

ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy
Intelligence
Publishing

TUESDAY /// JUNE 8th /// 2021

TOP 10 DAILY NEWS DIGEST

1. OIL FALLS AGAIN AMID CONCERNS OVER DEMAND REBOUND
2. OPEC CHIEF, IN UPBEAT OIL OUTLOOK, SEES OIL STOCKS FALLING FURTHER
3. CHINA: MAY CRUDE IMPORTS DROP TO FIVE-MONTH LOW AT 9.69MN B/D
4. BP CEO: STRONG OIL DEMAND GROWTH IS HERE TO STAY
5. ROSNEFT BEGINS HUNT FOR CONTRACTORS FOR MASSIVE VOSTOK OIL PROJECT
6. US REGULATOR TELLS PIPELINE OPERATORS TO PREPARE METHANE CURBS
7. OIL SANDS PRODUCERS FACE CLIMATE WAKE-UP CALL
8. CHINA'S INDEPENDENT REFINERIES RUSH TO BUY STRAIGHT-RUN FUEL OIL
9. KUWAIT FACES CRUDE-FOR-POWER DEMAND AS HEAT RISES
10. NORTH SEA OIL FLOATING OFF EU COULD SIGNAL WEAK ASIAN DEMAND

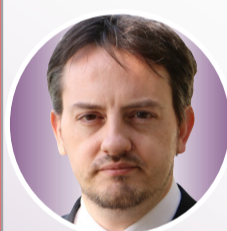
RECOMMENDED VIDEOS & REPORTS

- OIL OUTPUT RESTRAINT DRAWS HEDGE FUND BUYING
- CHINA: MAY NATURAL GAS IMPORTS RISE 2% AMID STRONG DOMESTIC DEMAND
- US SURGE IN TRAVEL LEADS TO TSA LOGJAMS AT CHARLOTTE-DOUGLAS AIRPORT
- INDIA STATES START REOPENING AMID DIP IN COVID CASES
- CHINA'S FOREIGN TRADE SUSTAINS UPWARD MOMENTUM IN JAN-MAY
- JUNE COULD BE US RECOVERY'S PIVOT

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



Robin Mills
Chief Executive Officer
Qamar Energy



Narendra Taneja
India's Leading Energy Expert



John Roper
CEO, Middle East
Uniper Global Commodities SE

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

TOP 3

TUESDAY /// JUNE 8th

TAKEAWAYS

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DAILY OIL COMMENTARY

Morning all. Brent is trading this morning at \$70.97/bl, down 0.52/bl. WTI is trading down 0.51/bl, at \$68.72/bl. "I believe in vaccines and vaccines are working, we just need to get them to more places," Looney said. I believe in them too Bernie. For those not familiar with Lord Looney (not a Warner Brothers character I hasten to add), Bernard Looney is the current CEO of BP. And a fine job he has done too, not a position many people would want to hold at the moment or indeed at any oil major considering Greta and her merry band of activists are raining on just about everything all energy majors are trying to achieve unless it saves the dolphin and protects Johnny polar bear. I am, of course,



BY MATT STANLEY
DIRECTOR
STAR FUELS

with Greta here, but I like Mr Looney too. Anywayyyy. He makes a very interesting point and one which all of us agree with but one I am afraid that doesn't seem to be actually happening. I refer back to

those vaccination stats once again. 11.6% of the World has been vaccinated. High Income vaccination rates are 38%. Low income is 0.8%. I agree that things are getting better when it comes to Covid-19. Dr. Tedros said there were "encouraging signs", including that the number of new Covid-19 cases has declined for six weeks in a row, and deaths from the pandemic have fallen for five straight weeks. This is good. But the divide in class and vaccination thereof needs to be addressed. If the G7 can get together this week and come up with a sensible plan to distribute vaccines to those who are in desperate need, as Dr Tedros has requested, then the path to recovery is well and truly on. The issue

the oil market faces itself with though is will this vaccination drive be enough to cause demand levels to rise to pre-pandemic levels? This is the issue. Credit to Eurasia Group on an excellent article regarding Asian oil demand, "So far this year, however, oil demand is off to a weak start in Asia... Given Asia's share of global oil demand—China, India, Japan, and South Korea consume a fifth of the world's supply—and the slow recovery in South and Southeast Asia, global oil consumption is unlikely to reach pre-pandemic levels of 100 million b/d this year." Oh, hi there cannnnnn, fancy seeing you again! Can I kick you yet again? OK, kabbboooooom. See ya. Good day all.

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ENERGY MARKETS FORUM Consultancy Intelligence Publishing Mashreq 60-SECOND SOUNDBITE

Narendra Taneja
India's Leading Energy Expert

**"OPEC+ Strategy to Target
\$70 Oil isn't Very Smart"**

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ENERGY MARKETS FORUM Consultancy Intelligence Publishing Mashreq 60-SECOND SOUNDBITE

John Roper
CEO, Middle East Uniper
Global Commodities SE

**"China is on Track to
become World's Largest
LNG Importer"**

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD



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EXCLUSIVE SERIES VIEWS YOU CAN USE

Dr. Carole Nakhle
Chief Executive Officer
Cristol Energy



Can we now assume that we are securely above \$70 a barrel?

We have finally broken through that stubborn ceiling but it's too early to tell whether we're going to stay in that range or push a bit higher. There is a major sentiment of optimism sweeping through everything. European and US travel is picking up and the recent OECD report on the economic outlook for the rest of the year shows upward revisions for almost all countries. It also highlights that many major economies, including the US, will hit pre-Covid income per capita levels before the end of 2021.

How much is OPEC Plus factoring in Iranian oil into decision making?

OPEC has said that it welcomes the return of Iranian oil to the market as long as it is done in an orderly and transparent way. Having visibility enables them to have greater control and they know that they will have to accept an increase in Iranian production and exports.

How negative are declining inventories and high prices for emerging economies?

Countries like Brazil and India are still struggling with their economic recovery because Covid is not under control so higher prices of energy and other commodities are going to have a negative impact on their economic recovery path.

Can the economies that are recovering well absorb \$75 oil?

There is a limit. We have had a demand shock and all eyes are still on demand. Economic growth will play a much more important role in the market than for example the return of Iranian oil, which will have a temporary impact. If prices heat up further and they are sustained, then we will definitely see a reversal of the growth and economic outlook everywhere, not just of emerging economies. But we're not there yet. ■

**Paraphrased comments*

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