Fujairah
New Silk Road
WEEKLY NEWSLETTER

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EXCLUSIVE INSIGHTS /// ACTIONABLE INTELLIGENCE /// DATA TRENDS /// LATEST NEWS

"FUJAIRAH OIL FLOWS RETURNING TO TREND AFTER BUMPER TWO YEARS OF COVID PANDEMIC"

Capt. Salem Al Hamoudi, Director – Fujairah Oil Industry Zone

After a bumper two years of Covid pandemic disruption and despite all the turbulence, Fujairah is in fact coming off a record year in terms of liquid bulk throughput. We saw many new developments in 2021, starting with Brooge Energy announcing it was moving forward with construction of its proposed Phase 3 refinery and storage expansion at its existing terminal operations. And we also saw ICE Futures Abu Dhabi (IFAD), in partnership with ADNOC, launch the Murban oil futures contract, and they selected Fujairah as the energy hub for the physical settlement for this. ADNOC has also expressed that it sees Fujairah now at the center of its strategy to go beyond the border of the UAE – a tipping point between producers, exporters and traders, where basically supply meets demand. And 2022 has kicked off with no shortage of new surprises regionally and globally, and of course, most notably this week with the Ukraine crisis, and oil prices soaring to hit $100 a barrel. The drawdown of global oil inventories to well below 5-year averages, the lack of spare oil production capacity and limited investment in the sector in recent years, is also helping keep crude at 8-year highs. This elevated oil price of course will bring both challenges and opportunities, which in some ways perfectly sums up the outlook for the year ahead.

CONTINUED ON P 3

Fujairah Weekly Oil Inventory Data

6,087,000 bbl	2,579,000 bbl	10,452,000 bbl
Light Distillates	Middle Distillates	Heavy Distillates & Residues

Source: FEDCom & S&P Global Platts

Fujairah Average Oil Tank Storage Leasing Rates*

BLACK OIL PRODUCTS

Average Range
$3.54 - 4.38/m³

↑ Highest: $4.50/m³
↓ Lowest: $3.20/m³

THE WEEK In Numbers

Weekly Average Oil Prices

Brent Crude:	$94.99/bl
WTI Crude:	$92.52/bl
DME Oman:	$92.82/bl
Murban:	$94.86/bl

*Time Period: Week 4, February 2022
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

VLSFO

High = $776.50/mt

Low = $744.50/mt

Average = $756.00/mt

Spread = $31.00/mt

MGO

High = $936.00/mt

Low = $887.00/mt

Average = $913.50/mt

Spread = $49.00/mt

IFO380

High = $550.50/mt

Low = $532.00/mt

Average = $540.00/mt

Spread = $18.50/mt

*Source: Ship and Bunker, *Time Period: February 16 – 23*

Fujairah Bunker Sales Volume (m^3)

288 180cst Low Sulfur Fuel Oil	**497,670** 380cst Low Sulfur Fuel Oil	**119,747** 380cst Marine Fuel Oil
1,215 Marine Gasoil	**27,169** Low Sulfur Marine Gasoil	**5,341** Lubricants

Source: FEDCom & S&P Global Platts

CONTINUED FROM PAGE 1

Capt. Salem Al Hamoudi, Director – Fujairah Oil Industry Zone

How are higher oil prices filtering through to investment in the sector?

The increased oil revenue underpins spending in major national infrastructure projects, such as the UAE railroad connecting all seven emirates. It will also bolster the determination of Abu Dhabi to raise oil production capacity towards its goal of 5 million barrels a day. The increase in OPEC+ production quotas is already seeing more oil flowing from the region every month, although admittedly the steep backwardation in the market is resulting in less of it heading for storage. Still, Fujairah is closer to a major expansion of its crude oil storage capacity with the ADNOC underground caverns moving towards completion. At the same time, refineries are planning expansions, and container shipping is likely to get a boost when the Etihad Rail connects to the city. Two other UAE companies -- Ecomar Energy Solutions and Brooge Petroleum -- are investing further in storage and refining facilities in Fujairah, while Uniper Energy DMCC, one of three refineries in the Fujairah Oil Industry Zone, may also boost its refinery output. Meanwhile, a dry bulk export facility to ship from Fujairah's Dibba is set to open later in 2022, providing a boost to bunkering activities, while LNG bunkering may soon be introduced.

"In 2006, the UAE set a 7% target for renewables in its energy mix. This is now 24% which we expect to achieve in the next two years, and Fujairah is aligned with reaching these critical goals."

What impact might the UAE hosting COP 28 have on Fujairah's future plans?

The UAE has sought to protect the environment since its formation. Over the past three decades, the country has contributed remarkably to addressing climate change, becoming a leading global model due to the vision and directives of its leadership. It was the first nation in the region to announce ambitious renewable energy programs. In 2006, the country set a 7% target for renewables in its energy mix. This is now a 24% target, which we expect to achieve in the next two years, and Fujairah is aligned with reaching these critical goals.

How is the great energy transition impacting the storage industry?

