

# ENERGY MARKETS FORUM DAILY BULLETIN



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WEDNESDAY /// APRIL 21<sup>st</sup> /// 2021

## TOP 10 DAILY NEWS DIGEST

1. OIL FALLS AS INDIA'S COVID-19 SURGE TO DENT FUEL DEMAND
2. US TO ISSUE COVID TRAVEL WARNINGS TO 80% OF COUNTRIES (PREVIOUSLY ONLY 16%)
3. API: WEEKLY CLIMB OF LESS THAN 1MN BBL IN US CRUDE SUPPLIES
4. ASIAN STOCKS FALL AS VIRUS WORRIES RETURN TO HAUNT MARKETS
5. INDIA: WHY 2ND COVID WAVE IS DEVASTATING
6. FED WILL LIMIT ANY OVERSHOOT OF INFLATION TARGET
7. ROUHANI SAYS RETURN TO IRAN DEAL COULD COME 'IN A SHORT TIME'
8. LIBYA'S OIL RECOVERY SLOWS AS FIGHT BREWS OVER INFRASTRUCTURE SPENDING
9. GERMANY URGES TALKS WITH RUSSIA
10. BIDEN PREPARING ARMS SALE TO TAIWAN WITH SELF-PROPELLED HOWITZERS

### RECOMMENDED VIDEOS & REPORTS

- WTI CLIMBS +\$100 IN A YEAR OF TURMOIL
- UK'S UNDER-35S BEARING BRUNT OF JOBS CRISIS
- THE TUSSLE BETWEEN IRAN & ISRAELI SPY AGENCY MOSSAD
- CHINA CONFIRMS XI WILL ATTEND BIDEN'S EARTH HOUR CLIMATE SUMMIT
- WE ARE GOING TO HAVE A VERY UNEVEN RECOVERY GLOBALLY!

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



Edward Bell  
Senior Director, Market Economics  
Emirates NBD



Narendra Taneja  
India's Leading Energy Expert



Matt Stanley  
Director  
Star Fuels

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

# TOP 3 WEDNESDAY /// APRIL 21<sup>st</sup> TAKEAWAYS

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## DAILY OIL COMMENTARY

Morning all. Welcome to the day after the night before a year ago that was negative oil day. Confused? So am I. On that note.... Brent is trading down 0.13/bl, this morning at \$66.44/bl. WTI is trading at \$62.49/bl, down 0.18/bl. Where to begin? Do we talk about the European super league? What European super league? No, and to be honest with what is going on in India it is actually a very difficult market to comment on right now. I also don't want to sound negative or depressing, god knows we all need a bit of positivity at the moment but when I look at the oil market and its blatant ignorance as to the devastation that



BY MATT STANLEY  
DIRECTOR  
STAR FUELS

is the second wave of Covid-19 that India is in the midst of trying to fight, I honestly have no words. If we look at things right now, then the facts are not going to lie. We have

more supply coming back from OPEC+ in May, that's pretty much nailed on. Iran is edging ever closer to an agreement with the US. This could bring back another 1mn b/d on top of the 700k b/d, perhaps some time in Q2 even. And then we have India, the world's third largest importer and consumer of crude oil, with localized lockdowns. Refining runs are already being cut owing to these lockdowns and it's rumoured 15 - 20% of Indian demand could take a hit over the next three months. India's daily oil demand is roughly 5mn b/d. So, again we do this tricky math, and we work out that 1.7 mn b/d of production back

roughly if the JCPOA is signed and 1mn b/d hit to demand. Yet here we are, with Brent structure \$3/bl backwardated until the end of the year. Look, the path to demand recovering was never going to be like driving down the Stelvio Pass. It was going to be bumpy, but I'm sorry this is more than a bump. This is like trying to climb the Matterhorn wearing jelly sandals. I sense a correction coming and maybe EIA data evidencing builds in crude stocks will be that final negative headline the market just can't ignore. But what do I know, I was looking forward to ESL football. Good day.

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MB Commodity Corner



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## DAILY ENERGY MARKETS FORUM INDUSTRY SURVEY



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**55%**  
**No**



**45%**  
**Yes**

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**Amena Bakr**  
**Deputy Bureau Chief**  
**Energy Intelligence**



### Is there a need for OPEC to meet again so soon next week?

There's no requirement to rock the boat and alter policy as prices are at a good level but Saudi Arabia and Russia are yet to communicate on whether the April 28 OPEC meeting will take place. The JMMC meets monthly anyway to monitor compliance and market conditions and to determine if there's a requirement for the bigger group to make any new decision. OPEC is keeping an eye on where demand goes but they also wouldn't want to make too many U-turns because that creates uncertainty and volatility. If they see demand slowing down significantly, the Saudis have already mentioned that they would not hesitate to use the mechanism they have in place to put a pause on bringing back those planned barrels.

### No surprises expected then?

The one factor they are surprised at is the lack of response by the market to geopolitical risk and to demand to an extent. This disconnect is a concern as it makes things hard to predict. The other uncertainty of course is on the US-Iran nuclear talks and possibility of sanctions lifting and more oil flowing into the market. Both sides have indicated that the talks are going well and that they are keen to sign some form of deal so things might develop quite fast.

### Any concerns on OPEC compliance?

Saudi Arabia has been delivering on its promises. The cracks are really with the countries that need to make up for the extra production – the compensation cuts. They've been given till September to make up for those extra volumes. Iraq is one member that has been complying more to its quota – improved relations with Saudi Arabia have contributed to that. ■

*\*Paraphrased comments*

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