estonian officials say, is that Russia diverted shipments of oil products and coal from Tallinn port after a diplomatic row last year in a display of its willingness to use energy as a political weapon.

[How Much Oil is Actually Left On This Planet? Should We Care?](#)

According to Dr. Peter McCabe, a world-renowned scientist currently working at CSIRO in Australia, any realistic analysis of future energy sources can only conclude that, barring some complete and miraculous harmony between all the world's economic superpowers, fossil fuels will dominate our energy mix for at least the next few decades — and we should just accept it.

... So, if Dr. McCabe is right, will the world have enough fossil fuels to keep up with demand? If we can't completely switch to renewable energy sources for at least another 30 years (and assuming climate change doesn't kill us off first) will the problem of peak oil rear it's ugly head and kill us off anyways?

According to McCabe, in a nutshell the peak oil concept is fundamentally flawed because it doesn't account for external factors.

[GAO opens probe into gas, oil drilling in Utah](#)

SALT LAKE CITY - Congressional investigators are looking at a federal government agency's quick approvals for oil and gas drilling in Utah, a development applauded by environmental groups but condemned by industry executives as political posturing.

Two Government Accountability Office investigators are in Utah as part of a probe into the federal Bureau of Land Management's practice of approving some drilling projects without a full environmental study of the consequences.

[Nigerian militants threaten anarchy over graft case](#)

LAGOS (Reuters) - Militants in Nigeria's oil-producing south threatened on Wednesday to create a "state of anarchy" unless local government officials accused of corruption are properly dealt with. The Economic and Financial Crimes Commission (EFCC) has said it is investigating allegations that large sums of money were withdrawn in a suspicious manner from the funds of Rivers state, one of the three main oil-producing states in the Niger Delta.

[Turkey says will push ahead with Iran gas deal](#)

ANKARA (Reuters) - Turkey's Energy Minister said on Wednesday the country would push ahead with a planned deal to produce and export gas from neighbouring Iran, saying cancellation of the deal was "out of the question."

Turkey and Iran failed to conclude expected energy accords during a visit by Iranian President Mahmoud Ahmadinejad to Turkey in August. The United States, which is seeking to isolate Tehran over its nuclear programme, opposes the plan.

[India's ONGC eyeing Kazakh oil asset - source](#)

ALMATY (Reuters) - Leading Indian explorer Oil and Natural Gas Corp has shown interest in buying a stake in MMG, a Kazakhstan-based oil production company, a Kazakh government source told Reuters on Wednesday.

Gazprom Neft, a unit of Gazprom, had earlier said it wanted to offer Kazakhstan a stake in one of its fields in Western Siberia in exchange for a 49 percent stake in MMG, also known as MangistauMunaiGas, but its offer has been rejected.

[Saudi cbank says no need for emergency liquidity](#)

DUBAI (Reuters) - Saudi Arabia's central bank said on Wednesday there was no need to provide emergency funds to banks in the world's largest oil exporter as the financial sector faced no shortage in liquidity.

Muhammed al-Jasser, central bank vice governor, said in comments carried by the state SPA news agency that the central bank was ready to provide sufficient liquidity if needed but no bank had approached it for additional funds.

[Gazprom May Say Quarterly Profit Reached \\$9.1 Billion](#)

(Bloomberg) -- OAO Gazprom may say profit rose 5.2 percent in the first quarter as Russia's largest energy producer benefited from higher natural-gas prices at home and abroad.

Net income probably advanced to 221 billion rubles (\$9.1 billion) from 210 billion rubles in the same period last year, according to the median estimate of eight analysts surveyed by Bloomberg News. The range was between 171 billion and 286 billion rubles. Sales probably rose 34 percent to 822 billion rubles.

[Airlines' earnings forecast to rise in '09, as oil prices drop](#)

The same U.S. airlines that looked to be goners three months ago when oil reached \$147 a barrel now may be headed toward healthy 2009 profits.

Several industry analysts are forecasting 2009 gains instead of big losses for Alaska, Delta, Continental and US Airways. Perennial moneymaker Southwest could be more profitable.

US Airways President Scott Kirby said at a recent conference that investors don't appreciate the magnitude of the changes airlines made to cope with \$147-a-barrel oil.

[Russia, Indonesia, Ukraine Shut Exchanges as Stock Rout Worsens](#)

(Bloomberg) -- Russia, Indonesia, Ukraine and Romania shut their stock exchanges after shares plummeted in the worst week for emerging-markets in at least two decades.

Russia's Micex Index dropped 14 percent, having already slumped 20 percent this week, before trading stopped at 11:05 a.m. in Moscow. The exchange won't reopen until Oct. 10 unless the Federal Financial Markets Service says otherwise, Micex spokesman Alexei Gerasyuk said by phone. The Jakarta Composite index fell 21 percent in its biggest weekly slump in at least 25 years, according to data compiled by Bloomberg.

[Russian Stocks Tumble, Extending Record Decline, Led by Gazprom](#)

Gazprom, the world's biggest natural-gas company, fell 19.35 rubles, or 14 percent, to 121.80 rubles in the first 10 minutes of trading. OAO Lukoil, Russia's largest independent oil producer, slid 181.89 rubles, or 16 percent, to 930.57 rubles at 10:40 a.m. in Moscow.

