



**SOUNDING**

**MIDEAST TENSIONS**

*"The conflict between Israel and Iran that we saw factored into the risk premium for a couple of weeks last month, has very much been removed from the oil price, but it will keep lingering on in the background and could flare up at the end of the year."*

**Niamh McBurney**  
Associate Director  
Control Risks

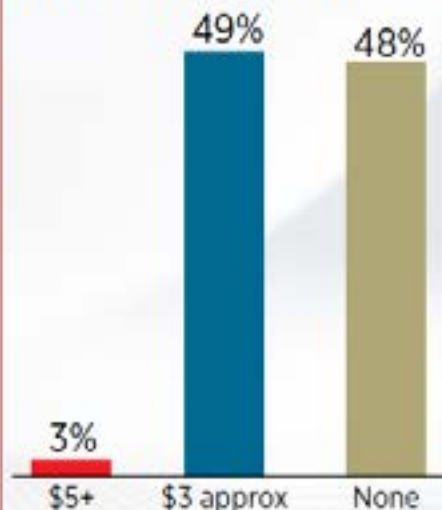


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**TOP SURVEY**

Hamas says latest cease-fire talks have ended – how much geo pol premium will we see return to oil price this week?



**“Geopolitics, Energy Transition and Supply Chain Have Shifted Arab Gulf-Asia Dynamic!”**

**Ben Simpendorfer**  
Asia Pacific Lead, Oliver Wyman Forum & Partner, Oliver Wyman

**PODCAST OF THE WEEK**

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**Matthew Wright**  
Senior Freight Analyst  
Kpler

**Kate Dourlan, FEI**  
WGC Contributing Editor & Senior Resident Fellow, The Arab Gas States Institute in Washington

**Scott Livermore**  
Chief Economist  
Oxford Economics Middle East

**FUJAIRAH WEEKLY OIL INVENTORY DATA**

7,524,000 bbl Light Distillates	3,241,000 bbl Middle Distillates	9,505,000 bbl Heavy Distillates & Residues

# THE WEEK IN NUMBERS



## WEEKLY AVERAGE OIL PRICES

BRENT CRUDE  
\$83.40/bl

WTI CRUDE  
\$78.68/bl

DME  
\$83.94/bl

MURBAN  
\$83.74/bl

\*Time Period: Week 2, May 2024  
Source: IEA, OilPrice.com, GI Research

## FUJAIRAH WEEKLY BUNKER PRICES

VLSFO	MGO	IFO380
High = \$643.00/mt	High = \$895.00/mt	High = \$516.50/mt
Low = \$621.00/mt	Low = \$867.50/mt	Low = \$504.50/mt
Average = \$629.50/mt	Average = \$881.50/mt	Average = \$511.50/mt
Spread = \$22.00/mt	Spread = \$27.50/mt	Spread = \$12.00/mt

Source: Ship and Bunker, \*Time Period: May 1 - May 8, 2024

## FUJAIRAH BUNKER SALES VOLUME (M<sup>3</sup>)

924 180cst Low Sulfur Fuel Oil	463,245 380cst Low Sulfur Fuel Oil	198,273 380cst Marine Fuel Oil
321 Marine Gasoil	38,155 Low Sulfur Marine Gasoil	5,171 Lubricants

Source: FEDCom & S&P Global Platts



## Ben Simpendorfer, Asia Pacific Lead, Oliver Wyman Forum & Partner, Oliver Wyman

The last two years has been a game changer in relations between Arab Gulf countries and Asia, and particularly China. It has marked a sharp departure from the more traditional trade in oil for consumer goods we've seen over the last 20 years. Driving that change have been three key factors. Firstly, geopolitics; there is an element of de-risking going on globally, but also regionalization in Asia and the Middle East, as partners within the region increasingly look to each other as sources of investment, capital, talent, and technology. The second trigger is Energy Transition; the GCC in particular, is looking to develop its non-oil sectors, which is increasing demand for non-oil goods and services, and the Asian region is a significant supplier of these. Thirdly, supply chain disruption - we are beginning to see the shift of manufacturing around the region. Factories, in part, are moving out of China, into Southeast Asia and South Asia, and the Middle East role here is either as a destination for that investment in countries such as Egypt and Morocco, or as an investor into ancillary services like shipping and aviation that support the movements in those supply chains.

### What approach is China taking to derisk investment?

It's more about a rebalancing of portfolios to markets where there aren't constraints on the activities of Chinese companies, which now recognize that their more traditional markets, especially in the US, are perhaps more difficult to access than in the past. Many private companies are looking for opportunities elsewhere, and the Middle East is a large and growing market. From the GCC investment perspective, the portfolios of many sovereign wealth funds or companies are already heavily invested into Europe and the US, but underweight in China and Asia, so it makes sense to now move into those.

### What's your synopsis today of the China Belt Road Initiative?

It is constantly evolving. It's very different to five years ago or ten years ago. Chinese corporates are constantly shifting their strategy in response to successes or failures in the market. They have begun to move, to a degree, away from big infrastructure projects, and pivot especially into technology, and supply chain related sectors not only in manufacturing, but also in supporting services such as ports and aviation.

