

# Daily Energy Markets BULLETIN

THURSDAY /// FEB 17<sup>th</sup>



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## TOP 10 DAILY NEWS DIGEST

1. US CRUDE STOCKPILES RISE DESPITE CUSHING DRAW, RECORD FUEL DEMAND
2. IEA PLEAS WITH OPEC+ FOR MORE OIL SUPPLY, AGAIN
3. US SANCTIONS ON RUSSIAN BANKS ARE THE WEST'S MOST POTENT ECONOMIC THREAT
4. SOUTH KOREA, IRAN DISCUSS RESTART OF OIL TRADE
5. NAT-GAS PRICES SOAR ON THE OUTLOOK FOR COLDER US TEMPS
6. GLENCORE MAY SELL RUSSNEFT STAKE TO FOUNDER GUTSERIYEV
7. CHINA LOOKS TO RUN COAL-FIRED POWER PLANTS AT FULL CAPACITY
8. RUSSIA'S NOVAK WARNS EU'S BET ON ENERGY TRANSITION RISKS BIGGER ENERGY CRISIS
9. IRAN'S TOP NUCLEAR NEGOTIATOR BAGHERI SAYS 'WE ARE CLOSER THAN EVER TO AN AGREEMENT'
10. IMF URGES POLICYMAKERS TO FINE-TUNE MONETARY TIGHTENING & FOCUS ON FISCAL SUSTAINABILITY

### RECOMMENDED REPORTS

- COMMODITIES & CRYPTOS: CRUDE'S WILD RIDE, GOLD RALLIES, BITCOIN EDGES HIGHER
- BIDEN OFFICIALS DISPATCHED TO SAUDI TO DISCUSS ENERGY CONCERNS AMID RUSSIA-UKRAINE CRISIS
- WILL CHINA'S LATEST MONETARY POLICY EASING REINVIGORATE THE ECONOMY?
- PUTIN'S THREATS AGAINST UKRAINE COULD REINVIGORATE THE US OIL AND GAS INDUSTRY
- INFLATION CAN BE 'THE WAY DEMOCRACIES DIE': CHARLIE MUNGER
- AVERAGE BRENT FOR 2022 AT \$96/BL AND \$112 FOR 2023!



## Daily Energy Markets PODCAST



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**Matt Stanley**  
Director  
Star Fuels



**Andrei Belyi, PhD**  
Professor, Founder & CEO  
Balesene OU



**Ali Al Riyami**  
Consultant & Former  
Director General of Marketing  
Ministry of Energy & Minerals, Oman

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## Daily Energy Markets PODCAST



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# TOP 3

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# TAKEAWAYS

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# INTERNATIONAL ENERGY WEEK

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Welcome to Thursday. Brent is trading down 1.10 this morning at \$93.71/bl and WTI is trading at \$92.61/bl down 1.05. One would be forgiven right now for forgetting that the Winter Olympics is going on. It amazes me the Winter Olympics you know. When do I ever show an interest in curling for the other 3 years and eleven months between Olympics? Also, at what point when you're young do you say to your Mum "Mum, I don't want to go to football today, can you take me to our local curling club?". Amazing. Anyway, whilst I dive in to a Wikipedia rabbit hole about the weight of a curling stone, shall we talk about oil? Sure. I'll be honest, this is a pretty grim market to trade. If we look at volatility witnessed so far this morning which incidentally we have seen no new headlines or the like, then the low so far today is \$92.15/bl and the



**BY MATT STANLEY**  
DIRECTOR  
STAR FUELS

high is \$94.50/bl. I mean imagine, you wake up, "ooh think I'll sell some around \$92.15/bl", you put the kettle on, say hello to the dog, get back to your desk and your 2 dollars down in a matter of brewing a cup of PG Tips finest. Nuts.

Or is it? Is this the new dynamic the oil market faces itself with? 2.5pct swings before even the postman wakes up? I'd argue yes, and this is purely down to the way the market is reacting to headlines, and quite how contradictory these headlines we are seeing are. On one news feed you'd see that everything is calm. The next you'd see a Tiktok video of helicopters flying over. Then a tweet that says an "invasion is moments away". Then a tweet that says cinemas in Kiev are running at full capacity. As we know, the oil bulls don't need much of an excuse and will quickly react to any headline that implies aggression versus current tensions, and all this is doing is manifesting itself in to a very volatile market. If we once again park the tensions though and talk about what is happening with oil market fundamentals? Tighter than a tax

man's cheque book. And it is "cheque", ok? But, is it really tight? Or is this a manifestation of the fact that nigh on every oil product futures market is in a state of super backwardation? Who wants to take on oil in a market where it's 24 dollars per ton cheaper in the next month? I'd say nobody. So, people are just buying enough. This is translated as a tight market and then people attribute that various member of OPEC+ cannot meet increased supply quotas and the tight market argument is justified. Hmm. I agree, things are tight but with barrels back from the OPEC+ members that are able to increase production I think the market could be in an easier spot. Because, let's face it, in a world coming out of a pandemic, is \$100/bl oil really something to be celebrated? Don't ask a Wall Street banker that question, will you. Good day.

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## Daily Energy Markets VIEWS YOU CAN USE



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### Amena Bakr

Deputy Bureau Chief & Chief OPEC Correspondent  
Energy Intelligence



#### Is it credible for OPEC+ to attribute these prices to geopolitics?

The geopolitical premium is estimated to be seven to eight dollars and the OPEC+ group really wants this market to settle itself without intervening too much in terms of the fundamentals or adding more supply. There is a little spare capacity within the group, estimated at 2.5 million barrels but if they max out their capacities, prices may even rise.

#### Why has 4% of Saudi Aramco been transferred to the sovereign wealth fund?

It's a move to further diversify the Saudi economy. The PIF needs more funds. They're developing huge non-oil related projects inside the kingdom so this 4% transfer will be monetized somehow. They may keep the stake and earn dividends of around \$3 billion annually or sell some or all of it.

#### Are we getting close to an agreement for Iran in Vienna?

We are hearing more positive noise from the talks. If the sanctions are lifted, Iran could quickly bring back exports and they also have a lot of floating storage. When sanctions were removed previously, we saw a quick comeback of a million barrels of exports and Iran claims it can do that again and double exports within three months. The extra supply in this current market environment of elevated prices would be welcome even if OPEC+ has not factored it into their calculations. I don't see any conflict within OPEC+ if Iranian oil comes back. ■

*\*Paraphrased comments*

### Daily Energy Markets



#### Mashreq 60-SECOND SOUNDBITE

##### Ali Al Riyami

Consultant & Former Director  
General of Marketing, Ministry of  
Energy & Minerals, Oman

**"OPEC+ don't have the  
capacity to increase  
oil production!"**

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### Daily Energy Markets



#### Mashreq 60-SECOND SOUNDBITE

##### Andrei Belyi, PhD

Professor, Founder & CEO  
Balesene OÜ

**"The standoff between  
Russia & Ukraine has  
lasted since 2014 and  
will continue!"**

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