[Jim Cramer: Wall Street, Fall 2009](#)

In terms of investing between now and next fall, I'd buy the stocks of only companies you can't not use — Kellogg's, General Mills, Kraft, P&G. You can't trust anything to do with financial paper — there's still too much uncertainty (if a bailout bill does pass, at what price will the toxic bonds be marked?). And commodities have been bid up too high — demand soared as investors sought shelter from stocks — to buy for some time. Oil's going to \$50 on weaker demand; when it gets there, we can revisit the oil stocks.

[To drill or not to drill is not the question: Renewable resources abound. Let's use them.](#)

Washington - To drill or not to drill is the wrong question.

Real solutions to the energy and climate crisis are available today if we focus on what we

have in abundance instead of arguing over what's exhaustible and dwindling – namely fossil fuels.

[Alcoa stops capital projects on income slump](#)

ALCOA says it will stop all "non-critical" capital projects and suspend its share-buyback program after a slump in metal prices.

The company posted a third-quarter net income drop of 52 per cent, hurt by a charge for layoffs at a Texas aluminium smelter.

[Sell-off continues in solar sector](#)

NEW YORK - The rising cost of debt and potentially less generous subsidies in Europe exacerbated what had been part of a broader Wall Street sell-off for the solar sector Tuesday.

Goldman Sachs Global Investment Research said it was moving to a more cautious outlook on the sector.

"The risk of oversupply in the solar market will soon become a reality as considerably less generous demand subsidies take hold just as a wave of supply and tight financing hit the market," Goldman Sachs wrote in a note. "We believe that liberal subsidies of the past in markets like Germany and Spain are unlikely to be replicated in the future given fears of their ultimate cost in a bad world economy."

[U.S. announces 'Biofuels Action Plan'](#)

WASHINGTON (UPI) -- U.S. government officials have released the National Biofuels Action Plan, an interagency plan to accelerate development of a sustainable biofuels industry.

U.S. Department of Agriculture Secretary Ed Schafer and Department of Energy Secretary Samuel Bodman said the plan is in response to President George Bush's goal of cutting U.S. gasoline consumption by 20 percent in the next 10 years.

[Indonesia Biofuel Policy to Reduce Palm Oil Exports](#)

(Bloomberg) -- Exports of palm oil from Indonesia, the largest producer, may decline by as much as 1.5 million metric tons a year after the nation made the use of renewable energy mandatory, a government official said.

``In relation to the mandatory policy for bio-energy issued last month, we see that the use of agricultural products for alternative energy will increase," Bayu Krisnamurthi, a deputy to Coordinating Minister for Economic Affairs Boediono, said today in Jakarta. ``This will cut our exports" of palm oil.

[Autumn reds disappearing as global warming blurs boundaries between the seasons](#)

The vibrant palette of autumn is draining away from Europe's woodlands, as global warming continues to blur the boundaries between seasons, scientists have warned.

Researchers at the Italian Meteorological Society have observed less gold, copper and red foliage in the country's woodlands, and linked this to rising temperatures and extended springs and summers.

[Scientists urge Canadians to 'vote strategically' for the environment](#)

OTTAWA - Canada's top global warming scientists weighed into the election campaign on Tuesday, blasting the Conservative government's record on climate change and urging Canadians to "vote strategically" for the environment to protect future generations and modern civilization.

[EU MPs' climate package vote brings little joy for industry](#)

BRUSSELS (AFP) - A European parliamentary committee on Tuesday broadly approved ambitious proposals to tackle climate change, refusing to bow to industry pressure to water down the measures.

The global financial crisis and the closure of German auto factories did not prevent the parliament's environment committee from voting 44 to 20, in favour of a tough stance in talks with the 27 EU member states on how to achieve the agreed goal of cutting CO2 emissions by 20 percent by 2020.

[Climate change seen aiding spread of deadly diseases](#)

BARCELONA, Spain (Reuters) - A "deadly dozen" diseases ranging from avian flu to yellow fever are likely to spread more because of climate change, the Wildlife Conservation Society said on Tuesday.

The society, based in the Bronx Zoo in the United States and which works in 60 nations, urged better monitoring of wildlife health to help give an early warning of how pathogens might spread with global warming.

[Rainforest dwellers demand more say in climate change efforts](#)

BARCELONA (AFP) - Indigenous leaders in five Amazonian nations, the Democratic Republic of Congo and Indonesia on Wednesday demanded a larger say on how best to manage tropical forests to fight climate change.

More than a billion poor people who depend on forest ecosystems risk economic and cultural devastation if efforts favored by rich nations to reduce greenhouse gases fail to respect their rights and needs, they said at the World Conservation Congress in Barcelona.

[House Democrats unveil draft climate change bill](#)

WASHINGTON - With the presidential election less than a month away and the economy reeling, House Democratic leaders on Tuesday unveiled a proposal to reduce the gases blamed for global warming from power plants, transportation and factories by 80 percent come 2050.

The draft legislation, which will be refined in coming months for introduction next year, would begin slowly, capping emissions of heat-trapping gases released by transportation and power plants first, then moving to other sectors of the economy. The money earned from auctioning off some of the permits would be redirected to energy efficiency and clean technologies. In later years, all permits would be sold with the proceeds going back to the taxpayer, unless Congress reauthorizes the bill.



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