



DrumBeat: December 25, 2008

Posted by [Leanan](#) on December 25, 2008 - 10:06am

Topic: [Miscellaneous](#)

[Economic bright spot: energy prices](#)

New York - The best economic news that consumers receive next year could be the price they pay for energy.

Although it's almost 2009, prices at the pump – close to \$1.65 a gallon – are below what Americans paid in 2004. That year, the top three bestselling vehicles were pickup trucks, and gasoline prices averaged \$1.85 a gallon for regular.

Also this winter, residents of the Northeast are expected to see their heating costs shrink by almost 25 percent when compared with last winter.

"It's a bit of a gift, like a giant tax cut," says Sarah Emerson, managing director of Energy Security Analysis Inc. in Wakefield, Mass. "This is one of the best things to happen to the economy over the next six months."

[Oil decline erodes airline fuel hedge value](#)

CHICAGO (Reuters) - Major U.S. airlines are cheering the jaw-dropping decline in fuel prices, but at the same time are wincing that some of the insurance they bought to hedge against fuel spikes seems to have been a waste of money.

To some degree, top carriers all are struggling to blunt the impact of potential fuel price rallies without losing money on hedges if fuel falls more than expected.

Worthless fuel hedges led to huge accounting losses for major airlines in the third quarter. It is likely to happen again in the fourth quarter and could repeat in 2009 because airlines buy their hedges months in advance.

[Oil looks cheap, but investors are wary](#)

LONDON (Reuters) - A flight into cash during the credit crisis has helped drive oil and other commodity prices down so steeply that they are a potential "buy" for pension funds with a longer view.

But timing is everything.

"People are sitting on cash -- big lumps of it," said Mark Mathias, chief executive of commodity fund manager Quantum Asset Management. "Everyone is worried about when to go back in. Long-term, oil is cheap, but who knows where it goes in the short term."

[Russia replaces oil gas reserves in 2008](#)

MOSCOW (Reuters) - Russia has fully replaced its oil and gas production this year with new reserves, Resources Minister Yuri Trutnev said on Thursday.

Trutnev said Russia, the world's largest gas producer and the world's second largest oil exporter, had discovered 500 million tonnes of new oil reserves this year and 650 billion cubic metres (bcm) of gas.

[Roads took toll on driving habits](#)

Changing lanes: Gas prices, lack of gas and construction clogs sent many to car pools or MARTA. Will the switch last? Nobody can tell.

[Coal hard truths](#)

Mattie Reitman went to the coal fields of West Virginia two years ago to listen to the experiences and concerns of residents living in the heart of coal country. There, in Appalachia, with the help of an approach called "deep listening," Reitman dug into the issue of coal mining and mountaintop removal, and what he found was a source of human exploitation and ecological devastation.

"Coal comes from injustice," he explained. "It's stripped from indigenous lands and burned there and then shipped away."

[Why a Depression Will Be Good for America](#)

Who welcomes our Recession changing to become a full blown Depression? There are some: those capitalists who always make fortunes off of human suffering. But what about the rest of us ordinary folks? Failing to go thru another Great Depression could actually be worse than avoiding it. Here's why.

[The Peak Oil Crisis: Confusion In the Markets](#)

If you don't understand what is going on with the price of gasoline and demand for the world's oil supply, then join the club.

Analysts, pundits, government officials, oil ministers, oil executives, and oil traders are all over the board in trying to explain what is happening and more importantly what is going to happen. Some are saying that \$30 oil will be with us until the economy recovers while others are talking of a spike to \$200 in 2009.

[Russian Stocks Fall After Oil Plunges; Lukoil, Surgut Decline](#)

(Bloomberg) -- Russia's 30-stock Micex Index fell as the country's Urals blend of crude oil fell to a four-year low, hurting the outlook for energy producers and the economy.

OA O Lukoil, Russia's second-biggest oil producer, and OA O Surgutneftegaz, the fourth biggest, led the retreat with declines of more than 2.5 percent.

[UAE first to follow OPEC deal with Jan oil cuts](#)

TOKYO/DUBAI (Reuters) - The UAE joined Saudi Arabia in deepening oil supply curbs on Thursday to comply with producer group OPEC's biggest ever output cut last week, telling refiners it would tighten shipping limits on exports of its main grades.

[China Development Bank Quadruples Loan to Oil-Rich Kazakhstan](#)

(Bloomberg) -- China Development Bank quadrupled a credit line to its counterpart in energy-rich Kazakhstan after oil prices plunged.

China Development Bank agreed to increase a \$100 million line of credit for infrastructure, energy and metals projects to \$400 million, the Astana-based National Wellbeing Fund said in a statement today.

[Nippon Oil Likely to Keep Output Cuts in January Through March](#)

(Bloomberg) -- Nippon Oil Corp., Japan's largest refiner, will likely continue cutting production in the first three months of the year as the recession reduces demand for diesel oil used at factories and other fuels.

The refiner reiterated a plan to process 25 percent less crude oil next month, and it is "highly possible we will make similar cuts" in February and March, Director Masahito Nakamura told reporters today in Tokyo.

