

Fujairah

New Silk Road

WEEKLY NEWSLETTER

JUNE 1st 2023

VOL. 160

Supported By:



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

“Saudi Arabia will want to Avoid any Crack Widening in Relations with Russia!”

Laury Haytayan, MENA Director, Natural Resource Governance Institute

Whatever gap might be emerging in Saudi Arabia's or Russia's geopolitical priorities, Saudi will not want that to keep widening and to impact OPEC+ relations. It's not in anyone's interest, so they will be working on that. At the end of the day, the last thing the Saudis want, is to be cutting output to increase prices, only to see those volumes being replaced by the Russians and Iranians and others. That's why I think the focus will be on that issue - of how Saudi Arabia can keep prices balanced and at the same time, not keep losing markets to the Russians. That is the most important issue. But don't forget that from the beginning, Saudi Arabia and Russia have also been very pragmatic. They will do whatever works for their interest. One example is when President Zelensky was invited to the recent Arab summit. We know that the Arabs are mostly aligning with Russia, but they invited him because they saw that it served a purpose and they also saw themselves possibly playing the mediator role in the Russia Ukraine conflict. Another reason is that the President of Syria was also at that summit, being brought back into the Arab fold, and there was a lot of resentment as not everybody was happy about that. The Gulf Arabs wanted something bigger at the summit that would distract from that. This is all part of the new politics that is being shaped in the region by Saudi Arabia, the UAE and others, and we need to look out for it everywhere.



CONTINUED ON P 3

Fujairah Weekly Oil Inventory Data

7,291,000 bbl

**Light
Distillates**



3,928,000 bbl

**Middle
Distillates**



11,999,000 bbl

**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: \$3.40/m³

THE WEEK In Numbers



Weekly Average Oil Prices

Brent Crude:	\$74.69/bl
WTI Crude:	\$70.24/bl
DME Oman:	\$74.68/bl
Murban:	\$74.74/bl

*Time Period: Week 1, June 2023
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

VLSFO

High = \$574.50/mt
Low = \$549.00/mt
Average = \$562.50/mt
Spread = \$25.50/mt

MGO

High = \$872.50/mt
Low = \$828.50/mt
Average = \$858.50/mt
Spread = \$44.00/mt

IFO380

High = \$454.50/mt
Low = \$414.00/mt
Average = \$431.00/mt
Spread = \$40.50/mt

Source: Ship and Bunker, *Time Period: May 24 – May 31, 2023

Fujairah Bunker Sales Volume (m³)

480

180cst Low Sulfur Fuel Oil

441,912

380cst Low Sulfur Fuel Oil

126,943

380cst Marine Fuel Oil

257

Marine Gasoil

26,738

Low Sulfur Marine Gasoil

4,270

Lubricants

Source: FEDCom & S&P Global Platts

CONTINUED FROM PAGE 1**Laury Haytayan, MENA Director, Natural Resource Governance Institute****Any geopolitical ripples expected from Erdogan's election win in Turkey?**

There have been uncertainties about new leaderships everywhere in the region, especially in the eastern Mediterranean; there were the Cypriot elections, the Turkish elections, and now we're waiting for the Greek elections to happen. These are all important because we want to understand who's going to lead the next phase in the region as there are implications for stability. And especially now that we're also seeing investment moving into the Eastern Mediterranean into oil and gas. Turkey is also working on its relations with Israel and Russia and promoting itself as a transit route for energy.

Is Erdogan expected to try and attract back western FDI into Turkey?

He knows that he has to focus on the economy. He played everything to win the election so now he has to deliver on that, and he will try to play all his cards to bring investment into Turkey. His Arab neighbors were having an important role in that for the last few years, but putting money into central banks for stabilizing doesn't mean much – Turkey wants more than that. It wants more direct investment, more jobs, etc.

Is the Saudi-Iran rapprochement starting to show some foundations?