The oil and energy storage industry is at a crossroads. The energy transition is gathering pace, with oil companies and policy makers setting out ambitious carbon neutral pledges. With new fuels emerging, and the world seeking to divest away from fossil fuels, the oil storage industry will need to adapt to a changing landscape or face a bumpy road ahead. Yet we have also seen in recent months energy shortages inflict pain across the world as policy makers impose misguided regulations too quickly. We are confident that a more balanced approach will evolve that will see oil and gas sit alongside new lower carbon fuels for decades to come.

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Energy Markets Views You can Use

Sara Akbar
Chairperson & CEO, OiLSERV, Kuwait &
Non-Executive Director, Petrofac

The rationale behind OPEC+ has weakened.
Prices are high and have gone further than what the group wanted. There isn't much supply or storage, or availability in many of the countries to be able to manage the market going forward.

What does the Russia conflict mean for OPEC+ when it meets next week?
The whole world has to react to this aggression and try to mitigate and stop it somehow.
The diplomacy that the Middle East plays should also have a role in trying to bring some sense to Russia. They should utilize that relationship to bring some logical intervention. If there are energy sanctions on Russia, the world will be in even bigger trouble on the oil price. Saudi Arabia and some others will need to step up production to compensate for any losses in supply and to ease off the energy market. I don't see any point in putting any more sanctions at this point. It will only be harmful to the West and create more economic instability in Europe.

Should the Gulf play a bigger role in facilitating a better Iran-US relationship?
The original JCPOA was signed with the complete absence of this region, when it is we who will be affected most. That's why when the second opportunity came about, we asked for a seat at the table. The political role of this region on the international scene is really recent and so far, it has done extremely well in bringing people together and work out solutions. However, can we drive this international peace process with Iran? It's all in the hands of the Europeans and Americans really.

Marc Ostwald
Chief Economist & Global Strategist
ADM Investor Services International

How deep a crevice have we just moved into with Russia and Ukraine?
We've got a crisis point of something which has been brewing for the best part of 25 years – the push to move NATO east. What's important now and what has not yet happened, is that a united front is presented by the EU and the US in the face of this aggression. Putin has been prodding at this disunity. The other critical point will be how China reacts, considering the closer relationship that it has built with Russia over the last ten years.

What's next in this conflict?
How we impact Russian exports of raw materials through sanctions is key - anything else really isn't going to have much of an impact. It's a very tough decision for Europe as it would come at a very high economic cost. I don't think there's going to be a united front on that, but they would be best off above all, not having arguments about this in public.

Has Putin got Russia under his total grip internally with this action?
There are dissidents but he's been ruling that with an iron fist. I do have questions about whether there may be factions within the ruling party in Russia who start to wonder whether he has taken this too far. What's also been going on in my mind is whether, in addition to geostrategic reasons, Putin is trying to appear strong because of how much he has mismanaged the economy during the whole Covid period. In the past, that strategy has appealed to the local population.

Domino impact from higher oil prices on demand erosion in Asia?
Putting China aside, most countries are removing restrictions and demand was just about to start going up. We've already got inflation - in food, energy, housing - so $100 oil is just going to hit consumers in the pocket. And not just in Asia. How long people can absorb this is in question, particularly when central banks were just starting to fend inflationary pressures off.

Energy Markets Views You can Use

Dr. Carole Nakhle
Chief Executive Officer, Crystol Energy

We should not rule out OPEC adding more oil to the market.
OPEC has been loyal to its core objective of maintaining market stability so if this is now under attack and there's a potential structural destruction of demand and encouragement of supplies from outside the organization. they have to act.

Should we expect Iranian oil soon given positive talks in Vienna?
When it comes to Iranian oil, there are certain barrels that will come straight away that have been stored in ships, but we shouldn't expect miracles immediately if a deal is reached. Yes – it will help to dampen anxiety about supply and perhaps dampen the climb in prices, but it would take time to restore production to pre sanctions levels.

Should we be worried about Russia cutting off energy supplies?
If Putin retaliates against sanctions and cuts off oil and gas supplies, that would create mayhem, at least in the short term in terms of panic. People will build inventories and we will see further upward pressure on prices and a negative impact on the global economy. We sometimes forget that both Russia and even more so, Ukraine, are important exporters of grains such as corn and wheat, and metals and products needed to produce microchips such as palladium. So far, we haven't seen supply disruptions from Russia. It didn't retaliate after the annexation of Crimea and the consequent imposition of sanctions. Economically, Russia could sustain sanctions and cut off energy supplies for a while but if it goes into a fully-fledged war, it will be very costly for the country.

Danial Rahmat
Senior Energy Security Consultant

Iran could quickly ramp up production by 1mbd once sanctions are lifted.
Based on OPEC's latest report, Iranian production is currently at 2.5 million bd, with 1.7 million bd of that consumed domestically in refineries and the rest exported to East Asia. Today, Iran has big amounts of onshore and floating oil storage that it could get to the market in a very short time. The main issue for Iranian oil is the sustainability of supply.

Is the availability of water a challenge for rehabilitating Iran's oil sector?
The Iranian agriculture sector is the main problem in the country's water crisis. For the last four decades, the government has emphasized producing as much agriculture as possible and beyond the natural capacity of the land. More than 80% of Iranian water consumption goes to the agriculture sector. Old methods and underdeveloped technology have meant that the volume of water consumed per tonnage of product is inefficient. The oil industry has not been impacted by this water shortage and neither has the petrochemical industry. In fact, petrochemical production and electricity generation are more threatened by a lack of natural gas.

Is the move by Korea to spot pricing for LNG part of a new pattern for Asia?
Korea's main priority today is to ramp up the energy transition in the country. It's investing a lot of money in renewable energy and trying to get rid of coal and other polluting resources and the government is introducing regulations and restrictions on companies. As far as LNG contracts go, I don't think the policy is to move away from long term fixed prices. Korea will continue to purchase LNG, especially from Qatar, Australia and the US, on these terms.

GI Soundings Week in Review

WAR PREMIUM SUPPORTS OIL PRICE WHILE Q2 DEMAND DROP, SUPPLY INCREASE LOOMS

Over the last week, Gulf Intelligence has held high-level interviews with energy experts in the MiddleEast, Asia, Europe, and the US. This intel is harvested from the exclusive briefings.

- **Peter McGuire, Chief Executive Officer, XM Australia**
- **Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence**
- **Dr. Aldo Flores-Quiroga, Former Deputy Secretary of Energy for Hydrocarbons, Mexico's Ministry of Energy**
- **Osama Rizvi, Energy & Economic Analyst, Primary Vision Network**
- **Ali Abdulla Kanoo, President, Kanoo Industrial & Energy**
- **Omar Najia, Global Head, Derivatives, BB Energy**
- **Kevin Wright, Lead Analyst APAC, Kpler**
- **Rustin Edwards, Head, Fuel Oil Procurement, Euronav NV**
- **Daniel Richards, Senior MENA Economist, Emirates NBD**

Peter McGuire, Chief Executive Officer, XM Australia

"The Reserve Bank of New Zealand is poised to raise interest rates for a third time next week, but will it pull the 50 BASIS POINTS trigger this time, setting a precedent for other central banks?"

Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence

"If tensions escalate in Ukraine, elevated oil prices should fuel supply and demand elasticity and boost electrification and decarbonization trends, and in most scenarios (notably continued reversion of the 2021 risk-asset rally), gold is poised to prevail."

Dr. Aldo Flores-Quiroga, Former Deputy Secretary of Energy for Hydrocarbons, Mexico's Ministry of Energy

"There is a political transition, an economic transition and an energy transition going on and they are generating very mixed signals for energy investors, resulting in underinvestment, especially for oil and gas. It will get more difficult before we find a new equilibrium in international and economic affairs."

Osama Rizvi, Energy & Economic Analyst, Primary Vision Network

"We are past that point where the Russian Ukrainian conflict will have the same influence on oil prices as it was doing in the last three or four weeks. There is a clear, unofficial, expectation that an invasion is not going to happen. The framing of the issue is changing, and that sentiment overpowers every other factor in the market."

Ali Abdulla Kanoo, President, Kanoo Industrial & Energy

"The world has acknowledged the need to shift the economy to a more sustainable path. Global leaders are working towards creating smarter solutions harnessing technology to create a sustainable future."

Omar Najia, Global Head, Derivatives, BB Energy

"If we're going to see $100, we're going to see it now before the end of March, maybe by the middle of April at the latest, and then a correction."

Kevin Wright, Lead Analyst APAC, Kpler

"We've started to see a build again in Chinese inventories in the last few weeks. They're up to almost 890mn bls, according to our data. That says it's not particularly hard to find crude. It's a relatively tight market with net exports down month on month, but generally there is oil there. That shows that $100 is quite sustainable for a considerable period of time."

