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The oil market continues to function as normal despite disruptions in the Red Sea.

As far as any other escalation in regional tensions, none of the analysts out there believe that either Iran, or Israel, or the US for that matter, want to see something that you could classify as a war. Certainly, the US does not want to see any disruption to global oil supplies, especially in an election year.

What's driving the strengthening oil price?

Fundamentally, it is the fact that the OPEC+ supply agreement has succeeded in holding off significant volumes from the market, and we also see relatively strong demand growth this year, so the price has been creeping up in recent weeks. I don't believe there is a significant geopolitical premium currently in the price.

How might China demand expectations influence OPEC+ decisions in June?

The Chinese economy is continuing to show steady growth in Q1, so OPEC+ ministers will look at these solid GDP numbers and at markets such as India, and strong economic underpinnings in the US, and they will take the view that global oil demand growth in 2024 is going to be strong. If that does turn out to be the case, they will also offset that outlook for demand against prospective growth in non-OPEC oil supply from the likes of Brazil, Canada, the US, Guyana and Norway. On paper, we've got a reasonably balanced market, which means it is unlikely OPEC+ will want to add more oil later this year, unless the price escalates further towards \$100 a barrel and they go back to the old arguments that it will damage oil demand and undermine their market. ■

**Paraphrased Comments*