Since the meeting, we have not seen much, and I think that's because there's a lot of mistrust. It will be a very slow process to bring Iran back into the fold in the region, and for it to be a player that its Arab Gulf neighbours can rely on. As long as there are sanctions on Iran, it will also be difficult to know how to deal with the current impasse. But we are seeing confidence building measures being taken and we are watching to see how much of those will continue.

Has the Iranian nuclear program gone completely off the radar?

As long as Iran is peaceful, the regional powers might be alright with it having the nuclear bomb. Israel and Pakistan have it. As long as Iran is finding its way in the region, even if at one point they have that nuclear capacity, as long as they show no intention of using it, it could be a stabilizing element as it will allow Iran to talk to others on an equal basis. But the next step that everyone's talking about right now, and since things have become calmer in the region, is the potential of relations between Saudi Arabia and Israel.

WATCH FULL INTERVIEW HERE

MARK YOUR CALENDAR

October 10th & 11th, 2023

#EMFWEEK23 ITINERARY



ENERGY MARKETS FORUM

October 10th - 11th, 2023
Novotel, Fujairah

GI Consultancy
Intelligence
Publishing



OCT. 10th

Time: 11:00AM

What: Open Registration



Time: 1:00PM

What: Port of Fujairah



EMFWEEK23 Welcome Lunch

Time: 2:00PM - 4:00PM

What: FOIZ Onshore Terminal Tours



Time: 2:00PM - 5:00PM

What: ENOC Oil Markets Workshop



Time: 7:00PM - 9:00PM

What: Aramco Trading Gala Awards Dinner



Time: 9:30PM - 10:30PM

What: GI Networking Social Hour



OCT. 11th

ENERGY MARKETS FORUM 2023

Time: 8:00AM - 9:00AM

What: Breakfast Briefings



Time: 9:00AM - 11:00AM

What: Plenary Session



Time: 11:30AM - 1:00PM

What: Industry Roundtables



Time: 1:00PM - 2:00PM

What: International Energy
Journalism Awards Lunch



Time: 2:30PM - 3:30PM

What: Professional Learning Seminars
& Industry Roundtables



Time: 2:30PM - 4:30PM

What: Port of Fujairah BOAT TOUR



5:00PM - END OF EMFWEEK23

Fujairah Spotlight



Fujairah's energy giant to enter EPC business; eyes \$100 billion projects

Fujairah National Energy Co (FUJNEC) will soon begin selecting EPC partners as the company plans to venture into engineering, procurement and construction business in the downstream oil and gas sector. The emirate of Fujairah anticipates significant opportunities in the EPC sector, with an estimated value of approximately \$100 billion over the next decade. FUJNEC, being one of the largest engineering enterprises in the emirate, aims to collaborate with leading EPC players to leverage this tremendous potential.

Source: Oil&Gas



ENOC expands via new service station opening in Fujairah

ENOC Group announced the opening of its latest service station in Fujairah, which brings the Group's total number of locations in the emirate to 11 and a total of 189 across the United Arab Emirates. The new forecourt is located near the Fujairah International Airport and in close proximity to Mohamed bin Zayed Residential City. Spanning an area of over 8,600 m², the site features a bridged canopy with four new-generation dispenser islands and eight dispensers, and is equipped with five double wall fuel tanks with a capacity of 15,000 imperial gallons alongside an EV charging station.

Source: Petrol Plaza



Oil product stockpiles rebound from 3-week low

Stockpiles of oil products at the UAE's Port of Fujairah increased from a three-week low in the seven days ended May 29 led by a 7.6% jump in heavy distillates used as fuels for shipping and power generation, according to May 31 data from the Fujairah Oil Industry Zone.

Source: S&P Global Commodity Insights

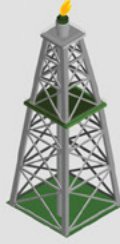
WHR project begins at Fujairah plant

Sustainable energy solutions provider Engie Solutions has announced that work has begun on its 10MW waste heat recovery (WHR) project at Lafarge Emirate Cement's (LEC) plant in Fujairah, UAE. The WHR plant is expected to be commissioned by year-end 2023.

