

Very Simple. Take out the speculators.

Make it a requirement that only those who actually are hedging their use and sale of oil and gas are able to buy and sell oil and gas futures.

It's that simple. There is plenty of liquidity in place, the market won't miss the speculators and prices will go down.

It amazes me that while watching all the talk about oil prices on the QVC for stocks channels, that no one I have heard has talked about the role of speculators. They think it's a problem for housing, even though 70 pct or more of new housing purchases are homes for the buyers. For some reason the "pundits" seem to think that price movements are driven purely by supply and demand for the commodity. What nonsense.

That's like saying no one ever speculates on stocks. That speculators had nothing to do with the internet stock bubble.

Speculators influence the prices of oil and gas as much as they have impacted the pricing of TASS and ZOO

Doesn't anyone remember all those ads on TV that talk about the huge profits that could be made in commodities? The ones we all knew were rip offs? Well, they haven't disappeared. They are promoting the hell out of how much money can be made in trading oil and gas futures.

Does anyone remember momentum "investing" that drove up the price of stocks in the late 90s, early 2000? Well momentum speculators are alive and well and they are all over the oil and gas pits and electronic exchanges. Just do a search on [E Mini Crude Oil](#) or [trading futures](#) for a sample of those that are happy to help you speculate on futures. I know that any day now Stuart is going to be back in a commercial telling his boss its time to "Light that Candle" and trade futures.

Day trading in oil and gas futures. You better believe it. It's alive and well.

Want to jump in and day trade? Just try the [E-Mini Crude Oil Futures](#). Like the brochure says, "Volatile energy prices make for some terrific trading opportunities" And for the truly excitable, you can trade them electronically 24 hours a day. Now that's what I want to see Jim Cramer do :).

The [Chicago Merc](#) has training seminars, or you can really get a trading edge from [Breakout Futures Trading systems](#)...one of the many "systems" to help you spend your speculative dollar.

It's just as easy to speculate on oil and gas as it is to speculate on stocks.

Unfortunately there is one HUGE difference. With stocks, the company's whose stocks are being bought by speculators can manufacture and distribute through secondaries and employee options and acquisitions as much stock as the market wants to consume.

The list is long of companies who have sold more in stock in a year than they had in revenues in that year. Heck, you can find companies who have had insiders sell more in stock than they had in revenues. At some point the people last in line to buy all that stock are the losers. Just like in a ponzi scheme. For better or worse, they are the victims, but the wounds are self inflicted. They bought nothing but the right to sell that stock in hopes of selling it for more and it didn't work out.

With oil and gas it's different. There is a finite supply at any given point in time. The current and future availability of which can be impacted by any number of issues, from natural disasters to man made events. When enough speculators come in and start going long, it drives up prices not of a piece of paper, but of products whose pricing impacts me, you and everyone we know and don't know.

When a bunch of "momentum speculators" jump in trying to make money off the price movement and push up the price, everyone in this country is the loser with higher gas and oil prices.

It needs to stop.

Then gas and oil prices will come down.