



## Drumbeat: March 11, 2013

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### [Emerging Market Demand to Support Oil Prices, Goldman Sachs Says](#)

Oil prices will be supported by emerging market demand, a lack of spare supply and improvements in transporting U.S. output, Goldman Sachs Group Inc. said.

Relatively low oil inventories around the world, limited spare capacity in the Organization of Petroleum Exporting Countries and continued demand growth among emerging-market economies will sustain the market's current "backwardation," where prices for immediate and near-term delivery exceed those for later, Goldman Sachs said in a report today.

### [Oil Drops for Second Day as China Industrial Output Slows](#)

Brent crude fell for a second day as industrial production slowed in China, the world's second- biggest oil consumer, and Saudi Arabia boosted output.

Futures slid as much as 0.9 percent after gaining 0.4 percent last week, snapping three weeks of declines. Saudi Arabia's crude production rose in February from a 20-month low, according to an official with knowledge of the country's oil policy. China started the year with the weakest industrial output since 2009, government data showed March 9. Iran, which is under Western sanctions because of its nuclear program, said the prospects for resolving the dispute have improved.

### [Gasoline Price Drops to \\$3.7394 a Gallon, Lundberg Says](#)

"After nine weeks of prices increasing we have a drop," Trilby Lundberg, president of Lundberg Survey, said yesterday in a phone interview. "We can expect more price cutting in the future, possibly more than a dime."

"Both refinery margins on gasoline and retailer margins on gasoline appear healthy enough to allow for further price cuts," she said.

### [Saudi Arabia Said to Raise February Oil Output From 20-Month Low](#)

Saudi Arabia raised crude production in February to 9.15 million barrels a day, an increase of 100,000 barrels daily from the previous month, an official with knowledge of the country's oil policy said.

The world's largest crude exporter supplied 9.16 million barrels a day to the market compared with 9.26 million in January, the Persian Gulf official said, asking not to be identified because the information is confidential. Crude delivered from storage accounted for the 10,000 barrel-a-day excess of supply over production in February, the official said.

### [Hedge Funds Cut ICE Brent Crude Net-Longs to Lowest in 2013](#)

Hedge funds and other money managers cut bullish bets on Brent crude for the fourth week to the lowest this year, according to data from ICE Futures Europe.

Speculative bets that prices will rise, in futures and options combined, outnumbered long positions by 131,228 lots in the week to March 5, the London-based exchange said today in its weekly Commitment of Traders report. That's down 18 percent, or 28,588 contracts, from the previous week and is the lowest since Dec. 25.

### [Spain Shale Gas Reserves Estimated to Equal 39 Years of Demand](#)

Spain, a country that's yet to produce its first shale gas, probably has enough resources of the fuel to satisfy domestic demand for at least 39 years, according to the nation's Council of Mining Engineers.

The estimated reserves of natural gas trapped in shale rock are about 50 trillion cubic feet, Fernando Pendas, a water and oil geology professor at University of Oviedo, said today at a briefing in Madrid to present the council's findings. The estimate could double once exploration studies are finalized and more is discovered through breaking open rock using hydraulic fracturing, known as fracking.

### [Britain has major oil worker under-capacity problem](#)

British oil companies themselves are to increase their workforce by ten percent over the next two years, according to a new report from Ernst & Young, writes Petro.no.

More than 75 percent of the companies surveyed in the "Oil & Gas UK" report say they will be upsizing. 90 percent expect to increase their turnover.

### [Even in death, Hugo Chavez still casts a long shadow over oil prices](#)

Its oil reserves are bigger than Saudi Arabia's, but output has been declining steadily.

Vast oil riches notwithstanding, Venezuela's budget deficit is spiralling out of control because of a bloated bureaucracy and heavy social spending, sapping investment into the energy sector.

### [PetroChina Looks to Add to \\$3.7 Billion in Australian Deals](#)

PetroChina Co., the nation's biggest oil and gas producer, is looking to make more deals in Australia, adding to about \$3.7 billion in acquisitions as part of a global drive to feed surging Chinese demand.

### [Qatar makes first new gas find in over 40 years](#)

Qatar has discovered a small offshore field containing about 2.5 trillion cubic feet of natural gas, the country's first gas find since 1971, its energy minister said on Sunday.

The discovery was made at the 4-North offshore block near Qatar's massive North Field by a consortium which includes Germany's Wintershall and Japan's Mitsui, Qatari energy minister Mohammed Saleh Al Sada told a news conference in Doha.