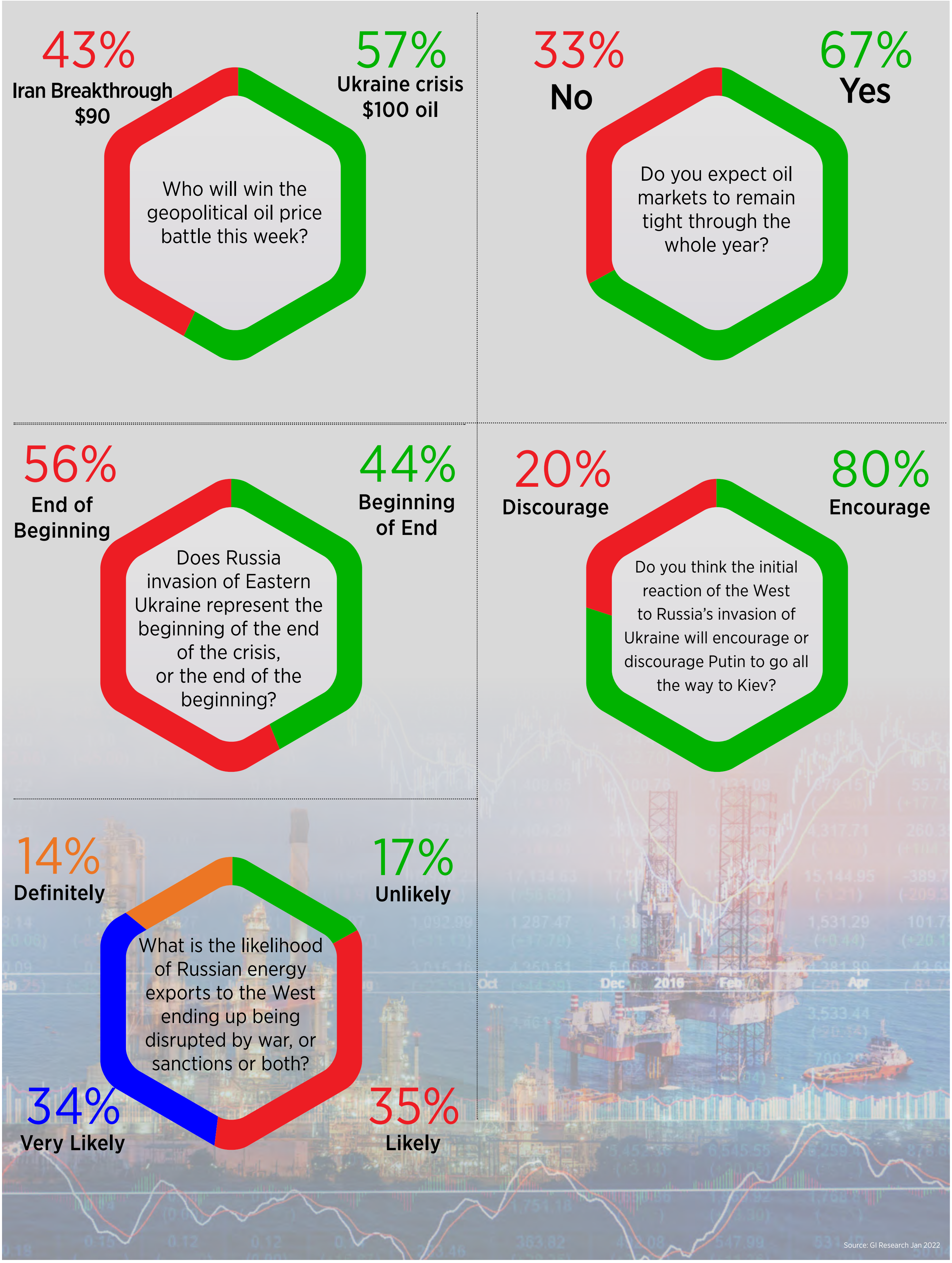
Rustin Edwards, Head, Fuel Oil Procurement, Euronav NV

"The accordion effect of the container ship market supply chains, is starting to feel the impact of Covid restrictions in China. Hong Kong, a major import, export port, is experiencing 21-day delays. That's going to hit the delivery side again, so in about 8 weeks' time, we'll see another supply crunch going into the US summer."

Daniel Richards, Senior MENA Economist, Emirates NBD

"These higher oil prices are a boon for GCC economies. We anticipate that they will play out in ongoing efforts to diversify and decouple economies away from these boom and bust oil cycles. We expect that budget surpluses will be in greater play this year than we've seen for quite some time."

GI Weekly Surveys



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Energy Markets Views You can Use

Maleeha Bengali
Founder, MB Commodity Corner

Financial markets are in a buy the rumor, sell the fact mode.
On the macro front, we're at a point where the US Fed has to raise interest rates because inflation is very high. We also have bond yields going towards 2% and we have credit markets in distress. On the oil front, before the Russia Ukraine episode, oil demand had been very strong on a four-week average basis. But we know this is also a seasonal game and that winter will end soon. As we approach March, the question is how the global economic slowdown impacts oil. Putting aside the current war premium, the market is actually quite weak.