[China's crude oil imports expected to be sharply down](#)

TOKYO (KUNA) -- China's crude oil imports are expected to register a year-on-year growth of 1.2 percent in 2008, down sharply from 14.7 percent in 2007 and 14.5 percent in 2006, the state-run China Daily reported Thursday.

According to the newspaper, China National Petroleum Corporation, China's largest oil company, has published the estimate, saying the world's second-biggest oil consumer will import 189 million tons of crude oil in 2008, up 1.2 percent from 2007.

The growth rate surprised some market observers who thought the government would take advantage of low world oil prices to increase reserves, the daily said.

[China Turns to 'Buyers' Market' for Fuel in 2009](#)

(Bloomberg) -- China will become a "buyers' market" for refined oil products next year as a global economic slowdown erodes demand in the world's second-largest energy consumer.

[China May Issue Fewer Corn Export Licenses in 2009](#)

(Bloomberg) -- China, the world's largest grain grower, may issue fewer 2009 corn export licenses than expected and won't provide trade incentives as it seeks to control prices and ensure domestic supply, said two traders familiar with the situation.

[Refinery may face closure](#)

The Big West refinery on Rosedale Highway could be forced to shut down unless its owner can persuade members of the local oil industry that they will continue to be paid for new deliveries despite the company's reorganization bankruptcy filing Monday.

[The Moment of Darkness](#)

...Many feel defeated. They had warned of peak oil, climate change and economic collapse for decades – now, some say, it's started. It's too late.

I want to spare my daughter this. I want to instill, to whatever extent a father can, the high and driving Spirit, the sanguine craving to restore. Of course it is too late to change everything, and always has been. Everything is too big. But each of us can do something where we are, and there are millions of us.

[The Hidden Holocaust: Our Civilizational Crisis - Part 4: The Crisis of Perception](#)

We've already seen the extent to which our dependence on hydrocarbon energies, and our continuing neglect of viable renewable forms of energy and associated technologies, is self-defeating. Both global warming and peak oil are tied indelibly to our energy dependence. With all the data showing that both of these crises are set to spiral out of control within the next few decades, it's clear that we need to go cold turkey on our oil addiction. The question, of course, is how do we do it? What are the alternative energy sources, and are they viable? And how would a post-carbon society look and function, politically and economically?

[The Hum of Green Cleaning](#)

In the effort to green our lives, there must be some limits: vacuuming, for instance. Isn't the chore odious enough without worrying if it is contributing to global warming?

Apparently not, at least according to AB Electrolux, which last month began marketing the AirMax Öko, a green vacuum, in Europe.

[Disasters warning for Asia-Pacific](#)

AUSTRALIA'S neighbours in the Asia-Pacific region face an era of "mega-disasters" affecting hundreds of thousands of people as urbanisation, climate change and food shortages amplify the impact of natural catastrophes such as earthquakes and cyclones in coming years, scientific research has shown.

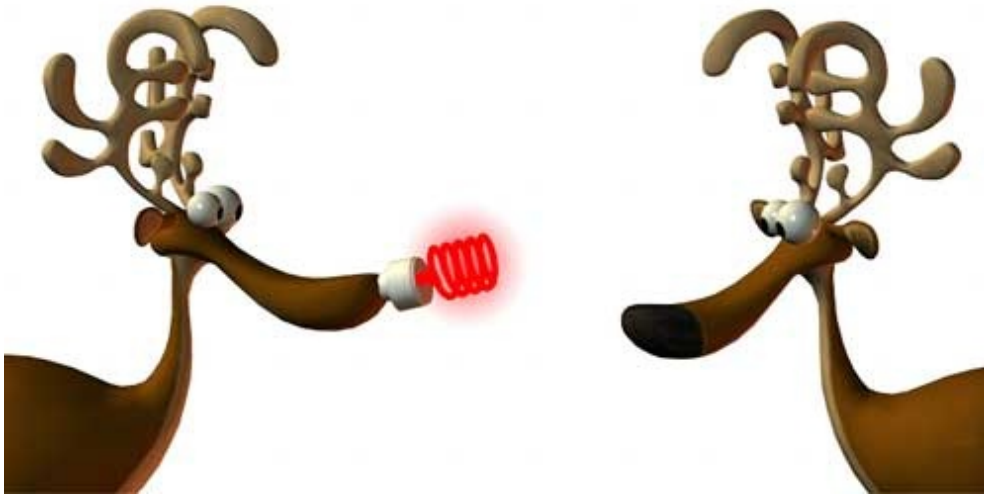
[Fix For Global Warming? Scientists Propose Covering Deserts With Reflective Sheeting](#)

A radical plan to curb global warming and so reverse the climate change caused by our rampant burning of fossil fuels since the industrial revolution would involve covering parts of the world's deserts with reflective sheeting, according to researchers writing in the International Journal of Global Environmental Issues.

[Top 10 Places Already Affected by Climate Change](#)

Cities deep underwater, frozen continents, the collapse of global agriculture: so far, much of the discussion about climate change has focused on these distant, catastrophic effects of a superheated world. What's less talked about is how global warming is making itself felt already. Even the modest temperature rise we've already experienced has set in motion fundamental shifts—and the further warming we can expect in the next few decades has the potential to set off dramatic changes.

Merry Christmas!



"I'm trying to reduce my carbon hoofprint."



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