### [Japan leads the way in bid for Abu Dhabi's next conventional power plant](#)

A Japanese consortium led by Marubeni submitted the lowest bid for Abu Dhabi's next conventional power plant.

The Japanese power company and its partners Osaka Gas and Kansai Electric were one of six groups that submitted their bids to the Abu Dhabi Water and Electricity Authority (Adwea) for the Al Mirfa gas-fired power plant.

### [India, Kuwait agree to speed up oil and gas joint ventures](#)

New Delhi (IANS) India and Kuwait agreed Monday to expedite discussions for finalizing joint venture projects both upstream and downstream in the oil and gas sector.

This was resolved at a meeting here between Petroleum Minister M. Veerappa Moily and Kuwait's Minister of Amiri Diwan Affairs Sheikh Nasser Sabah Al-Ahmed Ak-Jaber Al-Sabah, a petroleum ministry statement said.

### [Norway Fund Flees Currencies Tainted by Stimulus Addiction](#)

Norway's \$713 billion sovereign wealth fund is turning away from the world's biggest currencies and their debt-laden governments as policy makers undermine their exchange rates through unprecedented stimulus measures.

### [Shell in talks to secure crude oil storage in Fujairah](#)

Royal Dutch Shell is in talks to secure as much as 1 million cubic meters of crude oil storage at the United Arab Emirates port of Fujairah, in what would be the region's first such deal with foreign companies.

### [Fujairah the focus for oil companies eyeing swift access to Asia](#)

The world's biggest oil companies are setting their sights on crude storage in Fujairah to maintain swift access to Asian markets.

Saudi Aramco, the world's top oil producer, has leased 1 million barrels of petrol storage at the Vopak Horizon terminal, a joint venture between Dubai's Emirates National Oil Company and Vopak of the Netherlands.

### [Shell wins bulk of Rosneft jumbo Urals tender - trade](#)

MOSCOW (Reuters) - Russian state oil company Rosneft awarded its semi-annual April-September jumbo crude tender on Monday with most of the volumes secured by Shell, traders said.

They said Shell won all cargoes, totalling up to 7 million tonnes, to be shipped from the Baltic Sea ports of Ust-Luga and Primorsk.

### [Hungary PM says gas firms' court case win on price cuts "scandalous"](#)

BUDAPEST (Reuters) - Energy companies in Hungary have won a court case against the government over state-imposed natural gas price cuts, Prime Minister Viktor Orban told parliament on Monday, calling it a "scandalous" legal decision.

"On behalf of the government I must say that the decision of the court is scandalous," Orban said. He said the government would not accept the decision and would submit a new proposal to parliament for even bigger price cuts.

### [Iran Allocates \\$2.7 Billion for Southern Oil Refinery, Mehr Says](#)

Iran has allocated 2.1 billion euros (\$2.7 billion) to build an oil refinery in the southern Hormozgan province that will begin operations this year, state-run Mehr news agency reported, citing an energy official.

### [Analysis: Western states walk diplomatic tight-rope over Kenyatta win](#)

The 51-year-old may owe some of his votes to Kenyans riled by what they saw as "meddling" when Washington, London and others cautioned before the election about the consequences of a win by Kenyatta, the U.S.-educated deputy prime minister.

The West's day-to-day diplomacy will now be a more awkward affair, though it could in part be shaped by pressure from energy companies and other foreign firms determined not to miss opportunities in a region that may be on the verge of a hydrocarbons-fueled boom.

### [Kidnapped Foreign Nationals Killed in Nigeria, Diplomats Say](#)

A group of foreign nationals kidnapped by an Islamist group in northern Nigeria last month have been killed, governments in Italy, Greece and the U.K. said.

Three Lebanese, including a woman, were seized along with a Filipino, a Greek, an Italian and a Briton in a Feb. 16 attack on a residential compound of Setraco Nigeria Ltd., a construction company, in Bauchi state, according to the Nigerian authorities. A local security guard was killed in the attack.

### [More people in Dubai, so more power and water from Dewa](#)

Amid burgeoning demand, the Dubai Electricity and Water Authority (Dewa) recorded double-digit increases last year in the amount of power and water it produced.

### [Brazil Proposes Inflation-Busting Tax Cut On Food Staples](#)

Brazil is to substantially cut taxes on a number of staple foods and toiletries after a government-subsidized reduction in electricity costs failed to rein in inflation.

### [Anti-nuke protests fill streets around world before 3/11 anniversary](#)

On the eve of the second anniversary of the Great East Japan Earthquake and the accident at the Fukushima No. 1 nuclear plant, protesters were out in full force around the world, driven by the greater awareness of the potential dangers of nuclear energy.

