

ENERGY MARKETS FORUM DAILY BULLETIN



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THURSDAY /// JUNE 10th /// 2021

TOP 10 DAILY NEWS DIGEST

1. OIL SKIDS AS START OF US SUMMER DRIVING SEASON FAILS TO LIFT FUEL DEMAND
2. NOC FOCUSES ON PIPELINE REPAIRS AS LEAKS HIT OIL OUTPUT
3. US CRUDE STOCKS DOWN, FUEL INVENTORIES RISE
4. PLAN TO INCREASE ARAMCO'S CAPACITY TO 13MN B/D STILL UNDER ASSESSMENT
5. CHINA & THE US AGREE TO PUSH FORWARD TRADE, INVESTMENT TIES
6. EXXON'S BOARD SHAKEUP COULD FORCE REVIEW OF BILLIONS IN SPENDING
7. US GLOBAL CENTRAL BANKS EYE THEIR OWN EXITS FROM STIMULUS
8. CANADA'S KEYSTONE XL OIL PROJECT ABANDONED BY DEVELOPER
9. INDIAN MAY FUEL DEMAND HITS 9-MONTH LOW AS COVID-19 STALLS ACTIVITY
10. IRAN CITES NUCLEAR TALKS PROGRESS ON ECONOMIC ISSUES BUT NOT OIL

RECOMMENDED VIDEOS & REPORTS

- EIA RAISES 2021 OIL PRICE FORECAST
- CHINA TEMPERERS CLIMATE CHANGE EFFORTS AFTER ECONOMIC OFFICIALS LIMIT SCOPE
- CHINA HAS BUILT THE LARGEST OIL & GAS FIELD IN THE COUNTRY
- VACCINATING SEAFARER MARINERS IS NEXT MAJOR BOTTLENECK IN GLOBAL TRADE



DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

TOP 3

THURSDAY /// JUNE 10th

TAKEAWAYS

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DAILY OIL COMMENTARY

FX

The broad dollar index has been holding on to its modest recent gains above 90 ahead of the CPI print today. It closed at 90.12 yesterday and is at 90.17 this morning, but movement has been quite limited ahead of today's events. Sterling was the major mover yesterday, losing -0.3% by the end of the day to close at 1.4118. Bolstered earlier in the session by bullish remarks by outgoing BoE chief economist Andy Haldane, mooted EU sanctions pushed it down later in the day. The Euro gained 0.1% against the dollar. Movements today are likely to be quiet until the release of the CPI and ECB news. El Salvador has become the first country in the world to accept Bitcoin as legal tender. The purported aim is to cut transaction fees for the substantial remittances sent back to the country from citizens working abroad.

Equities

The launch of the EU digital passport has bolstered travel stocks across Europe, but this was insufficient to see all of the region's equity markets close higher yesterday. The STOXX 600 edged its way to a new record high with a 0.1% gain and the CAC gained 0.2%, but the FTSE 100 (-0.2%) and the DAX (-0.4%) both lost ground. In the US, all three major benchmark indices slipped yesterday. The Dow Jones was the biggest faller at -0.4%, while the NASDAQ and the S&P 500 lost -0.1% and -0.2% respectively. Within the region, the DFM lost -0.1% but the Tadawul (0.5) and the ADX (0.6%) both gained, as did the EGX 30 which closed up 0.8%.

Commodities

Oil prices remained fairly buoyant yesterday, with Brent futures closing at \$72.2/bl – unchanged on the previous day's more than two and a half year high. WTI closed down marginally at \$69.96/bl compared to the previous day's high of \$70.05/bl. Both benchmarks are trading modestly lower this morning as oil data out of the US disappointed. The EIA reported that fuel stocks rose even as crude inventories reported a third weekly drop. The start to the US driving season has got off to a slower than expected start, in part due to poor weather on the East Coast over the Memorial Day weekend.

Source: Emirates NBD

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ENERGY MARKETS FORUM Consultancy Intelligence Publishing **Mashreq 60-SECOND SOUNDBITE**

Dr. Carole Nakhle
Chief Executive Officer
Crysol Energy

***"Rising Gasoline Inventories
Doesn't Reflect Strong Economic
Recovery"***

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ENERGY MARKETS FORUM Consultancy Intelligence Publishing **Mashreq 60-SECOND SOUNDBITE**

Peter McGuire
Chief Executive Officer
XM Australia

***"Long Crude has been a
Great Trade in Recent
Weeks"***

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EXCLUSIVE SERIES VIEWS YOU CAN USE

Narendra Taneja
India's Leading Energy Expert



It seems India is emerging from its most recent Covid wave crisis?

We have traffic jams back in New Delhi, which is a very good indicator of how the economy is going to go. Cases are down to just 300 a day in the city. Last month, petrol consumption in the country was down by about 17.2% and diesel by 18%. In the weeks to come, it looks like that will get back to normal. The Federal government has now taken full responsibility to vaccinate everyone by the end of this year, at a rate of 10 million people a day.

Any consequences from travel restrictions in and out of the country?

The majority of Gulf carriers are still flying. We also have regular flights to Europe, the UK and connections with Southeast Asia. Let's not forget that for airlines like Emirates and Singapore Airlines, the Indian market is very significant for their overall bottom line.

Your thoughts on OPEC defending a \$70 price at its meeting last week?

The general view in India is that anything above \$63 is not very smart. India is set to probably emerge as the largest importer of crude oil. Unlike under Trump, the Biden administration seems to be OK with higher oil prices of \$65 - \$70. Given the situation, we will need to have more bilateral discussions with countries like Saudi Arabia to seek some special deals. Countries like India, China, Indonesia and others in Southeast Asia, have the potential to come together on energy and lead the overall global governance picture both when it comes to hydrocarbons and renewable energy. ■

**Paraphrased comments*

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