

THURSDAY /// APRIL 7<sup>th</sup>

## TOP 10 DAILY NEWS DIGEST

1. OIL GAINS US\$1 AS EMERGENCY OIL RELEASE SEEN AS BAND-AID
2. GLOBAL MARKETS-STOCKS FALL, DOLLAR STRENGTHENS AFTER FED MINUTES
3. 31 COUNTRIES PLAN A BIG RELEASE OF EMERGENCY OIL
4. FED PLANS TO SHRINK THE BALANCE SHEET BY \$95BN A MONTH
5. HUNGARY READY TO PAY FOR RUSSIAN GAS IN RUBLES
6. FEDERAL GOVERNMENT APPROVES CONTROVERSIAL BAY DU NORD OIL PROJECT
7. GERMAN FINANCE MINISTER: IMMEDIATE RUSSIAN OIL, GAS EMBARGO IMPOSSIBLE
8. IRAN IS READY TO SIGN THE NUCLEAR DEAL BUT IS DONE WITH NEGOTIATIONS
9. CHINESE STATE-OWNED REFINERS AREN'T RUSHING TO BUY RUSSIAN SPOT CONTRACTS
10. RUSSIA HIT WITH NEW ROUND OF US SANCTIONS AS JOE BIDEN DECRIES 'MAJOR WAR CRIMES'

### RECOMMENDED REPORTS

- EIA REPORT AN UNEXPECTED WEEKLY RISE IN US CRUDE SUPPLIES
- LAWMAKER BLASTS BIG OIL CEOS AT HEARING: 'YOU ARE RIPPING OFF THE AMERICAN PEOPLE'
- GREEN & DIGITAL GROWTH IN SAUDI: WHY IT MATTERS!
- A FERTILIZER SHORTAGE, IS DRIVING UP GLOBAL FOOD PRICES & SCARCITY
- REPORT: HAVE WE LOST OUR BEARINGS?
- "US OIL PRODUCERS ARE FACING SUPPLY CHAIN DISRUPTIONS LIKE ALL OTHER INDUSTRIES!"



## Daily Energy Markets PODCAST



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**Dr. Charles Ellinas**  
Chief Executive Officer  
Cyprus Natural Hydrocarbons  
Co.



**Dr. Carole Nakhle**  
Chief Executive Officer  
Crystal Energy



**Richard Redoglia**  
Chief Executive Officer  
Matrix Global Holdings



**Frank Kane**  
*Guest Host*

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## COMMENTARY

### FX

Despite the relative hawkishness of the Fed minutes, currency markets look to have already priced in much of the news and FX reaction was relatively contained. The dollar index closed up 0.13% at just shy of 99.60 as EURUSD dropped moderately to 1.0896 and USDJPY rallied to 123.80, up 0.16%. Sterling closed the day roughly flat at 1.3069. USDCAD moved up almost 0.5% as the Fed looks to be taking the edge on the Bank of Canada in terms of how quickly it will tighten policy. The pair settled up at 1.2544. AUDUSD fell almost 0.9%, wiping out all the gains recorded after the RBA indicated it was preparing tighten policy at its meeting earlier this week while NZDUSD fell 0.4% to 0.6918.

### Equities

Equity markets were once again weighed down by the prospect of more rapid tightening in the US, with the drawing down of the balance sheet squarely in focus as the minutes from the last FOMC meeting were released Wednesday. In the US, the NASDAQ was once again the primary loser, dropping -2.2% as investors weighed up the risk to some of the more speculative growth stocks on the index. The Dow Jones lost -0.4% and the S&P 500 -1.0%. In Europe, the CAC lost -2.2%, with markets there increasingly concerned around the chance of an upset in the upcoming presidential election. Germany's DAX dropped -1.9% and the UK's FTSE 100 closed -0.3% lower. Locally, the DFM dropped -0.1% and the ADX -0.2%, while the Tadawul added 0.4%.

### Commodities

Oil prices dropped overnight as the market responded to an official plan from OECD countries to release 60m bbls from their strategic reserves, on top of the 180m bbls announced from the US last week. Brent futures settled down 5% to \$101.07/bbl while WTI fell below \$100/bbl, closing down 5.6% at \$96.23/bbl. Data from the EIA showed a 2.4m bbls build in US commercial crude inventories last week while SPR stocks were down by 3.7m bbls. US production pushed up by 100k bbl to 11.8mbd while product supplied was roughly stable at around 19.8mbd.

