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I'm no longer a fan of crude.

We saw the dramatic price drop two weeks ago on the sentiment of fear because of Omicron and then prices recovered on a sentiment of relief. As a result, there's been damage to the crude structure and the curve has certainly flattened a lot. I'm not convinced that the oil market is going to set new highs. At some point, there's going to be another sell off. People are a bit complacent about the prospect of higher prices and the power OPEC has on that. We may edge a little higher in the short-term but then we come off for a long period of time.

Wont continued liquidity prop up the oil market, as it has in 2021?

From where we were at \$40 earlier this year to where we are today, is a massive move. The idea that more liquidity from the Fed will help oil is flawed. You need to get into the market when everybody's telling you it's going down. We need to have a flush of all this length in the market and for it to become really cheap, before we see real money coming in again, and then when that happens, the market will fly. But short term, my gut tells me people are being suckered in and they're going to be smashed hard.

What would you be watching out for 2022?

We will probably see Iran doing a deal, but I don't think that affects the market that much because they're already selling so much oil. It will however be significant politically, making the US and the EU look weak. On oil demand, everyone keeps saying how its coming back but most of the heavy lifting has been done. I think 2022 is going to surprise people to the downside. ■

**Paraphrased comments*

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