WHILE AMERICA DEBATES REX TILLERSON NOMINATION, SAUDIS AND RUSSIANS JOIN HANDS TO RAISE OIL PRICES

At about 10:46 yesterday morning, Andrea Mitchell reported that ExxonMobil CEO Rex Tillerson was expected to be named Donald Trump's Secretary of State.

> Donald Trump is expected to nominate ExxonMobil CEO Rex Tillerson as his secretary of state, two sources close to the transition process told NBC News on Saturday.
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> The 64-year-old veteran oil executive has no government or diplomatic experience, although he has ties to Russian President Vladimir Putin. The pick would put to rest weeks-long speculation of who would earn the post as the U.S.'s top diplomat, and would place Tillerson fourth in line to the presidency.
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> [snip]
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> Tillerson, of Wichita Falls, Texas, has already notified his corporate board about taking on the new role, sources told NBC News.

Since then, the chattering class has discussed the Tillerson nomination at length, focusing mostly on his close ties to Vladimir Putin (see this report by Steve Coll, who wrote a book on Exxon's private empire), not the fact that such a nomination would further demonstrate that

Trump plans on reversing any efforts to mitigate the effects of climate change as President. Curiously, Russian hawks turned oil company players Condi Rice and Robert Gates reportedly recommended him. In the face of a potentially problematic confirmation battle, Trump's campaign has since tried to deflate that trial balloon, suggesting the pick won't be announced for another few days.

While the chattering class was focusing on Tillerson and on competing stories about why Russia hacked Hillary Clinton's team, something else was happening: oil states were agreeing to cut production. At first, yesterday morning before Mitchell's scoop, it was just the Saudi led OPEC states, making good on a plan announced November 30.

But then, yesterday afternoon, something unexpected happened. Russia and other non-OPEC petro-states joined in, and Saudi Arabia claimed it would cut production even further.

> Saudi Arabia signaled it's ready to cut oil production more than expected, a surprise announcement made minutes after Russia and several non-other OPEC countries pledged to curb output next year.
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> Taken together, the Organization of Petroleum Exporting Countries's first deal with its rivals since 2001 and the Saudi comments represent a forceful effort by producers to wrest back control of the global oil market, depressed by persistent oversupply and record inventories.
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> "This is shock and awe by Saudi Arabia," said Amrita Sen, chief oil analyst at Energy Aspects Ltd. in London. "It shows the commitment of Riyadh to rebalance the market and should end concerns about OPEC delivering the deal."
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> Oil prices have surged more than 15 percent since OPEC announced Nov. 30 it

> will cut production for the first time in eight years, rising this week briefly above $55. The price rise has propelled the shares of energy groups from Exxon Mobil Corp. to shale firms such as Continental Resources Inc.
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> [N]on-OPEC countries agreed to reduce production by 558,000 barrels a day, suggesting he had been waiting for the deal before committing to further cuts. The non-OPEC reduction is equal to the anticipated demand growth next year in China and India, according to data from the International Energy Agency.

We'll see whether these commitments actually take place; such promises have a way of being broken, or at least cheated on.

Nevertheless, this signals that the petro-states — even those that worked to get Trump and his petro-cabinet elected — are finally going to work in concert to raise prices again.

Throughout the election, I kept remembering the Saudis could do such a thing, which would have tanked Obama's "recovery." High gas prices in 2008 were already making things difficult for John McCain, even before Wall Street crashed the global economy.

They waited, but even with dirt cheap oil prices, the pro-Saudi candidate lost.

Now prices are likely to go up — maybe not all that much, but consumers won't be paying $2.50 for gas anymore, which will make their economic malaise all the worse.