

Title:

Oil Panic! The Three Myths Driving the Market Wild!

Word Count:

791

Summary:

Oil is by far the most widely traded commodity in the world. It is also the most corrupt. Oil producers are raking it in at our expense, aided and abetted by the financial media.

Keywords:

oil panic, oil supply worries, oil reserves dwindling, hedge fund manipulation

Article Body:

Oil is by far the most widely traded commodity in the world. It is also the most corrupt.

By way of example we need look no further than the events of the past two years. What with our TV screens filled with images of blazing oil pipes in Iraq, traffic jams in Shanghai and hurricane disasters in the US. A seemingly endless list of horrors endlessly regurgitated. All this with one goal in mind: to convince us all we face an oil crisis of biblical proportions.

OPEC warns they cannot keep up with demand. We see faceless "experts" wheeled in to pontificate on China's insatiable oil demands. They "fret" over gasoline and heating oil shortages, the failure to discover new oil fields and agonize over how our oil reserves will sink to dangerously low levels within twenty years.

Now, of course, the market is all in a lather over Iran and whether they will hold oil off the market. Oh, sure, as if they don't need our money as much as we need their oil.

Inevitably, crude oil prices rocketed from \$25 per barrel to a recent high of \$72. At the time of writing the price stands at \$66 which, the media breathlessly warns, represents merely a pause for breath before its run continues to \$150 and gasoline to \$5.30 per gallon.

Now before you rush out to replace your SUV with a battery driven car with the power of a hair dryer, you should know the real facts, the real story. Talk about being spoon-fed a plateful of old baloney! Let me expose the three popular

myths (=lies):

MYTH #1 - Demand Heavily Outstripping Supply

The monthly reports from the IEA (International Energy Agency), the bible for the trading pits, contradict this. Worldwide, inventories grew to near record levels, having climbed steadily since the invasion of Iraq. So, if demand exceeds supply how come we see inventories climbing? Consider the perversity of rising inventories AND rising oil prices.

MYTH #2 - China Voraciously Sucking-In Oil

Yeah, right. The same IEA reports show that in 2004 China increased its imports by a fairly modest 900,000 barrels per day. Compare this with daily world consumption of 20 million barrels. In 2005, China's imports actually dropped! They not only consume less but they manage to sell the stuff to the US! But the market boys refuse to allow these facts get in the way of a good story!

MYTH #3 - No New Discoveries of Oil Reserves

The Department of Energy itself estimates that world reserves stand at some 7.6 trillion barrels. To put this into perspective, since 1971 the world consumed just 767 billion barrels! This estimate includes (quite apart from the huge tar sands deposits in Alberta and Venezuela) the recent finds off the coast of West Africa, the Gulf of Mexico, the South China Seas and the Falkland Islands. These taken alone equal half world consumption to date.

Oil crisis? The only crisis I can see, the world is drowning in the stuff! We have enough for the next 400 years! How many people do you know failed to get their tanks filled due to shortages?

So what lies behind these spiraling oil price? We need look no further than those profiting from it, the usual suspects, namely the oil producers, the oil companies and speculators, mostly in the guise of hedge funds. All big winners in the Wall Street crap game. All aided and abetted by the sold-out financial media. They conspired to coin an extra trillion or more dollars in profits at the expense of Joe Average. All effortlessly achieved under the glazed eyes of our elected politicians.

These same politicians stood by during the plunder by DOT.CON stocks, the collapse of the rigged stock market, the wipe-out of peoples' savings and pension funds and the billions of dollars stolen by the "captains of industry." Now they watch helplessly while this latest oil swindle unfolds.

So What Can You Do? If the politicians refuse to act then we must. Firstly, why not follow my example and send this article to your elected political

representative? Demand an explanation. At the very least urge the banning of these avaricious hedge funds. They exist for no reason other than to manipulate markets, up or down, purely for personal gain, fleecing you in the process. Send copies to your friends. Urge them to do likewise. Get hopping mad! Stop the Wall Street hucksters from getting their \$150 per barrel oil.

Secondly, do not trust Wall Street with your money; do not assume your job and your pension are safe. They are not. Have an escape plan. Get a second income. Check out this link <http://www.techno-twerp.com> for some real advice. In these uncertain economic times, be prepared for the unexpected.

© Robbie Pugh - All Rights Reserved