Source: CN Cement



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Today, we continue to look for new and innovative ways to maximize the value of our resources, pioneering those approaches and technologies that will ensure we are able to meet the demands of an ever-changing energy market, and continue to have a positive impact on the Sharjah economy for future generations.



GI Weekly Surveys**41%**
No**59%**
Yes

Will Debt Ceiling deal now
be the catalyst to allow
oil prices to break above
\$80?

39%
Disagree**61%**
Agree

A key gauge of Chinese
stocks was on track to enter a
bear market --20% DOWN IN
2023-- on a sluggish economic
recovery, weakening yuan and
tensions with the US: Do you
still buy H2 China oil demand
will rally?

47%
Disagree**53%**
Agree

A compromise deal on the
US debt ceiling extension
will be positive for energy
demand and prices?

37%
Disagree**63%**
Agree

OPEC+ will Not Cut
Output further at its June
meeting.



Source: GI Research March 2023

Fujairah Weekly Oil Inventory Data



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 23.218 million barrels with a rise of 367,000 barrels or 1.6% week-on-week. The stocks movement saw a rise for light distillates and heavy residues and a drop for middle distillates.
- Stocks of light distillates, including gasoline and naphtha, rose by 324,000 barrels or 4.7% on the week to 7.291 million barrels. The East of Suez gasoline complex was supported in early trade May 30 amid the start of the US summer driving season. However, some market participants said that lackluster demand from Indonesia and Malaysia was exerting a downward pressure on gasoline prices. In tenders, Kuwait's KPC was heard offering up to 35,000 mt of non-oxy 92 RON gasoline for loading over June 14-15 via a tender that closes May 30. Qatar Energy was heard offering 30,000 mt of 95 RON gasoline for June 19-20 loading form Mesaieed, Qatar, via a tender that closes May 30.
- Stocks of middle distillates, including diesel and jet fuel, decreased by 801,000 barrels or 16.9% on the week to 3.928 million barrels.

The East of Suez gasoil market was steady May 30, with participants reiterating stable regional demand and snug spot supplies supporting sentiment in the complex. India's Mangalore Refinery and Petrochemicals Ltd. is closing a sell tender for two cargoes of 10 ppm sulfur high-speed diesel, with a combined total volume of 105,000 mt, on May 31. Meanwhile, Bahrain Petroleum Company, or BAPCO, is offering to supply 40,000-60,000 mt of 10 ppm sulfur gasoil. The cargo is slated for loading from Sitra over July 1-4. The tender closes May 30. Vietnam's Petrolimex has issued a buy tender seeking 70,000 mt of 500 ppm sulfur gasoil and 11,000 mt of 10 ppm sulfur gasoil. Petrolimex previously issued a tender seeking two cargoes of 35,000 mt of 0.05% sulfur gasoil for delivery over May 26-30 and June 3-7, respectively.

- Stocks of heavy residues increase by 844,000 barrels, up 7.6% on the week as they stood at 11.999 million barrels. The Asian low sulfur fuel oil market structure was seen firmer May 30 due to persistent

prompt tightness of on-specification supplies, while cash premium for the marine fuel grade remained unchanged amid muted buying interests for physical cargoes. Spot trading activity at the key bunker hubs of Singapore and Fujairah strengthened slightly May 30 as the lower flat price stirred stronger buying appetite among end-users. High sulfur fuel oil bunker premiums at the UAE's bunker hub of Fujairah are expected to come under pressure as suppliers eagerly sought to draw down elevated stockpiles, despite stable demand for HSFO for end-user requirements. The healthy inflows of HSFO cargoes are expected to buoy inventory levels in the near term, despite some export volumes to the world's largest bunker hub of Singapore. In the absence of any notable fuel oil stocking activity by the utility sector to meet power generation needs so far in the summer season, premiums are yet to see support from this segment.

