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Inflation is not a result of OPEC policies and high oil prices.

It is a result of the massive stimulus in the global economy of the past two years and more, which has caused a massive bounce back in oil demand and that's also why products are being hit first rather than crude. Inflation is also defined as a persistent increase in the general price level, so any one-off oil price rise won't cause it. And as interest rates go higher, commodities don't yield anything. If you're long commodities, you have primarily storage and insurance costs so you're counting on capital gains for any yield, and in the current environment of a high risk of recession in the US by the end of the year, that certainly doesn't bode well for highly leveraged stocks and assets, and oil very often falls into that. So, any speculative buying or being long on oil is going out the window.

Can the Fed do 'whatever it takes' to bring inflation to 2%?

It is a massive statement and it's an attempt to nip inflationary expectations in the bud with interest rates and in the process basically bursting the bubble. You can see it best in what's happening with Bitcoin and high-risk corporate bond yields. I think they will have no choice but to probably increase by 0.75% again – it has a long way to go to bring down 9% inflation. The other problem coming home to roost is debt and there is a danger that governments don't quite go all the way because they're too worried about that.

Impact of Europe sanctions on Russia and can the block hold its position?

The import ban on Russian crude will really hurt Russia. On gas, the Russians are clearly using this as a weapon and in hindsight, we saw the signs of this prior to the Ukraine invasion, when Gazprom was already cutting supplies for European storage. But whatever the apparent discord within European countries, I think they have never been more determined and never been stronger in their position towards Russia, and the key to that has been the U-turn in Germany. That's extremely significant. And while Russia is an energy superpower, it's a dwarf compared to Europe when it comes to this economic warfare. ■

**Paraphrased Comments*

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