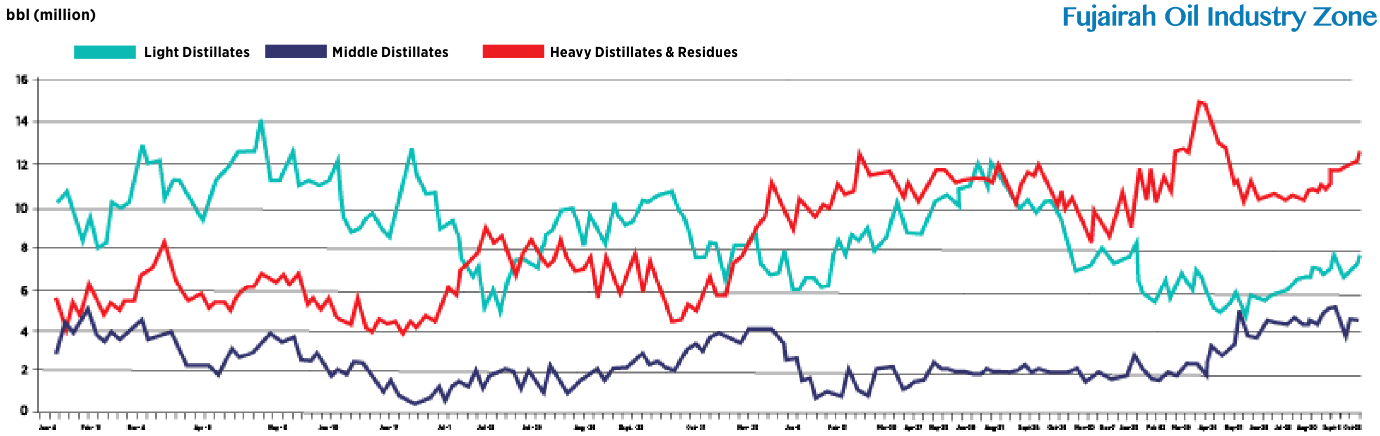
Is a possible 50-basis point rate increase in March justified?
Inflation is about 7.5% year over year, so either we have to raise rates aggressively or taper off the balance sheet. The Fed can probably do a 25-50 basis points increase but the market is pricing in nine 25 basis point increases for this year but we don't think that's going to happen. The Fed might start the cycle but eventually markets may collapse and not be able to handle that, so the Fed will have to U turn. They also really cannot ease the policy until asset prices fall. So, either demand should take asset prices down or asset prices need to collapse. The Fed is in a bit of a pickle, and they're hoping that demand comes back down. Maybe that will happen going into Q2 as we are seeing a lot of forward macro indicators showing things are easing up. The big question is how the markets take a rate hike. We have not yet seen the taper balance start, and markets are already having a bit of a wobble.

Clyde Russell
Asia Commodities & Energy Columnist, Thomson Reuters

How will these prices impact Chinese and Asian demand in Q2?
The recovery from the pandemic is sort of locked in and economies are reopening. The amount of physical oil flowing into Asia has recovered and is getting close to pre-pandemic levels, but it's not running away. There are cargoes available and let's remember that oil bought now is only going to be delivered in April. Refiners and traders in Singapore for example are trying to buy as little as they can and we already see an impact in countries like Australia, in India and in some developing economies. Petrol and diesel prices are almost at record highs for consumers, and this will impact emerging economies where fuel is a major cost and also developed markets, where people are already cutting back. So, although no one is talking about demand destruction yet, it is possible. China however only has limited ability to stop importing by using their SPR. They're still going to have to import 10 million bd on average. We did see this number rise to 12 million bd when they were buying cheap oil during the price war and pandemic in 2020. That source of growth is gone, and it will be steady as she goes from now on.

Can $100 sustain with new capacity coming around the corner?
$100 oil might be here for some time, especially with the geopolitical risk. If there is an interruption to Russian oil supplies, we could see rationing and $100 could start looking cheap. Even if Iranian and Venezuelan oil comes back, it doesn't replace what we would lose from Russia. The key is if the conflict does escalate from here. I don't expect it to be a rapid thing. I expect Putin to take little bites and see how far he can go and what reaction he gets. It could drag on for months. Right now, he's still exporting all his gas and oil and other commodities like nickel aluminum and making lots of money on them. Only when the level of pain for him and his inner circle becomes too much, or there is a threat that those very commodities will be sanctioned, might there be a shift in his thinking. The longer Ukraine drags out, the more people will remain nervous, and the more $100 oil looks like something that's going to persist. There's probably a $10 geopolitical premium at the moment. If the US and Europeans impose sanctions, it will be more a slap on the wrist annoyance and gas will still flow. So, $100 a barrel seems about right for the current situation.

Fujariah Weekly Oil Inventory Data



TOP TAKEAWAYS

- February 21, total oil product stocks in Fujairah were reported at 19.118 million barrels –a strong rebound from the record low levels recorded last week. Total stocks rose 4.852 million barrels with overall stocks up 34.0 % week-on-week, this is the single largest overall gain in stocks since stock reporting began at the start of 2017. The previous record weekly gain was on Nov. 8 last year when stocks increased 4.266 million barrels week-on-week. The stocks movement was driven by a net rise across all products, including light distillates, middle distillates, and heavy residues.
- Stocks of light distillates, including gasoline and naphtha, increased by 1.21 million barrels or 24.8% on the week to 6.087 million barrels. The Asian gasoline complex has been backed by increased gasoline demand in anticipation of the upcoming Ramadan period, and ease in COVID-19 travel restrictions in regional economies. On Monday, the front month FOB Singapore 92 RON gasoline crack against Brent swaps was pegged in the range of $14.40-$14.45/b, up from $14.18/b at Feb. 18. Market sources said that demand is on the rise due to the upcoming Ramadan period, and expected to be met in part by rising gasoline exports from India to the region.
- Stocks of middle distillates, including diesel and jet fuel, increased by 832,000 barrels or 47.6% on the week to 2.579 million barrels. Supply-side uncertainty continued to place a floor underneath the Asian gasoil market, with participants remaining on the edge amid see-sawing geopolitical tensions surrounding Ukraine, while also forming expectations on gasoil exports from China. Intraday values for March-April and April-May 10 ppm gasoil cargo derivatives FOB Singapore were pegged at $2.02/b and $1.84/b, respectively, on Monday, lower from $2.25/b and $2.12/b at Asian close on Feb.18, but remaining at firm levels. In Asia, market participants are forming expectations on export volumes from Chinese refineries, which have been capped in 2022 thus far by limited oil product export quotas issued at the beginning of the year by the government. In tender activity, India's Mangalore Refinery and Petrochemicals Ltd. has issued a tender offering one 65,000-mt cargo of 10 ppm sulfur high speed diesel loading over March 15-17. The tender closes Feb. 22, with same-day validity.
- Stocks of heavy residues increased 2.81 million barrels or 36.8% on the week to 10.452 million barrels. Most buyers managed to secure February-loading ex-wharf marine fuel 0.5%S parcels earlier in January, but owing to dwindling stocks, upstream suppliers have lesser oil to offer for balance of month requirements, according to market sources. Lackluster arbitrage movements of low sulfur components for the LSFO blending pool have gradually tightened inventories at the port of Fujairah since February, whereas rising availability of LSFO cargoes in Singapore continues to weigh on bunker premiums, traders said. Premiums for Fujairah-delivered marine fuel 0.5%S against FOB Singapore Marine Fuel 0.5%S cargo assessments rose to average $23.47/mt over Feb. 3-17, a $5.16/mt gain from January's average, Platts data showed. Source: S&P Global Platts

BY MATT STANLEY
DIRECTOR
STAR FUELS

Brent is trading at $103.64, up $6.80 and WTI is trading up $6.15 at $98.25. News outlets are leading with this today - "Russian President Vladimir Putin announces a "military operation" in Ukraine's Donbas region". Oil markets have reacted by roofing. I cannot believe I am sitting here writing this after two years of being in a pandemic, with the next biggest story being one of that Europe is on the verge of war. $100 oil is nothing to celebrate. It only highlights the torrid state oil markets are in and $100 could very well look cheap in only a few days' time. The big question all markets face themselves with right now, especially energy markets, is what is the next step? What is the reaction to this from nations that have already announced sanctions? This is the concerning part because one cannot now discount that energy sanctions could very well be forthcoming, I don't think they will, but I would argue that the probability of that has increased. Let's bear in mind that Russia is the world's second biggest oil producer and provides between 30–40% of natural gas to Europe. Clearly any sanctions on energy production are going to cause a huge spike, by how much is anyone's guess but it does seem that an aggressive headline is worth about $5 per bl. However, we are in total unknown territory. What do OPEC+ do from here? This will be a conversation that I'm sure is already going on and perhaps those who are able to increase production, will have to because oil is in real danger of hitting record highs if the current situation is maintained.

February 24, 2022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Energy Markets Views You can Use

Henning Gloystein
Director - Energy, Climate & Resources, Eurasia Group

Breakthrough for an Iran deal by summer?
There are signs that a compromise will be found soon, which would allow for a lifting of sanctions and Iranian oil will come back. Everyone wants the same outcome. Iran obviously wants to sell its oil. The US desperately wants a new source of oil in this environment, where prices are threatening to break through $100 again. Iran's main customer, China, wants Iranian oil without any political trouble, and India wants Iranian oil as well and Europe wants sanctions lifted. But the reality remains that on the ground, the people involved aren't so far willing to make the necessary compromises. The Iranians can't be seen to sign a deal that isn't better than the last one and Biden can't give Iran more than the last deal round.

Global economic growth and energy demand outlook for 2022?
Most economies will be opening up this year and there's still a lot of stimulus. Inflation, which is related to supply chain problems, is a real problem and not transitory. Winter is pretty much over so demand for oil and gas will be easing. But overall, we still have supply chain and price problems in commodities, the container industry, the semiconductor industry, and also labor – everything is short and so inflationary pressure will remain throughout this year and maybe into next. That will be a brake on economic growth this year, but it won't totally derail it.

How big a problem is OPEC spare capacity?
The UAE and Saudi Arabia can definitely raise production, but do they want to? They will adjust their position gradually because demand will return to pre-pandemic levels this year. They will have some spare capacity but they won't flood the market. They're watching situations like Iran quite closely and will want to avoid creating supply that they have spent the last two and a half years getting rid of. They're being cautious.

Christof Rühl
Senior Research Scholar - Center on Global Energy Policy
Columbia University

I find it hard to believe that there will be a fully-fledged invasion of Ukraine.
A real war is something we haven't seen for a long time, certainly not in Europe. But the US and most of its allies are having to make everything possible in public, just to control the narrative, and it's working so far. I think we are facing a long, drawn-out attempt to keep the situation cooking rather than an invasion that would unite the whole world against these Russian ambitions. It's not going away and that has repercussions all the way into the Iranian negotiations, into US-China negotiations, and on China's own strategy in the region and globally.

Is there a naivete in the western European leadership towards Russia?
There's an underestimation of what sanctions can produce in terms of resistance in the affected countries. The Russian elite is trying to prevent their own population from taking to the streets by showing them that they lead nowhere. And if there are sanctions, the chances are that the domestic propaganda of national security also starts to become much more effective. Russians have also adjusted to lower economic growth already on the back of tight economic policies implemented by the government to protect against future sanctions. The leadership has been accumulating dollar and gold reserves and made their domestic system less dependent on foreign creditor relations.

Does the Ukraine crisis impact the Iran talks and return of Iranian oil?
If the US wants to encourage the continual flow of oil, not only from Russia, but also from its neighboring regions like Kazakhstan and Azerbaijan, then it's natural for it to want to foster a deal with Iran because Iran has close connections with these countries. A confrontation with Russia would mean US and Europe wanting to keep these other oil producers on board.

Outlook for oil demand side dynamics?
The evidence is that global economic growth is not accelerating. It's decelerating and that means we are still in a situation where sometime between spring and summer, balances will tilt, supply will exceed demand and these very low inventories will stabilize and probably start adjusting up a bit.

Future direction for oil prices?
We won't see higher prices for much longer just because of the Ukraine crisis. We may see the usual spikes associated with these kinds of uncertainties, but come summer, the market will remain under the control of the few OPEC countries which have spare capacity, that they can moderate any day they want. We should expect a gradual nudging up until something bad happens or until for political reasons, OPEC decides to give some leeway.

Energy Markets COMMENTARY

WEEK IN REVIEW

Daily Energy Markets PODCAST

Consultancy Intelligence Publishing

SUNDAY /// FEB 20th /// 10:30AM (UAE)

Dr. Aldo Flores-Quiroga
Former Deputy Secretary of Energy for Hydrocarbons
Mexico's Ministry of Energy

Christof Rühl
Senior Research Scholar
Center on Global Energy Policy
Columbia University

Sean Evers
Managing Partner
Gulf Intelligence

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Daily Energy Markets PODCAST

Consultancy Intelligence Publishing

MONDAY /// FEB 21st /// 10:30AM (UAE)

Omar Najia
Global Head, Derivatives
BB Energy

Henning Gloystein
Director
Energy, Climate & Resources
Eurasia Group

Osama Rizvi
Energy & Economic Analyst
Primary Vision Network

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Daily Energy Markets PODCAST

Consultancy Intelligence Publishing

TUESDAY /// FEB 22nd /// 10:30AM (UAE)

Danial Rahmat
Senior Energy Security Consultant

Clyde Russell
Asia Commodities & Energy Columnist
Thomson Reuters

Kevin Wright
Lead Analyst APAC
Kpler

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Daily Energy Markets PODCAST

Consultancy Intelligence Publishing

WEDNESDAY /// FEB 23rd /// 10:30AM (UAE)

Rustin Edwards
Head, Fuel Oil Procurement
Euronav NV

Maleeha Bengali
Founder
MB Commodity Corner

Daniel Richards
Senior MENA Economist
Emirates NBD

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Daily Energy Markets PODCAST

Consultancy Intelligence Publishing

THURSDAY /// FEB 24th /// 10:30AM (UAE)

Sara Akbar
Chairperson & CEO, OiLSERV, Kuwait &
Non-Executive Director, Petrofac

Marc Ostwald
Chief Economist & Global Strategist
ADM Investor Services

Dr. Carole Nakhle
Chief Executive Officer
Crystol Energy

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"We need to have better engagement, to work together with the support of policy makers worldwide. Demonizing the industry will not solve anything - and this is what is happening today. Now we have a crisis. We can have a solution, but we must work together. We need to ensure adequate investment and that there is decarbonization with the support of regulators. You cannot look only at alternatives; you need to work in parallel and look at existing energy sources and new energy sources. And unless you have a plan B fully done and completed and ready, you cannot ditch plan A."

– Amin H. Nasser
President and CEO
Saudi Aramco

(Source: IPTC 2022)

ENERGY MARKET NEWS

1. PUTIN ORDERS MILITARY OPERATIONS IN UKRAINE, DEMANDS KYIV FORCES SURRENDER

2. OIL RISES TO $100 AS US SAYS RUSSIAN ATTACK ON UKRAINE MAY OCCUR SOON

3, IRAN NUCLEAR TALKS NEAR END AS OIL PRICES SURGE

4. API REPORTS FIRST CRUDE BUILD IN FIVE WEEKS

5. WHITE HOUSE AGAIN CONTEMPLATES SPR RELEASE AS OIL PRICES STAY ABOVE $90/B

6. JOE BIDEN VOWS TO SHIELD AMERICANS FROM GAS PRICE SPIKE

7. US CAUTIOUS AS FATE OF IRAN DEAL SET TO BE DECIDED

8. VIETNAM GRAPPLES WITH FUEL SHORTAGES

9. AFRICA TO SEE GAS SUPPLY BOOM THROUGH 2030

10. SAUDI CLOSES $15.5BN GAS PIPELINE DEAL WITH GLOBAL CONSORTIUM LED BY BLACKROCK

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RECOMMENDED VIDEOS & REPORTS

