

ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy
Intelligence
Publishing

TUESDAY /// OCT 12th /// 2021

TOP 10 DAILY NEWS DIGEST

1. OIL FALLS AFTER BLISTERING RUN AMID GLOBAL ENERGY CRISIS
2. US SHARES DROP ON SOARING OIL PRICES
3. SAUDI TO SHIP EXTRA CRUDE OIL TO ASIA IN NOV
4. ZARIF CITES PUTIN AS WARNING OF IRAN LOSING JCPOA BLAME GAME
5. ARE ALGORITHMS TO BLAME FOR EUROPE'S NATURAL GAS CRISIS?
6. CHRISTMAS TO COME EARLY WITH SHOPPERS WARY OF SUPPLY CHAIN ISSUES
7. FITCH CUTS INDIA'S FY22 GDP GROWTH FORECAST TO 8.7%
8. 'MAXED OUT' QATAR LNG IS UNHAPPY WITH HIGH PRICES
9. SOUTHWEST AIRLINES CONTINUES TO CANCEL FLIGHTS
10. INDIA GOVERNMENT SAYS VOLATILE CRUDE OIL PRICES POSE CONCERNS FOR ECONOMY

Series Supported By:



RECOMMENDED VIDEOS & REPORTS

- WHITE HOUSE STANDS BY CALLS FOR OPEC+ TO DO MORE ON OIL PRICES
- OIL STORAGE MARKET REVENUE, GROWTH FACTORS & ETC FORECAST TO 2025
- 2 MINUTES WITH CHARIF SOUKI DISCUSSING INFRASTRUCTURE BUILDS & GAS PRICES AROUND THE WORLD
- APPLE SUPPLIERS SCRAMBLE TO KEEP PRODUCTION ON TRACK
- EXXON MOBIL: KEY PIECE OF THE RISK PUZZLE

DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST

GI Consultancy
Intelligence
Publishing



Chris Wood
Chief Executive Officer
Savanara DMCC



Narendra Taneja
India's Leading Energy Expert



Adi Imsirovic
Senior Research Fellow
The Oxford Institute for Energy
Studies

[CLICK HERE TO LISTEN](#)

DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

GI Consultancy
Intelligence
Publishing

TOP 3

TUESDAY /// OCT 12th

TAKEAWAYS

[CLICK HERE TO VIEW](#)

Technical issues dealt with, several of them, let's get back to normal, shall we? Brent is trading this morning at...WAIT A MINUTE! \$83.57/bl? Brent is trading \$83.57/bl? Honestly! I turn my back on you kids for ONE MINUTE! Where's your American brother? \$80.30/bl!!!! EIGHTY THIRTY!! That's it. Get to your room. I mean I joke, of course, as if anyone would listen to me but in my best Hugh Grant accent - CRIKEY! It shouldn't be a surprise though, as I have been going on for a while now Brent was in danger of trading up at these levels and, dare I say it, even higher. In fact the inevitability of trading even



BY MATT STANLEY
DIRECTOR
STAR FUELS

higher over the coming weeks is nothing but an inconvenient truth. The reason? Not enough oil, not enough gas. Gas prices have rallied 200% so far this year and in a world

that is still creaking out of a pandemic the timing is... umm...annoying? Yes, let's go with annoying. I'm sure that's what most people yell when they open up their gas bill on a monthly basis "OH THAT'S REALLY ANNOYING!". Ahem. Let's just break down where Brent was trading this time in 2019 - \$60.51/bl. October 2020? \$41.72/bl. Yep, you'd have to go back to October 2018 to see oil prices at levels there are now. This time last week the market was looking at a correction after Uncle Vlad said they he could produce more gas. Has that same statement been retracted? No. Have Evergrande stumbled on those apparent

missed bond payments? From what I can tell - no. Is demand back to where it was in 2018 to justify prices at three-year highs. No. There is one consistent trait that has kept oil supported all year and seemingly into next year, too, and that is constrained supply from OPEC+. The total rig count in the US continues to climb - in fact it is up 264, or 98% since this time last year. The return of US oil production is still not a threat it seems, as long as that holds, OPEC maintain discipline and a COVID ravaged world is healing itself nobody can argue that triple digit oil is not far away. Good day.

Series Supported By:



DAILY ENERGY MARKETS FORUM



Consultancy
Intelligence
Publishing

NEW SILK ROAD

EXCLUSIVE SERIES VIEWS YOU CAN USE

Randall Mohammed
Managing Director
PetroIndustrial USA



Impact of higher energy prices on US economic recovery?

Prices at the pump have escalated by 50 plus percent since last year and that's going to have a direct impact on transportation and on all goods and services. People will be less inclined to simply jump into their vehicles and drive and go and see family, for example. A lot of the stimulus money will also come to an end shortly so that's also going to impact expenditure. At the same time, we've moved from the predominantly services-oriented expenditure which we saw during the pandemic when everyone stayed home, into goods, and that's what has caused this supply crunch that is upon us. US retailers are warning that Christmas trees are going to be in shortage this year and triple in price.

When is the US going to tackle its debt ceiling dilemma?

It will be dealt with, but the question is by what quantum. Tapering and curtailing asset buying is going to happen, by November or December, and they will reduce it by about \$15 billion per month, until they get to zero. So, we're looking at possibly an eight-month period. The second step is to increase interest rates and there will be two sets of hikes that will occur sometime in 2023. The Federal fund rate and discount rate have been historically low so it will be starting from an almost zero basis point but I don't anticipate we will see negative rates. ■

**Paraphrased comments*

Copyright © 2021 GULF INTELLIGENCE FZ LLC. All Rights Reserved.

Registered at Dubai Creative Clusters Authority. Registered Address: DMC 9, Office 310, Dubai Media City, PO Box 502466, Dubai, UAE.

Series Supported By:

