

## Locals had it right

by: JOHN STANCAVAGE World Business Editor  
Sunday, December 28, 2008  
12/28/2008 2:58:58 AM

This has been a tough year to be a pundit or prognosticator.

Many fearless predictions about oil prices, the stock market or the economy that were tossed out at press time turned out to look ridiculous the next day.

Shock and disbelief became the order of the day.

We learned that the unexpected often was to be expected.

Our jaws dropped so many times they started to ache.

Despite all the brainpower and experience in the financial and energy markets, no one seemed to have a clue oil would rocket to \$147 a barrel and then plunge to \$35. I don't remember any predictions of a federal funds rate near zero percent, either.

In July, speakers at the World Petroleum Congress said oil — then at \$140 — was unlikely to return to 2005 levels.

Tony Hayward, CEO of London-based BP, warned against hopes the bubble would burst the same way it did in the 1970s. He said the supply-and-demand picture has changed.

"The era of cheap energy is probably over, at least for the medium-term," he said.

A few days later, the Associated Press reported that many analysts said \$4-a-gallon gasoline might be here to stay.

On the financial side, Standard & Poor's was quoted in June as saying "the end of write-downs is now in sight for large financial institutions." Two months later, the nation's leaders had to resort to staggering multibillion-dollar bailouts.

Still, I have to say that we did have some pretty impressive analysis in 2008 by local commentators.

Chuck Mai, who has followed gasoline prices for more than 20 years at AAA-Oklahoma, often was at odds with national forecasters — but turned out to be dead-on in his predictions.

For example, in late July Mai said: "I would not be surprised if oil dipped below \$100."

To many, that sounded crazy at the time, but it also was correct. Later, he accurately predicted a prolonged fall-winter decline in pump prices.

Also, Tulsa money managers Fred Russell and Jake Dollarhide often were on the mark about Wall Street's movements, and Russell offered some astute analysis of SemGroup LP's collapse into bankruptcy.

Meanwhile, Tulsa Metro Chamber economist Bob Ball kept reminding us of all the reasons why the city and state were outperforming the nation.

To our local guys, I have to say thanks for sticking your necks out so often in 2008. Congratulations, too, on being right more often than not in such a crazy period.

And, now that I've buttered you up, what do you see for the new year?


We'll get to that next week.

---

**John Stancavage 581-8314**

john.stancavage@tulsaworld.com

Copyright © 2008, World Publishing Co. All rights reserved

 [Return to Story](#)