Source: S&P Global Commodity Insights

OUT NOW



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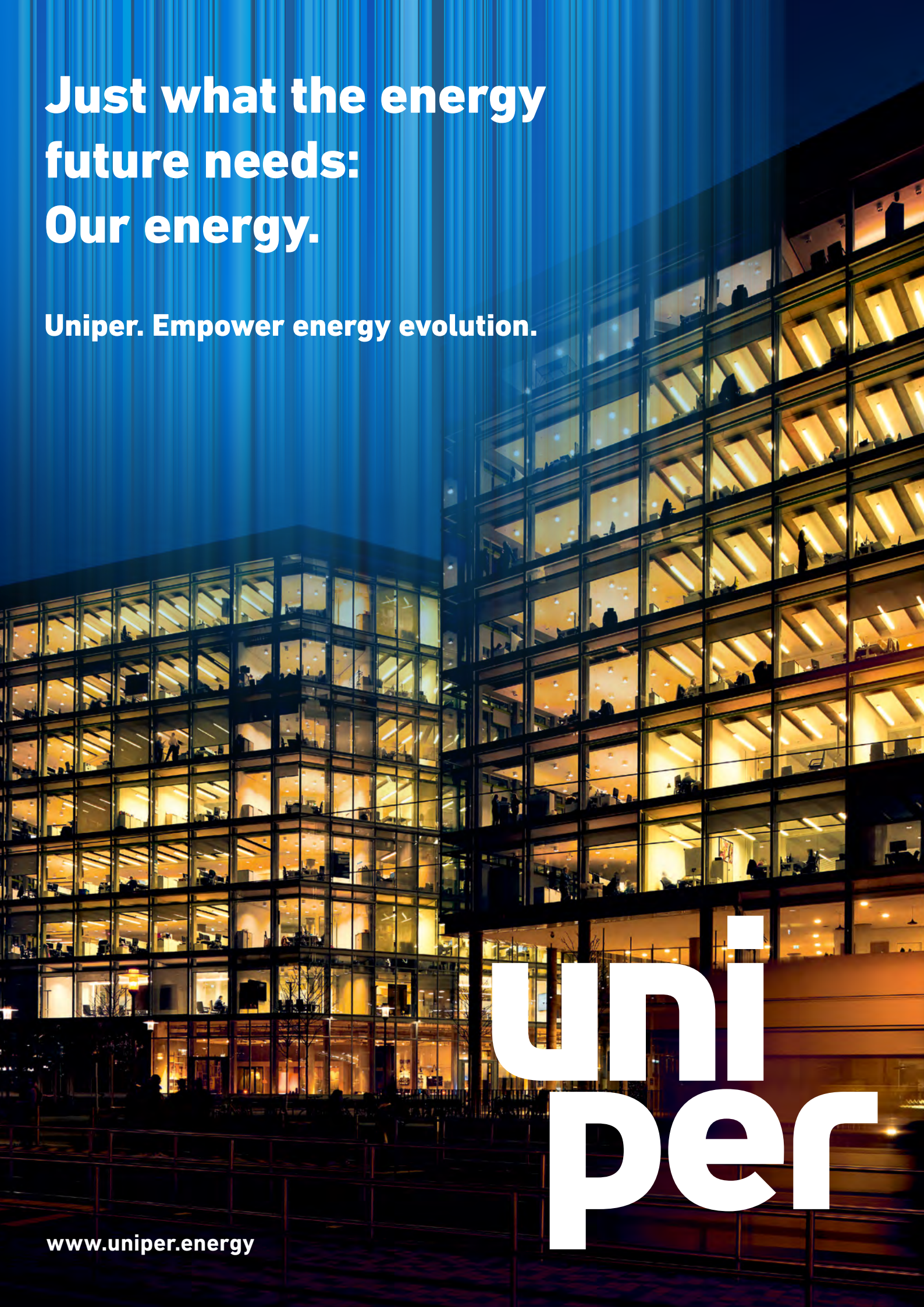
[CLICK HERE](#)

ENERGY MARKETS WHITEPAPER

EAST OF SUEZ OIL BENCHMARKS

*Must Have
vs.
Nice to Have?*





**Just what the energy
future needs:
Our energy.**

Uniper. Empower energy evolution.