Source: Emirates NBD

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## Daily Energy Markets VIEWS YOU CAN USE



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### Clyde Russell

Asia Commodities & Energy Columnist  
Thomson Reuters



#### Strong crude demand from Asia has prompted Mideast producers to raise prices.

Many Asian refiners have stepped back from buying some eastern Russian grades, so they have limited choice for now except to buy crudes like Arab Light, even if at a big premium. Still, certain Asian refiners will go for the discounted Russian oil - we've already seen quite a lot of buying from Indian refiners, and assuming they can organize the finance Chinese independent refiners could also be keen. But refiners from countries such as Japan, South Korea and Singapore might balk at buying Russian cargoes.

#### Do you expect China's oil import demand to drop again this year?

I think we've reached the point where China's oil imports are probably going to be steady and maybe even increase, depending also if new refineries are commissioned. What the country has stopped is importing that extra one million barrels a day. Strategic storage is probably close to full or at a level that they are comfortable with so import demand now is going to be much more closely aligned with the refineries throughput. The lock downs in the country will create demand destruction, but the question is whether it will then hit the accelerator when that ends, spending a lot of stimulus on construction and things that tend to be diesel heavy. We might have demand destruction followed by a surge in demand later. That would be very positive for crude import demand and probably also for products because they won't be exporting as much.

#### Is Asia having difficulty competing with Europe on price for energy supplies?

That's certainly very much the narrative for LNG and coal markets. It's not so much that Asian LNG from Australia, Indonesia, or Malaysia is flowing to Europe, but rather Europe is now taking US LNG, and Qatari LNG cargoes that used to be available for spot transactions into Asia. We have yet to see how crude and products markets might be affected. But if coal and LNG are any guide, we might end up with the rich countries in Asia, such as Japan and Korea, competing with Europe because they can, while the poorer countries, like India, Pakistan and the Philippines, are going to struggle and we could see demand destruction come into play. ■

*\*Paraphrased Comments*

## Daily Energy Markets INDUSTRY SURVEY



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72%  
Agree



28%  
Disagree

Source: GI Research April 2022

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THURSDAY /// APRIL 7<sup>th</sup>

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10<sup>th</sup>

## MARK YOUR CALENDAR 6 MONTHS TO GO

### ENERGY MARKETS FORUM

**DATES** October 4<sup>th</sup> - 6<sup>th</sup>, 2022 | Novotel, **FUJAIRAH**

*What Does West of Suez  
Peak Oil Demand  
Mean for Markets  
East of Suez?*

THE ARAMCO TRADING  
NEW SILK ROAD  
**CEO**  
- OF THE YEAR -  
AWARDS 2022  
**FUJAIRAH**  
aramco trading

 **Vitol**

 **aramco**  
trading

Port of Fujairah  
  
Port of Fujairah  
United Arab Emirates

  
أدنوك  
ADNOC

**S&P Global**  
Commodity Insights

## JOIN US NEXT WEEK



### Daily Energy Markets LIVE VIDEO PODCAST



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SUNDAY /// APRIL 10<sup>th</sup> /// 10:30AM (UAE)

**“WEEK IN  
REVIEW //  
WEEK AHEAD  
OUTLOOK”**

UK



**Maleeha Bengali**  
Founder  
MB Commodity Corner

AUSTRALIA



**Peter McGuire**  
Chief Executive Officer  
XM Australia

Zoom ID: 843 8266 1096  
Password: 12345

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FOIZ  
منطقة الفجيرة للصناعة البترولية  
Fujairah Oil Industry Zone

  
سي سي إنرجي ديفالوپمنت  
CC ENERGY DEVELOPMENT

 مؤسسة نفط  
الشارقة الوطنية  
**SNOC**

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## GI PUBLISHING 2022



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### ANNUAL EVENTS



FORUMS

WORKSHOPS

### PUBLICATIONS



WEEKLY NEWSLETTERS

QUARTERLY REPORTS

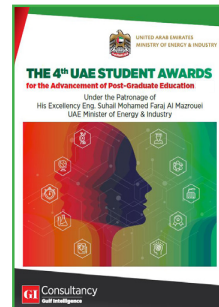
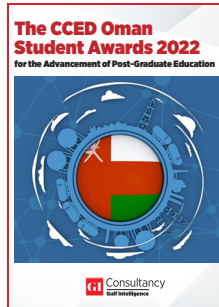
### LIVE GO - DAILY ENERGY MARKETS - ONLINE



### LIVE GO - ENERGY TRANSITION DIALOGUES - ONLINE



### ANNUAL AWARDS



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