

THE VAN DER VALK GAS PRICE ADVISORY FOR 3-23-09

Rescue Me and Take Me In Your Arms!

Aretha Franklin's signature song is being revived by the banking industry and US Government to convince the skeptical American taxpayers to throw more of their good money after bad investments made by the Wall Street banks. Other bad news will follow as crude oil will follow suit and increase in response to this program, which is the government's latest attempt to keep the financial industry afloat.

Crude oil for May delivery raised towards the \$53 a barrel mark this morning, the highest in almost four months. This was mostly supported by a weak dollar after the Treasury Secretary Timothy Geithner announced plans to remove toxic mortgage assets from bank balance sheets. The administration's new rescue program will consist of the US Government going into partnership with private institutions and spend more taxpayer's cash for mortgage trash.

This new enterprise tentatively called the Congressional Legacy Asset Program or CLAPCO, to go along with the other government created debacle AIG for Ain't It Grand, may have Congress back pedaling on giving this new program their automatic stamp of approval.

The US government rolled out the new plan on Monday with the hopes that it will purge banks of up to \$1 trillion in toxic assets in an attempt to pull the economy out of its current recession.

May WTI crude oil is at \$52 a barrel, having earlier climbed to \$52.90, the highest price since December 1, 2008. The crude oil price increased from below \$33 a barrel in December, 2008 and has been boosted since that time with production cuts by the Organization of the Petroleum Exporting Countries.

On the West Coast refiners are buyers for Los Angeles pipeline gasoline. The BP/Arco refinery in Carson reported a flaring problem last Friday causing the spot market gasoline to spike another 7.5 cents per gallon to \$1.61 per gallon.

That relates to the price for unbranded unleaded regular gasoline at the pump in California to be at \$2.30 per gallon. The AAA fuelgauge report showed gasoline prices leveling off at \$2.13 in Los Angeles and up slightly to \$2.18 per gallon in Seattle over the weekend. The prospect for gasoline prices to increase over the next week look better than the chances for the new financial rescue program to be approved by Congress.

Last Friday the US congress passed a bill that will spell the end to the big pay days for any employees of bailed out institutions, imposing a 90% special tax on any pay outs. This move has railed the Wall Street investment community, with some bankers declaring it similar to the McCarthyism from the 1950's. The term being used is that they will now have to learn to live with Obamanism.

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