



Drumbeat: September 8, 2012

Posted by [Leanan](#) on September 8, 2012 - 10:21am

[The Repricing of Oil](#): *Traditional pricing dynamics no longer apply*

If oil prices can't fall that much because of the cost of marginal supply and overall flat global production, and if oil prices can't rise that much because of restrained Western economies, *what set of factors will take the oil price outside of its current envelope?*

Those who still don't understand the past ten years cling to the antiquated view that prices will eventually return sustainably to levels of 2002 in due course. They believe that a great volume of new global oil production will start to appear and prices will be driven back to the cheap levels of last decade. Many who take this view also believe that market manipulation and inflation largely account for the high price of oil and that once reflationary programs like quantitative easing (QE) come to end, the price of oil will lose its speculative bid.

[Oil Rises as Jobs Report Stokes Stimulus Speculation](#)

Oil advanced for a third day as U.S. payrolls increased less than expected in August, raising speculation that the Federal Reserve will boost stimulus measures to spur economic growth.

Prices gained 0.9 percent after the Labor Department reported the economy added 96,000 workers last month, less than the 130,000 median estimate in a Bloomberg survey of economists. The Federal Open Market Committee will meet Sept. 12-13 to discuss monetary policy.

[Vehicle fuel economy up for the first time since March](#)

(Phys.org)—Fuel economy of all new vehicles sold in the United States is up for the first time in five months, say researchers at the University of Michigan Transportation Research Institute.

[The lengthening life of your ride](#)

(Money Magazine) -- More and more, people are in a committed relationship -- with their wheels.

The average age of cars and light trucks (SUVs included), says Experian, is now 11 years -- double the age in 1970. Driving this: higher quality and, lately, a poor economy.

Plus, as auto historian John Heitmann notes, buyer frenzy about new tech and dramatic model changes isn't at the car lot anymore; it's at the Apple Store.

[Mexico's outgoing president calls for oil reform](#)

(Reuters) - Mexico, the world's seventh-largest oil producer, needs to change its oil exploration laws to boost output by allowing foreign oil firms greater access, outgoing President Felipe Calderon said on Saturday.

Mexico's oil industry is dominated by state monopoly Pemex and private companies have limited access to the market. The country faces a key test as production has fallen sharply in recent years and Pemex risks becoming a net importer of crude within a decade.

[Gulf, Iran Say Oil Stock Release Talk Politically Motivated -Source](#)

DUBAI--Gulf oil producers Friday joined Iran in dismissing any talk of U.S. oil stockpile release as politically motivated, not market driven, a rare display of agreement between both sides.

New speculation emerged Thursday that the U.S. government may tap into its emergency oil stockpiles, after prices rose back above \$110 a barrel in recent weeks.

[What's to blame for lost coal jobs](#)

The coal industry is indeed facing some tough times, and increased regulation is partly to blame. But its woes go beyond Obama's policies.

The main culprit behind coal's current troubles is natural gas. Utility companies are increasingly ditching coal in favor of cheaper, cleaner natural gas, which has hit near record-low prices.

[Official: Iran, Turkey agree to transfer Turkmen gas to Europe](#)

Iran and Turkey have agreed to transfer natural gas from Turkmenistan to Europe, the National Iranian Gas Company's managing director Javad Owji stated.

The Mehr news agency quoted Javad Owji as saying that tantamount to the volume of natural gas which is projected to be exported to Europe via Turkey, Turkmenistan will transit its gas via Iran to Turkey.

[Russia, Japan back LNG; could delay export pipelines](#)

VLADIVOSTOK, Russia (Reuters) - Russia and Japan signed an agreement on Saturday to develop plans for a \$7 billion (4 billion pounds) liquefied natural gas plant on Russia's Pacific coast, potentially delaying gas export pipeline projects to neighbouring China and South Korea.

[Russia and Japan Move Forward on Major Natural Gas Deal](#)

Gazprom already sells natural gas to Japan, but another major deal would further reduce Russia's reliance on Europe as its primary market.

In a statement, Mr. Miller said that the Asia-Pacific market was "the most capacious in the world" and that within the next few years, sales by Gazprom to Asia would exceed its sales in Europe, where the company fills roughly a quarter of the continent's demand.

[Qatar wants to raise Shell stake to 7% - report](#)

Qatar wants to become the biggest shareholder in Royal Dutch Shell by raising its stake to 7 percent to strengthen its ties with the oil company and further invest its wealth in western assets, a report said on Friday.

[Nigerian airline collapses as industry struggles](#)

The collapse and the mass firing of about 800 workers at Air Nigeria comes as only four domestic airlines are currently flying in Nigeria, down from nine flying at the start of this year. The dramatic decrease highlights the current turmoil of the nation's troubled aviation sector.