**uni
per**

www.uniper.energy



Energy Markets

COMMENTARY WEEK IN REVIEW



Daily Energy Markets PODCAST



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MONDAY /// MAY 29th /// 10:30AM (UAE)



Omar Najia
Global Head, Derivatives, BB Energy



Serena Huang
Head of APAC Analysis, Vortexa



Bora Bariman
Managing Partner, Hormuz Straits Partnership



Daily Energy Markets PODCAST



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TUESDAY /// MAY 30th /// 10:30AM (UAE)



Adi Imsirovic
Director, Surrey Clean Energy



Laury Haytayan
MENA Director
Natural Resource Governance Institute



Marc Ostwald
Chief Economist & Global Strategist
ADM Investor Services International



Daily Energy Markets PODCAST



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Intelligence
Publishing

WEDNESDAY /// MAY 31st /// 10:30AM (UAE)



Rustin Edwards
Head of Fuel Oil Procurement, Euronav NV



Amena Bakr
Deputy Bureau Chief, Energy Intelligence



Daniel Richards
MENA economist, Emirates NBD



Daily Energy Markets PODCAST



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THURSDAY /// JUNE 1st /// 10:30AM (UAE)



Richard Redoglia
Chief Executive Officer, Matrix Global Holdings



Paul Horsnell
Head of Commodities Research
Standard Chartered Bank



Matt Stanley
Partnerships Lead - Middle East, Kpler

CLICK HERE TO LISTEN

Energy Markets Views You can Use



Amena Bakr

Deputy Bureau Chief, Energy Intelligence

Likely outcome from the OPEC+ Meeting on June 3rd?

It's a very challenging environment for the group as there are so many moving parts. Russia's Novak did say that he doesn't expect any change in policy, and with the fundamental point of view that the second half of the year will see an increase in demand, not doing anything does make sense. But at the same time, if you look at the market sentiment and where oil prices are and at the macro concerns, there might be justification for a deeper cut. But then you would have to ask, where would the deeper cuts come from? A lot of the OPEC+ members don't have the appetite for that so it would really need to come from Saudi Arabia or the other Gulf states. The market expectation is leaning towards a no change in policy. We've also heard of the option of perhaps shifting the voluntary cut, which is the 1.6mn b/d, into the more formal OPEC agreement of 2mn b/d. They're also going to be stressing the importance of compliance, because that really is at the core of their credibility to continue managing the market. And perhaps they'll even introduce the compensation schemes and review everyone's production. I don't expect them to do anything with the baselines, but they might start discussing what are the options for the beginning of 2024.

What do you make of the comments made last week by Prince Abdulaziz?

That was really misinterpreted. He was talking about something in the past and not necessarily making a reference to what policy is going to be taken at the next meeting. Absolutely - Saudi Arabia does not like speculators having control over this market, but it's not about a price band - it's more about the long game and avoiding the volatility that impairs investment and making sure that OPEC+ remains as an efficient market managing tool in the future.

Does OPEC care that Russia's essentially getting a free pass on its pledged cuts?

