

# DAILY ENERGY MARKETS FORUM

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### Expectations on volume announcements at the July 1 OPEC meeting?

After a three-month period of graduated increases, the group have to give some indication about where it goes from August onwards. There has been talk of increasing supply by another million barrels a day for example but I think that would be too much. Saudi Arabia will continue to take a cautious approach.

### What's the Saudi viewpoint on the Iran, US deal negotiations?

It's no secret that Saudi Arabia doesn't like this deal. It has no problem with peace in the region and probably has no problem with allowing Iran into a nuclear set up under supervision. But what it does have a problem with is Houthi drones and Syrian missiles flying over the border into Saudi Arabia. As long as these talks don't encompass that exported terrorism aspect, they won't see much value in it. I get the feeling that Saudi is not particularly concerned that this deal is going anywhere soon. We are a couple of months away from some sort of JCPOA agreement and at least six months away from the reentry of Iran onto global oil markets within the OPEC framework.

### What does a strengthening dollar mean for the Gulf region?

The peg is still there so that will go in lockstep, but a stronger dollar is not very good for oil. I would also be a bit wary about the performance of financial markets going forward, with the expectation of a Fed tightening. We have seen stocks quite badly hit in Asia at the start of this week, with the Tokyo market down 4% at one stage. Whether this will reverberate around the world remains to be seen. ■

*\*Paraphrased comments*

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