### [Nuclear chief: U.S. plants safer after Japan crisis](#)

WASHINGTON (AP) — Two years after the nuclear crisis in Japan, the top U.S. regulator says American nuclear power plants are safer than ever, though not trouble-free. A watchdog group calls that assessment overly rosy.

## [When to Say No](#)

The State Department's latest environmental assessment of the controversial Keystone XL oil pipeline makes no recommendation about whether President Obama should approve it. Here is ours. He should say no, and for one overriding reason: A president who has repeatedly identified climate change as one of humanity's most pressing dangers cannot in good conscience approve a project that — even by the State Department's most cautious calculations — can only add to the problem.

## [Build That Pipeline!](#)

One way to think about the keystone project—the 2,000-mile (3,220 km) pipeline that would bring oil from the tar sands of Canada to the Gulf of Mexico—is to ask what would happen if it is never built. The U.S. Department of State released an extremely thorough report that tries to answer this question. It concludes, basically, that the oil derived from Canadian tar sands will be developed at about the same pace whether or not there is a pipeline to the U.S. In other words, stopping Keystone might make us feel good, but it wouldn't really do anything about climate change.

## [Canada Losing Its Seasons](#)

UXBRIDGE, Canada (IPS) - "Canada is not a country, it's winter," Canadians say with pride. But the nation's long, fearsome winters will live only in memory and song for Canadian children born this decade.

Winters are already significantly warmer and shorter than just 30 years ago. The temperature regimes and plant life of the south have marched more than 700 kilometres northward, new research shows.

The frozen north is leaving and won't be back for millennia due to heat-trapping carbon emissions from burning fossil fuels, experts say.

## [Mineral riches uncovered by climate change at stake in Greenland election](#)

COPENHAGEN — Greenland's underground wealth is at the forefront of the Arctic island's parliamentary election on Tuesday amid worries over a potential influx of Chinese labor and the environmental consequences of mining.

## [Russia will soon be switching to grow grapes and soy beans in their land](#)

Bread is king, the proverb goes. Grain has been a key crop on the Russian soil in all historical epochs. However, it is not ruled out that in the future Russia will have to refocus its agriculture and cultivate entirely different crops, such as grapes or soy. The cause is drought that came along with global warming.

### [Environment specialist lauds Kingdom's energy efforts](#)

“The Kingdom is on its way to diversify its economy and its energy mix,” said Lindstedt. “This is a big challenge, which cannot be achieved overnight. In Sweden, we raised the price of energy and imposed a high tax on carbon dioxide to encourage a reduced use of energy and help develop the use of sustainable energy. In Saudi Arabia, crude oil is inexpensive, so the pricing instrument wouldn’t work here,” she added.

### [Billions up for grabs](#)

The Tasmanian Government stands to gain billions of dollars in carbon credits from native forests earmarked for protection under the forest peace deal. The Commonwealth has confirmed forests protected through the peace deal can be credited under the Carbon Farming Initiative. Carbon stored in the trees is valued, and the credits traded on international markets to offset emissions.

### [Rising sea levels threaten historic Jamestown, marine geologist says island's future is grim](#)

JAMESTOWN, Va. — Rising sea levels are threatening Jamestown, the site of the first permanent English settlement in North America.

Jamestown Island, where most of Jamestown is located, lies 3 feet or less above the tidal James River. Scientists project that it will be underwater by 2100 but flooding will increase long before then.

### [Can the world fight climate change and energy poverty at the same time?](#)

The United Nations has set two huge energy-related goals for the coming century. The first is to bring electricity to the 1.3 billion people who still don’t have it. The second is to curtail fossil fuel use and keep global warming below 2°C.

Those are daunting goals. They’re also in somewhat awkward tension with each other. The first requires increasing the amount of energy the world uses, including fossil fuels. The second requires harnessing cleaner power sources, using energy more efficiently, and even conserving power. So is it possible to do both at once?

### [Chief of US Pacific forces calls climate biggest worry](#)

CAMBRIDGE — America’s top military officer in charge of monitoring hostile actions by North Korea, escalating tensions between China and Japan, and a spike in computer attacks traced to China provides an unexpected answer when asked what is the biggest long-term security threat in the Pacific region: climate change.

Navy Admiral Samuel J. Locklear III, in an interview at a Cambridge hotel Friday after he met with scholars at Harvard and Tufts universities, said significant upheaval related to the warming planet “is probably the most likely thing that is going to happen . . . that will cripple the security environment, probably more likely than the other scenarios we all often talk about.”



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