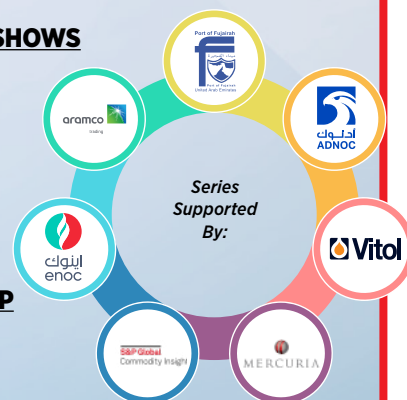
The past months do suggest that the voluntary cut by Russia has not been met. However, we understand now that they are moving in that direction. They say they are committing. Are they going to be 100% compliant? That remains to be seen but there's an effort to comply with their base cuts and their voluntary cuts.

ENERGY MARKET NEWS

- 1. OIL FALLS AFTER LARGE SURPRISE BUILD IN US CRUDE STOCKS**
- 2. OPEC OIL OUTPUT FALLS 460,000 BARRELS PER DAY IN MAY, REUTERS SURVEY SHOWS**
- 3. US CRUDE MARCH OUTPUT HITS 3-YR HIGH AS TEXAS PRODUCTION GROWS - EIA**
- 4. HOUSE PASSES DEBT CEILING BILL TO AVOID DEFAULT, SENDS DEAL TO SENATE**
- 5. IRAN STEPS UP IAEA COOPERATION EVEN AS URANIUM STOCKPILE SURGES**
- 6. INDUSTRY MAY RESPOND LITTLE TO TTF 3Q GAS PRICE DROP**
- 7. OPEC RESTRICTS MEDIA ACCESS AHEAD OF KEY JUNE MEETING**
- 8. 'DAY OF RECKONING': TURKISH ECONOMY'S POST-ELECTION PERIL**
- 9. US LABOR MARKET REMAINS RESILIENT AS JOB OPENINGS CLIMB, LAYOFFS DROP**
- 10. FUTURE REFINERIES IN INDIA MAY BE SMALLER CAPACITY - MINISTER**

RECOMMENDED READING:

- **US DEBT CEILING DEAL: KEY ENERGY TAKEAWAYS**
- **CHINA'S WEAK PMI DATA SENDS STOXX TO TWO-MONTH LOW**
- **U.S. BANKS SINK ON CONCERNS ABOUT OFFICE REAL ESTATE LOANS**
- **COPPER HEADS FOR SECOND MONTHLY DROP ON DISMAL CHINA DATA**
- **CHINESE GRADUATES LOWER THEIR AMBITIONS IN MORIBUND JOBS MARKET**
- **JAPAN'S FACTORY ACTIVITY EXPANDS FIRST TIME IN 7 MONTHS - PMI**
- **COLUMN-U.S. BANKS TIGHTEN LENDING STANDARDS TO SMALL BUSINESS AND CONSUMERS: KEMP**



Energy Markets Views You can Use



Rustin Edwards

Head of Fuel Oil Procurement, Euronav NV

What is shipping indicating about demand?

Dry bulk is still weak, container rates are still weak. Manufacturing PMI data out of China shows continued contraction. Industrial profits out of China showed a 20.8% drop year on year. So, people's forecasts are outpacing what the reality is on the ground. There's talk now that the Chinese need stimulus to keep their economy afloat and to keep it moving forward. The real estate sector is having problems as well with overcapacity. As for demand into the western markets, gasoline demand over the Memorial Day weekend in the US looks underwhelming. It had been forecast at 6% growth year on year but it's coming in at a 1.1% contraction.

How is diesel performing?

We expect to see a bit more softening, but Russian flows are moving rather nicely. There's product being moved into the Middle East, swapping out for product produced there. You've got material moving into Latin America, displacing US exports. So, you're seeing a continued reshuffling of the board as to where products are going and what markets have been impacted by it. A lot of things are playing out in the Atlantic basin and that's not only impacting supply and demand balance, but also freight rates on clean and dirtier products.

Is China giving jet fuel the push it needs?

The problem with jet fuel is global. There's good domestic demand but external international flights are not so hot – it's still about 50% below pre-COVID levels in China. Jet demand is the one driver that everybody's focusing on in terms of where this massive 2H 2023 demand flow will come from in Asia.