[Deutsche Bank Faces Fine for U.S. Power-Market Manipulation](#)

Deutsche Bank AG's energy trading unit faces a \$1.5 million fine and must give up \$123,198 in profit for allegedly manipulating U.S. power markets, the Federal Energy Regulatory Commission said.

[Enbridge 'doesn't want a spill,' executive says](#)

The executive spearheading the Northern Gateway pipeline says Enbridge knows it needs to do more to convince the public the project is safe and that the company will clean up if a spill occurs.

[EU study sparks regulation debate over 'high-risk' shale gas](#)

Tough new regulations could be slapped on the shale gas industry if the EU acts upon legislative and environmental failings identified in its most comprehensive analysis yet of the sector, due to be released today [7 September].

Shale gas drilling poses a 'high risk' to human health and the environment that is worse than that posed by other fossil fuels, according to a 300-page report prepared by the EU's environment directorate. It is also currently unregulated.

[Test Drive: Electric Focus EV is appealing, but practical?](#)

There's nothing wrong with electric cars that three times the driving range at half the price wouldn't cure.

[Life Without Indian Point, Redux](#)

The consequences of running the Indian Point nuclear reactors or shutting them down run from easy-to-spot to hard-to-calculate.

Is a serious accident plausible? Would retiring the reactors open the way for alternative sources of electricity that pose a lower safety risk? Or simply ensure an economic blow?

[More than 50 million Americans short of food](#)

NEW YORK (CNNMoney) -- More than 50 million Americans couldn't afford to buy food at some point in 2011, according to federal data.

Children in some 3.9 million households suffered from food insecurity last year, with their families unable to provide them with adequate, nutritious food at times.

[US, Canada sign Great Lakes water quality pact](#)

TRAVERSE CITY, Mich. (AP) — The U.S. and Canada have approved an updated version of a 40-year-old pact that commits both nations to protecting the Great Lakes.

Environmental Protection Agency chief Lisa Jackson and Canadian Environment Minister Peter Kent signed the Great Lakes Water Quality Agreement on Friday in Washington, D.C.

[At One With the Earth, and the Clients](#)

The skeleton of the straw bale house has risen with remarkable speed. In little more than a week, we framed out the walls and almost finished the roof. Now there is no doubt that a house is coming into being, although at this point it is not obvious that it will be anything out of the ordinary. The trained eye will notice the lack of the evenly spaced studs that are normally needed to hang drywall, as well as the presence of a second set of wooden sill plates to support the inside edge of the 18-inch-thick straw bales.

[As Coolant Is Phased Out, Smugglers Reap Large Profits](#)

Under an international treaty, the gas, HCFC-22, has been phased out of new equipment in the industrialized world because it damages the earth's ozone layer and contributes to global warming. There are strict limits on how much can be imported or sold in the United States by American manufacturers.

But the gas is still produced in enormous volumes and sold cheaply in China, India and Mexico, among other places in the developing world, making it a profitable if unlikely commodity for international smugglers.

[Obama Counterpunches on Climate Change](#)

Mitt Romney, the Republican presidential nominee, took a not-too-subtle jab at President Obama in his convention speech last week, mocking Mr. Obama's soaring 2008 campaign language about rolling back the rising seas and healing the planet. Mr. Romney's gibe drew thunderous applause from the Republican delegates, many of whom express doubt about the existence of climate change.

Mr. Obama jabbed back on Thursday night in his acceptance speech while detailing his energy program, which includes increased investment in renewable energy and higher mileage standards for vehicles.

[New Zealand court rejects global warming challenge](#)

New Zealand's High Court on Friday dismissed a challenge launched by climate change sceptics against a government research agency's finding that the temperature had risen in the past century.

The court backed the science that led the National Institute of Water and Atmospheric Research (NIWA) to conclude that New Zealand's climate warmed almost one degree Celsius (1.8 degrees Fahrenheit) between 1909 and 2009.

[The driest season: Global drought causes major worries](#)

In much of North America, July was the hottest month since such a record was first taken. Crop yields have fallen sharply; thousands of livestock have been lost.

The Midwest has suffered its worst drought in 56 years, and the International Grains Council has cut its forecast for the U.S. maize harvest by 25 million tons.

[Study: Hurricanes whip up faster in warming world](#)

(LiveScience) Global warming may fuel stronger hurricanes whose winds whip up faster, new research suggests.

Hurricanes and other tropical cyclones across the globe reach Category 3 wind speeds nearly nine hours earlier than they did 25 years ago, the study found. In the North Atlantic, the storms have shaved almost a day (20 hours) off their spin-up to Category 3, the researchers report. (Category 3 hurricanes have winds between 111 and 129 mph, or 178 and 208 kph.)

"Storms are intensifying at a much more rapid pace than they used to 25 years back," said climatologist Dev Niyogi, a professor at Purdue University in Indiana and senior author of the study.



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