

ENERGY MARKETS FORUM  
DAILY BULLETIN

GI Consultancy  
Intelligence  
Publishing

TUESDAY /// NOV 9<sup>th</sup> /// 2021

TOP 10 DAILY NEWS DIGEST

- 1. OPEC+ ABLE TO INCREASE OIL SUPPLY IN CASE OF MARKET DEMAND
- 2. OPEC+ HIKES OCT OUTPUT BY 480,000 B/D BUT MANY MEMBERS UNDERPERFORM
- 3. US ENERGY SECRETARY SAYS SHE HOPES GAS PRICES WON'T REACH \$4
- 4. EU CARBON TAX FINALLY PROMPTED TURKEY TO SIGN PARIS CLIMATE DEAL
- 5. KUWAIT GOVERNMENT RESIGNS FOR THE SECOND TIME THIS YEAR
- 6. IRAN WANTS US ASSURANCES IT WILL NEVER ABANDON NUCLEAR DEAL IF REVIVED
- 7. TODAY MARKS THE START OF REVIVED TRANSATLANTIC AIRLINE TRAVEL
- 8. OCCIDENTAL PETROLEUM STOPS HEDGING OIL IN 2022
- 9. NETHERLANDS JOINS IN TO END FOSSIL FUEL FUNDING ABROAD
- 10. PHILIPPINES ECONOMIC RECOVERY FROM PANDEMIC LOSES MOMENTUM IN Q3

RECOMMENDED VIDEOS & REPORTS

- FULL TRANSCRIPT OF US INFRASTRUCTURE BILL
- HOW CHINA SHAPES THE WORLD'S COAL
- FED: US ECONOMY AT RISK BY CHINA'S COLLAPSING REAL ESTATE
- US PINS POSSIBLE STRATEGIC OIL RELEASE ON MONTHLY REPORT THIS WEEK
- "MIDEAST STATES HAVE GROWING FEAR OF BEING ABANDONED BY US"



DAILY ENERGY MARKETS FORUM  
NEW SILK ROAD  
PODCAST



Marc Ostwald  
Chief Economist & Global Strategist  
ADM Investor Services International



Laury Haytayan  
MENA Director  
Natural Resource  
Governance Institute



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Senior Editor  
JLC Network Technology

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DAILY ENERGY MARKETS FORUM  
NEW SILK ROAD

TOP 3

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TAKEAWAYS

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Brent is trading this morning down 0.08 at \$83.35/bbl and WTI is trading at \$81.96/bbl up 0.03. I mentioned yesterday about things not being funny, being awkward in fact, that weird awkward laugh that only the most nervous of football managers can perform at a post drubbing news conference. You know the type. But there's something looming behind all this "supply issue" we seem to be facing in the oil market right now, and that is US oil production. STAT TIME. I really need a jingle or something for that. STAT TIME - bah bah bah paahhapphumm. In February 2020, when we only applied the word "Corona" to something you stick a lime wedge in to, the US was producing 13.1 million barrels per day of excellently



BY MATT STANLEY  
DIRECTOR  
STAR FUELS

named crude oil ranging from Thunder Horse to Bayou Choctaw Sweet. Then the pandemic hit. By August 2020 all the nodding donkeys were being retired like Eeyore being given a carriage clock

and being told to pin his tail elsewhere. Gloomy. In the space of 6 months, US crude oil production dropped 3.4 million barrels per day, or 25pct. Let's not forget that in that same six months we can also throw in a day or so of negative oil prices as well as two hurricanes, namely Laura and Marco, that would forever change the face and outlook of the US Gulf Coast refining sector. It was an interesting year, last year, wasn't it? Indeed. Where are we today though? Well, this is where it gets interesting. Last week, US oil production reached 11.5 million barrels per day. Now, this number was reached at the end of August granted, but Ida quickly scuppered that recovery, but the story remains the same - 11.5 mn bpd of production is the

highest since May 2020. Has anybody written about this? Not that I can see. Even if there has been some journo time put against the recovery in US production it's certainly not caught the attention of the market yet. It worries me though. I feel like the Hamburglar is stealing all the Big Macs, but Ronald is too busy buying bitcoin to be bothered. Wake up Ronnie! Personally, I think that we will see this rise continue over the coming weeks and months, we have seen 18 months of balance sheet consolidation now from the vast majority of US oil producers and with flat price firmly in breakeven territory, it's about time some investment manifested itself into more oil. Let's see what stats tells us tomorrow. Good day y'all.

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

**Marc Ostwald**

Chief Economist & Global Strategist  
ADM Investor Services International

**“Central banks  
need real rates to  
stay negative”**

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

**Laury Haytayan**

MENA Director  
Natural Resource Governance Institute

**“Resumed Iran  
talks unlikely to  
be fruitful”**

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# DAILY ENERGY MARKETS FORUM NEW SILK ROAD



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## EXCLUSIVE SERIES VIEWS YOU CAN USE

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



**Gas prices have been overinflated in the last month.**

At the beginning, the growth in price was stimulated by economic fundamentals but then psychology and financial markets started to play a part. So, at some point, the price has to retreat and it's better if it does because market players now have more confidence in available supply. Underground gas storage is less than usual, at about 70%, but it's really only the spot market players who will face a major challenge.

**Won't we see price spikes again this winter?**

In the summer, the weather was good, but we still had panic on gas markets. So, the price is not necessarily always correlated to seasonal variations. The price should retreat to some extent unless there's an unexpected event that affects the psychology of markets again, such as not enough Russian gas flowing to Europe. Gazprom should start to fill its storage further from mid-November. If we don't see those increased volumes, then the market will become very nervous.

**How do you interpret the UK having Qatar LNG on standby?**

It's not only the UK. Italy has also concluded an agreement with Qatar and Poland is attempting to conclude new agreements with American suppliers. European countries are trying to rebuild confidence in LNG markets and LNG flows, but suppliers still prefer going to Asia because of the price premium, and because it offers medium term prospective demand. By contrast, European policymakers have been quite ambiguous about the future of natural gas. The big question will be now what kind of legislative proposal the EU reinforces on LNG, particularly in light of the recent supply crunch. ■

*\*Paraphrased comments*

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