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For More Information – CONTACT: Michellemejia@gulfintelligence.com

Annual Subscription for the Series is \$18,000

Energy Markets Views You can Use

AI and IoT Accelerating Energy Efficiency in Smart Cities



Dr Fadi Ghaith

Head of the School of Engineering and Physical Sciences
Heriot Watt University

The rapid advancement of the Internet of Things (IoT) is revolutionizing various aspects of our daily lives. According to a recent report by McKinsey Global Institute, the implementation of smart city technology can significantly enhance quality of life, encompassing safety, employment opportunities, cost of living, and health, by a remarkable 10% to 30%. Moreover, the utilization of AI and IoT extends beyond building operations and can also be leveraged during pre-construction stages. For instance, drones, benefiting from advancements in AI technology, can access inaccessible areas and deliver faster and more precise outcomes. Additionally, Building Information Modelling (BIM) tools and digital twins can create models of planned constructions, enabling effective project coordination prior to execution, resulting in enhanced efficiency.

Smart grids:

Smart grids stand out as a key characteristic of smart cities, involving the analysis and utilization of data collected through IoT devices and sensors. These data can be employed to enhance infrastructure, public utilities, and services, thereby facilitating the achievement of energy efficiency goals. Leveraging IoT technology, a new generation of low carbon microgrids is transforming the design of densely populated cities and facilitating the operation of utility systems to promote energy efficiency. By implementing microgrids through IoT, organizations can achieve cost-effective solutions. Smart grids



enable predictive maintenance and the creation of smaller groups from larger electrical grids, providing organizations with greater control over optimizing their energy supply. Furthermore, microgrids can reduce dependence on utilities by minimizing costs through the avoidance of peak usage charges. Consequently, smart grids possess the potential to revolutionize electricity distribution on a global scale.

Digital Twins:

Digital twin technology enables urban planners to test and simulate projects and developments before real-world implementation using real-time data acquired from sensors. This technology serves as a valuable tool for assessing performance and identifying potential issues. A notable example is the Singapore government's creation of a digital replica of the city, enabling policymakers to explore future scenarios and simulate changes before they are executed. Digital twins provide virtual models of cities, encompassing roads, buildings, and public spaces, thereby aiding city planners in better designing transportation systems and alerting residents to pollution levels and other potential problems.

Tech-driven FM:

In the realm of tech-driven Facilities Management (FM), IoT and AI continue to shape the landscape by offering numerous benefits, enabling Facilities Managers to reduce inefficiencies and greenhouse gas emissions. With the aid of automation and sensing technology integrated into building management systems, FM can adjust temperature and lighting based on usage patterns and occupancy, leading to more efficient energy utilization and cost savings. Additionally, Facilities Managers can implement Radio-frequency identification (RFID) technology, allowing real-time monitoring of individuals entering and exiting buildings, thereby initiating a carbon footprint-free approach. With the increasing recognition of cities' significant contribution to greenhouse gas emissions, cities worldwide are actively harnessing smart city technologies. Despite the challenges accompanying rapid technological advancements, cities should persist in exploring the utilization of smart city technologies to create smarter, safer, and more efficient communities.

Source: Heriot Watt University

GI Soundings Week in Review

“OECD Oil Demand Flatlining as Prices Remain Rangebound!”

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

- Omar Najia, Global Head, Derivatives, BB Energy
- Bora Bariman, Managing Partner, Hormuz Straits Partnership
- Serena Huang, Head of APAC Analysis, Vortexa
- Adi Imsirovic, Director, Surrey Clean Energy
- Marc Ostwald, Chief Economist & Global Strategist ADM Investor Services International
- Amena Bakr, Deputy Bureau Chief, Energy Intelligence
- Daniel Richards, MENA economist, Emirates NBD
- Paul Horsnell, Head of Commodities Research, Standard Chartered Bank
- Matt Stanley, Partnerships Lead – Middle East, Kpler
- Richard Redoglia, Chief Executive Officer, Matrix Global Holdings

Omar Najia, Global Head, Derivatives, BB Energy **EQUITY MARKETS** “I’m a bit worried that fewer and fewer companies are providing the gains to indices like Nasdaq and S&P. It’s a very thin market. What’s moving the index up is becoming very narrow. It’s not a broad-based rally, and that does not look good in the longer term.”

