

# ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy  
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Publishing

TUESDAY /// OCT 5<sup>th</sup> /// 2021

## TOP 10 DAILY NEWS DIGEST

1. OIL PRICES JUMP AS OPEC CONTINUES MONTHLY CRUDE SUPPLY HIKE
2. OPEC+ STICKS TO PLAN FOR GRADUAL OIL OUTPUT HIKE, PRICE ROARS HIGHER
3. MAJOR TRADERS SPLIT ON OIL BUT SEE LOWER GAS PRICES NEXT YEAR
4. ARAMCO CEO: LACK OF INVESTMENT COULD SEND PRICES HIGHER
5. RUSSIA'S NOVAK SAYS OPEC+ DECISION WILL HELP TO STABILISE OIL MARKET
6. JPMORGAN BANS BUSINESS TRAVEL FOR UNVACCINATED US EMPLOYEES
7. US WILL 'TAKE ALL STEPS NECESSARY' TO DEFEND ITSELF ON CHINA TRADE
8. ASIAN SHARES SLIDE AFTER BIG-TECH SELL-OFF ON WALL STREET
9. CHINA'S GROWING ELECTRICITY CRISIS
10. WORLD LEADERS DENY WRONGDOING AFTER LEAKS

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### RECOMMENDED VIDEOS & REPORTS

- 21ST OPEC & NON-OPEC MINISTERIAL MEETING CONCLUDES
- ARAMCO TO COMPLETE 1MN BPD OIL CAPACITY EXPANSION BY 2027
- IRISH GOVERNMENT SETS OUT BIGGEST EVER INVESTMENT PLAN
- IT'S A BIT OF HASTY TO START WRITING OFF CHINA'S ECONOMY FOR THE YEAR
- PLA SENDS 'RECORD-BREAKING 56 AIRCRAFT NEAR TAIWAN ISLAND IN A SINGLE DAY' IN CONSECUTIVE DRILLS

## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST

GI Consultancy  
Intelligence  
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**Matt Stanley**  
Director  
Star Fuels



**Mike McGlone**  
Senior Commodity Strategist  
Bloomberg Intelligence



**Ahmed Mehdi**  
Research Associate  
The Oxford Institute  
for Energy Studies

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

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# TOP 3

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# TAKEAWAYS

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Welcome to another post OPEC day. Brent is trading this morning at \$81.50/bl up 0.24 and WTI is trading up 0.14 at \$77.76/bl. First, let's talk about "social media", or whatever you kids call it these days. Last night was extraordinary. The much used, and spoken about on this commentary, messaging platform "WhatsApp" went down for 6 hours last night. So, in its place was something called "SMS" or "text message". Fascinating medium of communication this, allow me to explain. You write "text" under something called "messages" in your phone. You manage to get to the point of what you're trying to say in about a twentieth of the time it would take you over WhatsApp and for a brief moment, life is a



**BY MATT STANLEY**  
DIRECTOR  
STAR FUELS

simpler place. WhatsApp is now back up, and thousands of people are back walking round the streets with their faces planted in their phone leaving "voicenotes". Right - on to other liberating

news - OPEC? Shall we? OK then. Kell seprees Rodney. OPEC maintained planned production increases of 400K b/d. Of course, with not enough oil coming into a market where demand is picking up, prices only went one way and we hit a high last night of \$82/bl before settling at \$81.26/bl. I have to say that I was quite surprised that the rally ran out of steam. But seeing as everything seems to be running out of steam at the moment (because of a lack of power feedstock - see what I did there? here all day) perhaps this was some nice symmetry? "We are scared of the fourth wave of corona; no one wants to make any big moves." said an OPEC source. I mean, OK fine, he/she (she? are there any Female OPEC ministers?) has

a point. But here's the thing. When recently, given the rally we have seen in all energy markets, has COVID been a concern? Most places are of the opinion that the pandemic is over, or a nuisance if nothing else, so can COVID now be used as leverage when OPEC make decisions? Hmm, that's a conversation over a few hours me thinks. So, where do we think things will go from here? Personally, I think \$85/bl may act as a ceiling here and this is for no other reason apart from a psychological level if you're an end user. Non-Farm payrolls in the USA will be key when they are out on Friday, any further reference to money tapering could turn sentiment quicker than you can say "hang on, there's no blue tick!". Good day.

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

**Ahmed Mehdi**

Research Associate  
The Oxford Institute for Energy  
Studies

**“Russia appears very  
happy with OPEC+  
Agreement”**

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

**Mike McGlone**

Senior Commodity Strategist  
Bloomberg Intelligence

**“What’s really been  
driving this rally --  
supply disruptions or  
demand recovery?”**

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# DAILY ENERGY MARKETS FORUM NEW SILK ROAD



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**Rania Tadros**

Managing Partner - Dubai  
Ince



### How is shipping positioned to meet the energy transition?

The IMO is working towards a 50% reduction of carbon emissions by 2030, and then perhaps something closer to 100% by 2050. Shipping certainly has a role to play in reducing carbon emissions and one example has been with the introduction of lower sulfur fuel oil. IMO's first step into that was in January of 2020. Obviously, the increased price of LNG at the moment probably isn't helping, with people being slightly more uncertain as to whether clean energy is going to be affordable and what sorts of clean energy they should opt for. The situation is very dynamic.

### Have shipping logistics been addressed adequately around Covid?

Contingencies have been well organized but what has not been addressed properly is the welfare of seafarers. They have undertaken a lot of uncertainty not knowing what will happen to them as they go from port to port. We need a global protocol for seafarers rather than having a system dependent on individual port state control. We need a commitment by the industry, by governments and by countries for mariners' wellbeing – that's really important at this stage.

### How important is it for a bunkering hub like Fujairah to be ready for cleaner fuels?

When you look at the order books, there are a number of ships under construction at the moment which will operate on cleaner fuels and so ports such as Fujairah are going to have to modernize and be able to meet more carbon efficient fuels. The key question is when this is likely to happen - I think we're talking beyond ten years' time so they will have time to build their infrastructure to meet the demand that's going to be set up by these ships that are still being built. ■

\*Paraphrased comments

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