

# ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy  
Intelligence  
Publishing

TUESDAY /// APRIL 20<sup>th</sup> /// 2021

## TOP 10 DAILY NEWS DIGEST

1. OIL PRICES RISE ON WEAKER DOLLAR, LIKELY DRAWDOWN IN US STOCKS
2. OPEC + EVALUATES LIMITING THE NEXT MEETING TO THE MONITORING COMMITTEE
3. GASOLINE DEMAND RISING IN MIDDLE EAST
4. IS THIS THE END OF THE COVID OIL GLUT?
5. IRAN: SOME PROGRESS IN NUCLEAR TALKS, INTERIM DEAL POSSIBLE
6. INDIA'S DELHI IMPOSES LOCKDOWN TO CURB COVID SURGE
7. EU WARNS RUSSIAN MILITARY BUILDUP COULD 'SPARK' CONFLICT
8. VITOL ACQUIRES ILLINOIS WIND FARM IN RENEWABLES PUSH
9. SAUDI ARABIA'S KEY ROLE IN FIGHT AGAINST CLIMATE CHANGE
10. FORCE MAJEURE DECLARED AT LIBYA'S MARSA EL-HARIGA

### RECOMMENDED VIDEOS & REPORTS

- US INFRASTRUCTURE PACKAGE INDUSTRY IMPACT REPORT
- CHINA'S BENCHMARK LOAN RATE KEPT STEADY FOR 12TH STRAIGHT MONTH
- 'IT WILL BE BLOODY': DUTERTE MAY SEND NAVAL SHIPS OVER SOUTH CHINA SEA DISPUTES
- WE ARE GOING TO HAVE A VERY UNEVEN RECOVERY GLOBALLY!

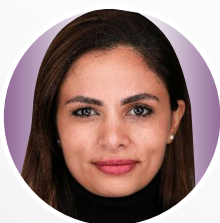
Series Supported By:



## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



**Andrei Belyi, PhD**  
Professor, Founder & CEO  
Balesene OÜa



**Amena Bakr**  
Deputy Bureau Chief  
Energy Intelligence



**Kevin Wright**  
Lead Analyst APAC  
Kpler

[CLICK HERE TO LISTEN](#)

## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

# TOP 3 TUESDAY /// APRIL 20<sup>th</sup> TAKEAWAYS

[CLICK HERE TO VIEW](#)

## DAILY OIL COMMENTARY

Morning all and welcome to negative oil day. I mean it's not, it's about 100 bucks higher than this time last year but April 20th will always be remembered as negative oil day. Right, where are we? Ah yes, Brent, of course, is trading up 0.54/bbl, this morning at \$67.59/bbl. WTI is trading at \$63.88/bbl, up 0.50/bbl. OK, remember I told you about that baked bean puzzle? Well today I still haven't found a corner, and I'm so confused that I might as well be blindfolded with my hands tied whilst someone sings songs about Tottenham Hotspur to me. That's how much I can't get the pieces of the puzzle to fit. What am I talking about? Well, some interesting developments. First, it looks like the OPEC



**BY MATT STANLEY**  
DIRECTOR  
STAR FUELS

meeting planned for next month will now not happen. Why should it when flat price is trading at \$67.72/bbl? So, more oil back in May pretty much nailed on. Nice. Now, here's the thing,

and call me stupid, call me negative, in fact, call me whatever you like but surely more oil has to find a home? No? Or is that just me? Now, we are expecting refineries that were in maintenance to start buying again. So, this should provide an uptick, in theory, but the real thing that the market seems to be so blatantly ignoring is the catastrophic situation in India. The world's third biggest buyer and consumer of oil. Sadly, things in India look bleak right now. There won't be a nationwide lockdown, but localized lockdowns are in force. We are already starting to see the effects this is having on oil demand. Flight bookings for travel to

India from the UAE have dropped 50% this week alone. From Friday, the UK has added India to the red list. The US yesterday advised citizens to not travel to around 80% of the world and on the back of this American Airlines has already begun cutting flights to South America. The second half of 2021 is supposed to be when things return to normal and when most of the NOC's expect demand to be at pre-Covid-19 levels. I'm sorry but with mutant strains seemingly choking off certain areas of the world I can't see how things will return to normal for a while yet. Still, could be worse, anyone for the Tottenham job? Didn't think so. Good day.

Series Supported By:



## EXCLUSIVE SERIES

# VIEWS YOU CAN USE

### Christof Rühl

Senior Research Scholar - Center on Global Energy Policy  
Columbia University



#### Very positive growth figures in the US and China this year will bring inflation.

We're already seeing that creeping into supply chains. Container rental rates will continue to rise for the next three months because they are completely maxed out and that could temporarily affect energy and create bottlenecks. We're moving into an overheated situation in certain economies which is largely unknown - that's the biggest concern. The U.S. economy has performed better than the Federal Reserve and others had expected but there's still no desire to stop the stimulus. The wall of money is growing. The big question will be to figure out is how to move assets through that and whether they can engineer a soft landing to this boom.

#### How significant is China's 18% Q1 GDP number for oil markets?

This was just a baseline effect from low growth a year ago. China's medium-term growth has slowed down substantially so we should be expecting GDP for the year to be closer to 6% than 8.5%. The country is also harboring a problem in its financial sector with its highly leveraged economy. Cleaning up the sector will mean a slowdown in expenditures and also partially higher interest rates. Having come out of Covid first, China is now facing some of the adjustment problems. It's the US which will be the main locomotive for global economic recovery this year.

#### Should OPEC revise supply upwards given oil demand forecasts?

We are seeing price movements within the \$60 to \$70 range. Nobody at this point really has the intent to push prices much higher and inventories are drawing down nicely. OPEC could increase supply a little, but the recovery is still in choppy waters despite an overall positive trajectory. We should expect that their next target will be to gradually bring down this massive spare capacity. ■

*\*Paraphrased comments*

Series Supported By:

