



## Penny Wise, Pound Foolish (4/28/23)

I've written about the SPR numerous times in Larry's Corner EPRINC. There is a song by Ella Fitzgerald called "*Undecided*".

"First you say you do and then you don't, then you say you will, and then you won't. You're undecided now, so what are you gonna do?"

The White House, not so much the DOE, can't make up their minds. They now say they want to buy towards year-end, but put a strong condition on the buy. They have a target price in mind \$67-72/bbl. They wouldn't nickel and dime those who produce strategic vessels, submarines, planes etc., but that's what they decided to do with a strategic national security asset, **oil**.

The market is signaling that things will tighten up towards year-end. If true, they may not see the prices they've targeted. Additionally, if OPEC+ follows through on their most recent announced cut even if the cuts are only half of that promised, is a buy politically palpable ?

The IEA came out with guns blazing in response to the second round of cuts, and the U.S reacted very negatively. Yes, no, no yes, ???