- **AMERICA'S GRAND OLD PARTY IS FUELLING THE NEXT 'BIG LIE'**
- **RUSSIA'S PUTIN AUTHORISES SPECIAL MILITARY OPERATION IN UKRAINE'S DONBASS REGION**
- **UKRAINE URGED TO MIRROR RUSSIA'S ACTIONS BY INVITING PEACEKEEPERS**
- **THE SAUDI "FOUNDING DAY" AND THE DEATH OF WAHHABISM**
- **WHAT ROLE HAS CHINA PLAYED IN SEEKING A RESOLUTION TO THE UKRAINE ISSUE?**

Fujairah Spotlight

UAE's Fujairah marine fuel sales drop for third straight month

Sales of marine fuel in the United Arab Emirates' Fujairah marine refuelling and oil storage hub dropped 7% in January, official data showed, falling for a third consecutive month since hitting a record high in October. Fujairah's January bunker sales volumes totalled about 646,000 cubic meters, according to the latest data from the Fujairah Oil Industry Zone (FOIZ), equivalent to about 619,000 tonnes, Reuters calculations showed.

Source: Hellenic Shipping News

Fujairah Ruler receives guests of 16th Arab International Conference on Mineral Resources

FUJAIRAH, 23rd February, 2022 (WAM) – H.H. Sheikh Hamad bin Mohammed Al Sharqi, Supreme Council Member and Ruler of Fujairah, highlighted the UAE's prominent stature in global competitiveness indexes in economic and industrial areas, under the leadership of President His Highness Sheikh Khalifa bin Zayed Al Nahyan.

Source: Emirates News Agency - WAM

National Bank of Fujairah: Building A Robust Cybersecurity Strategy

The worst of pandemic hopefully being behind us and with the return of positive sentiments, our priority would be to enable our customers to get back to business. This would mean further increase in digitisation that was earlier expedited by Covid 19 across the globe and within the region at an unprecedented pace, and UAE had similarly witnessed a massive shift from the physical world to the online space. The banking sector which has been a pioneer in this transformation is no exception. And while digital banking offers customers convenience and faster processing of financial transactions, it heightens vulnerabilities that banks spend years pre-empting and preparing for. Digital transformation continued to be a crucial component within NBF's business strategy. This meant focusing on the interests and needs of customers and helping them to leverage the myriad new opportunities made possible by evolving financial technology. To protect the identity and wider interests of the bank's customers, NBF has built a robust cybersecurity strategy that focuses on three main pillars: identity protection, data protection and culture.

Source: Gulf News

Asia Naphtha: Gasoline crack slips, Fujairah stocks rise

NEW DELHI Asia's naphtha refining profit margin slipped on Wednesday as inventories at the region's key supplier Middle East spiked, and prices cooled off in tandem with a decline in oil benchmarks. The crack eased to $161.28 a tonne, down $3.88 from Tuesday's close. The inter-month time spread slimmed in backwardation to $25.75 a tonne. Stocks of light distillates at Fujairah Oil Industry Zone jumped 1.210 million tonnes to 6.087 million tonnes in the week to Feb. 21, according to industry information service S&P Global Platts.

Source: Business Recorder

Daily Energy Markets

TOP TAKEAWAYS
MARKET OBSERVATIONS FOR THE WEEK
Feb 20th - 24th

- Oil markets are caught in a tug of war between the possible disruption of Russian energy exports and the possible release of Iranian oil exports.
- All parties – US, China, Europe, Iran, OPEC – want a solution to Iran deal but reality remains that people on ground so far not willing to make the necessary compromises. Iran will demand that all sanctions are lifted so that it can sell its oil.
- OPEC could adjust supply if demand returns to pre-pandemic levels but so far, it's forecasting a balanced market and doesn't want to risk creating supply that reverses efforts of last two years.
- The outlook for oil markets will depend on how the West defines Putin's 'invasion' vs 'incursion' into Ukraine – expect more appeasement and less reaction!
- Iranian oil production could grow by 1 million barrels a day in the immediate aftermath of an agreement on the JCPOA but would require time and investment to add more.
- Why have Western commentators & politicians struggled to hear Putin over the years when he has spoken so clearly for so long (Chechnya - Georgia - Crimea etc.): "I WILL REBUILD THE SOVIET UNION!" – they keep hoping for Gorbachev and they keep getting...
- Financial markets are caught like a deer in the headlights - they don't know which way to turn and run.
- The white noise of inflation and the FED have had some reprieve from the Ukraine crisis, but reality is that the momentum is building in the quiet for a big 50 basis point rate-hike punch next month.
- OPEC+ is expected to hold another rapid monthly meeting next week to rubber stamp a supply rollover, unless Iran nuclear deal is done in the interim and then all bets are off.
- If the world does nothing about Ukraine today, one has to wonder what signal China may take from that vis-a-vis taking Taiwan tomorrow!"

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