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## **FOR IMMEDIATE RELEASE**

### **Washington and National Oil Marketers Associations Decry Energy Speculators Pushing Oil Prices Up 5.4 Percent in a Day to \$121.18 a Barrel**

*Energy Supplies Are Up and Demand Is Down, Yet Speculators Continue to Profit at the Expense of American Families and Businesses*

August 21, 2008 (Seattle, WA) – “Today’s 5.4 percent crude oil price increase to \$121.18 a barrel despite decreased demand and increased supply is a clear sign that speculators continue to dominate the commodities markets hurting our national economy,” said Lea Wilson, executive director of the Washington Oil Marketers Association (WOMA).

“There is absolutely no economic reason for prices to increase the way they did today,” Dan Gilligan, president of the Petroleum Marketers Association of America, said. “The commodities market is disconnected from reality and economic fundamentals like supply and demand are brushed aside. Speculators are in the driver’s seat and they’re driving our economy right over the cliff.”

The U.S. Department of Energy (DOE) recently announced record supplies of crude oil for the week ending August 15, with a reported climb of 9.4 million barrels, and gasoline demand averaged about 9.5 million barrels per day during the last four weeks – 1.6 percent lower than the same period last year – the Federal Energy Information Administration (EIA) said yesterday.

In a free market, Gilligan said, a surplus of supply like the one signaled by the DOE and EIA announcements would trigger a slump in prices. Instead, prices rose dramatically – proof positive, Gilligan said, that speculators have too much influence on prices.

Gilligan pointed to a recent *Washington Post* analysis of data obtained from the Commodity and Futures Trading Commission (CFTC), the agency ostensibly charged with regulating the energy markets, which sheds new light on the extent to which speculators dominate the energy market.

The *Post* analysis showed that speculators control no less than 81 percent of the oil futures contracts traded on the New York Mercantile Exchange (NYMEX) market.

Moreover, the CFTC recently released data showing that at one point in July, a single firm controlled 11 percent of the NYMEX oil futures contracts. That is equivalent to 460 million barrels of crude – nearly a month’s worth of U.S. oil consumption.

Some market watchers also credited today's oil move to the signing of the US-Poland missile defense agreement which will complicate Russian-American relations. However, the market was down on news of the Russian invasion of Georgia two weeks ago, despite the threat it posed to the major European oil pipeline located there.

“In just a day or two, consumers in Washington State and nationwide will pay the price for what speculators have done today. It's yet another clear example of why Congress must pass legislation to address speculation as soon as possible,” said WOMA's Wilson.

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*The Washington Oil Marketers Association (WOMA) is a non-profit trade association which protects the business interests of heating oil dealers, petroleum distributors, jobbers and transporters throughout Washington State.*