

# ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy  
Intelligence  
Publishing

MONDAY /// JUNE 21<sup>st</sup> /// 2021

## TOP 10 DAILY NEWS DIGEST

1. **OIL EDGES UP AS IRAN NUCLEAR TALKS DRAG ON**
2. **BIG OIL LOOKS TO CUT PRODUCTION FOLLOWING ACTIVIST BACKLASH**
3. **CHINA'S SAUDI OIL IMPORTS PLUNGE 21%**
4. **INDIA LOOKS AT NON-OPEC OPTIONS TO TAME OIL PRICES**
5. **RISING DEMAND CLOSES THE GAP BETWEEN WTI AND BRENT PRICES**
6. **FED'S KASHKARI SAYS HE DOESN'T WANT ANY RATE HIKES THROUGH 2023**
7. **IRAN'S SOLE NUCLEAR POWER PLANT UNDERGOES EMERGENCY SHUTDOWN**
8. **CHINA'S GROWING BUNKER FUEL MARKET SQUEEZES OUT N. ASIAN COMPETITORS**
9. **SOUTH KOREA EXPORTS POST EARLY DOUBLE-DIGIT GAINS**
10. **US TO WITHDRAW HUNDREDS OF TROOPS, AIRCRAFT & ETC FROM MIDDLE EAST**

### RECOMMENDED VIDEOS & REPORTS

- **ASIAN STOCKS DROP AS FED SHIFT REVERBERATES; TREASURY YIELDS SLIDE**
- **DUBAI AIRPORT TO REOPEN TERMINAL 1 ON PICK-UP IN DEMAND**
- **INTERVIEW: DANIEL YERGIN VICE CHAIRMAN IHS MARKIT & AUTHOR OF 'THE NEW MAP'**
- **TECHNICAL ANALYSIS OF OIL MARKETS POINT TO HIGHER PRICES**

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



**Omar Najia**  
Global Head, Derivatives  
BB Energy



**James McCallum**  
Executive Chairman of Xergy  
Professor of Energy at Strathclyde  
University



**Frank Kane**  
Senior Business Columnist  
Arab News

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

# TOP 3

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# TAKEAWAYS

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## DAILY OIL COMMENTARY

Morning all and welcome to the longest day of the year, June 21st. A bit like watching England vs Scotland. That was certainly one of the longest nights of my life, wow. Brent is trading this morning at \$73.77/bl, up 0.26/bl. WTI is trading up 0.31/bl, at \$71.95/bl. Just an FYI - Dawson City Airport, Alaska - sunrise today is 03:46. The sun sets at 00:50 the next day. Get your head round that, won't you? Good news if you're a gold miner. Bad news if you're a nocturnal badger. Anywayyyy, oil. Should we? We should and we will. Friday was an interesting day. If by interesting, you mean what the heck is going on and people pulling their hair out -



**BY MATT STANLEY**  
DIRECTOR  
STAR FUELS

that kind of interesting? The general sentiment in markets since the Fed meeting last week has been one of general "ummmmm, okayyyy, sell everything." Not in oil though - oil went "Ummmm, so I buy

it? Yes, we buy it. Of course, we buy it. Why wouldn't you buy it? I'm going to buy it. Are you going to buy it? You should buy it. Why not? Buy some more." How many of us have read this pretty much every day this year so far? "Oil edges up on demand recovery hopes." I mean fair enough I suppose, I am sure even the most optimistic business journalist is questioning these forecasts but if that is the rhetoric then what to say? And this is my issue. Of course, we all need to be positive and hope that things return to some level of normality regarding international travel soon because the world is in danger of forgetting why we are in this position in the

first place and that is down to one thing, COVID-19. We want to ignore it, of course we do but we simply cannot. The US has extended border closures with Mexico and Canada until the middle of July. India remains curbed, Brazil passed the grim milestone of 500,000 deaths at the weekend and cases in Africa are climbing alarmingly. I agree with Sir Patrick Vallance at the press conference in the UK last week "We will be here in a few months' time talking about the latest mutation but we all have to learn to live with Covid-19, we just can't ignore it and need to remain vigilant." Let's see what this week brings. Good day, and week to all.

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

**James McCallum**  
Executive Chairman of Xergy  
Professor of Energy at  
Strathclyde University



**“What is the impact on  
oil majors from rising  
shareholder activism?”**

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

**Frank Kane**  
Senior Business Columnist  
Arab News



**“OPEC+ Meeting on July  
1st has to say something”**

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**Dr. Sara Vakhshouri**  
Founder & President  
SVB Energy International



#### How does the Iranian election result impact energy markets?

The result was expected. In terms of the negotiations with the US on sanctions, as long as there are no serious pressures on Iran's missile program or expectations that it should backtrack from supporting its proxies, they should continue under the new leadership. But obviously the hard liners have less incentive than President Rouhani had, to negotiate. They are the ones who formed the massive 25-year investment agreement with China and part of that is China's commitment to purchase Iranian oil. Even if the negotiations with the US move forward, China will have a stronger presence in the country going forward.

#### Iranian oil exports seem to have plateaued recently?

Global demand is continuing to increase. The market has been in a deficit since February and inventories are now back at five-year averages. By the end of this year, the market will have 1 to 1.5 million barrels per day of deficit so Iranian oil can be absorbed during the second half of 2021.

#### How do you assess the reaction of Gulf Arab states to the new government?

While the UAE does have issues with Iran, it was quick to congratulate the President. On the other hand, there's a significant lack of trust between Iran and Saudi Arabia and this won't change unless there are strong gestures of trust building from both. There have been direct talks and negotiations between the two, but we would not expect them to go beyond national security issues over the conflict in Yemen and preventing another tanker war in the Gulf. Even under the Rouhani administration, there was a serious lack of trust by other countries in the region on the intention of Iran's missile program and support for its proxies. ■

*\*Paraphrased comments*

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