Bora Bariman, Managing Partner, Hormuz Straits Partnership **OPEC+** “They are trying to calibrate a very volatile scenario, just like the US FED. The inflation picture remains robust in the US, UK, and Europe, and the Central Banks are messaging higher rates that are sapping liquidity from markets. I think OPEC is trying to counter that by saying that, if needed, they can cut quotas and reduce supply, so don’t short oil.”

Serena Huang, Head of APAC Analysis, Vortexa **CHINA OIL** “Q3 and Q4 is typically when we see seasonal support from construction and some industrial activity, so there is upside potential for domestic demand, but as far as refinery runs go for product exports, that will depend on export margins. If they don’t improve, we expect exports to be relatively curtailed.”

Adi Imsirovic, Director, Surrey Clean Energy **RUSSIA OIL CUTS** “Russia has no way of reducing their exports right now; oil is a cash cow for it at the moment. The Saudis and everyone else in OPEC are getting a little bit impatient with them and those dynamics are going to determine a lot of the future of the oil market in the months to come.”

Marc Ostwald, Chief Economist & Global Strategist ADM Investor Services International **INFLATION** “It’s going to come down, but it’s going to be a very slow, tortured process. The most important thing that the markets have been getting wrong is that it’s not how many more rate hikes the Fed might do - it’s the fact that rates aren’t going to come down anywhere, other than perhaps in emerging markets like Brazil, anytime soon.”

Amena Bakr, Deputy Bureau Chief, Energy Intelligence **SAUDI ARABIA** “The comments made last week by Prince Abdulaziz about short sellers, were misinterpreted. He was talking about something in the past and not necessarily making a reference to what policy is going to be taken at the next meeting. Absolutely - Saudi Arabia does not like speculators having control over this market, but it’s not about a price band - it’s more about the long game and avoiding the volatility that impairs investment.”

Daniel Richards, MENA economist, Emirates NBD **ECONOMIC TIGHTENING** “The expectation was that inflation would not be quite as sticky as it’s been. But we find ourselves instead likely to see another rate hike from the Fed next month. The ongoing tightening is weighing on the economy and capital spending is starting to fall. That’s the key dynamic that has made the second half look far weaker than we expected it to be.”

Paul Horsnell, Head of Commodities Research, Standard Chartered Bank **MARKET OUTLOOK** “People don’t know where supply and demand are, but fundamentally that’s not an issue. Where there is an issue is how markets work - they are embedding a much more pessimistic view and they’re reacting repeatedly to the same news. A \$5 fall this week on one China PMI reading is a bit silly. It’s all a bit dominated by macroeconomic concerns.”

Matt Stanley, Partnerships Lead – Middle East, Kpler **SHIPPING** “Trade patterns are changing all the time. The Azores seems to be a new ship-to-ship location for Russian energy. It’s not necessarily the quantity of what’s happening; it’s just symbolic that the whole circus is continuing to move from one position to the next, and that is also weighing on freight because the market is becoming more and more fractured.”

Richard Redoglia, Chief Executive Officer, Matrix Global Holdings **US ECONOMY** “I think it is just okay. Inflation still exists, but I don’t think we’re going to have some recession right now. Economically, OECD demand is flat, and we don’t expect any uptick in US demand. The US has passed a deal that gives some of the energy producers the ability to export some more barrels, so that’s a positive as far as getting barrels into the marketplace.”



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