### Is Chinese technology now competing with that in the West?

It is increasingly recognized as a viable alternative, and in some cases world class, depending on the sector. China's focus of investment will be evolving away from physical infrastructure to advanced technologies over the next 5 to 10 years or so. It is the world's largest producer of a range of clean energy goods, from solar panels to electrolyzers, as well as in refining of critical minerals. This is a sector where Chinese companies, private and state, are evolving into, to catch new opportunities. It all falls under the banner of BRI, and the Middle East is front and centre of that and no different to Southeast Asia or other parts of the region. The world has also increasingly been moving to one of bilateral agreements. That is challenging at a global level, but Asia and the Middle East are well positioned, being home to two of the world's three largest regional trade agreements, and so the flow of capital, talent, and technology between them is arguably stronger than it is anywhere else. It is naturally the world's largest economic block.

### China still seems to be struggling with its post-Covid economic recovery?

The country is at an inflection point. It is laying the foundations for long-term prosperity and

that means investing in advanced industrial sectors which will drive growth. It might mean short-term growth will be a little less robust, but that is still on the right track to hit targets. The real estate sector has been a constraint on growth and industries like cement and steel are facing weak conditions, but the investments in sectors like clean energy are providing an offsetting force. This is an economy in transition and it's an economy that's still growing at 5%. The question going forward will be the extent to which China can encourage consumers to spend more, and so employment and income growth will be key over the medium term. The country's demographic challenge is also well known. That will subtract from potential growth over the long term, but equally, there are big plans for investment into automation of factories; industrial robotics is on the verge of a renaissance in the country.

### Why has the Chinese government hesitated on fiscal stimulus?

Perhaps it is because of lessons learned post global financial crisis, when the government spent too much, resulting in excess capacity, and a rapid increase in debt. It also sees the medium-term goals of developing more advanced industrial sectors as more important than short-term stimulus. It would be good to see more spending to providing a floor for low-income consumers, on things like education and maternity and unemployment benefits. That would certainly give them more confidence to spend, and we haven't seen that yet.



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# FUJAIRAH SPOTLIGHT

## Fujairah International Airport aims to further boost connectivity

Fujairah International Airport (FRJ) is gearing up to initiate daily flights to multiple countries, according to airport officials.

Source: *The Aviator Middle East*



## National Bank of Fujairah invests in innovative cloud-based data platform

National Bank of Fujairah (NBF) has partnered with Snowflake to use its cloud-based data platform, enabling the bank to extract better insights and reports from its data. The collaboration is a part of NBF's journey to define its data strategy and become a data-driven organisation.

Source: *Zawya*



## FUJAIRAH DATA: OIL PRODUCT STOCKS FALL AGAIN IN MAY 6 WEEK AFTER SURGE IN EXPORTS

Stockpiles of oil products at the UAE's Port of Fujairah dropped for a third consecutive week as of May 6, with some exports hitting a record high, according to data from the Fujairah Oil Industry Zone and ship-tracking.

Source: *S&P Global Commodity*







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# ENERGY MARKETS VIEWS YOU CAN USE



## Kate Dourian, FEI

MEES Contributing Editor & Non-Resident Fellow,  
The Arab Gulf States Institute in Washington

### Oil markets appear remarkably calm despite all the geopolitical noise?

Initially, there was a surge in market anxiety amid fears of escalating conflict in the Middle East but seven months down the line, it's apparent that no party is keen on escalation. Geopolitical tensions seem to have taken a back seat. Instead, the market focus has shifted towards factors like US stock levels, trends in gasoline and diesel demand, Chinese economic growth, and interest rate moves - all of which are uncertain and so contributing to the current stability and notably low volatility in the market.

### Are we expecting OPEC+ to adjust quotas at their June meeting?

It remains a critical issue that needs addressing. UAE production capacity is approaching its 5 million b/d target, so with over a million b/d of spare capacity, it's evident they would be eager to optimize output. Additionally, Iran is facilitating exports through Malaysia. OPEC must contend with the risk of further defections, exemplified by Angola's recent actions, which has expanded oil sales to Asia, reacting to dissatisfaction with their assigned quotas. Discussions may occur on quotas at the meeting, but concrete agreements seem elusive, with any decisions likely postponed until January next year.

### What's prompting some IOCs to backtrack on clean energy investment commitments?

The CEO of Total Energies, for example, recently noted practical challenges, citing current hydrogen prices as prohibitive for large-scale adoption, arguing that oil revenues are essential for facilitating the Energy Transition. Moreover, the incident involving Shell's carbon credits in Canada underscores the necessity for a standardized global carbon market, an issue likely to be addressed at Cop 29, particularly concerning Article 6. Establishing a universal carbon pricing mechanism is crucial to combatting greenwashing practices prevalent today.



## Dr. Jonathan Fulton

Associate Professor - Political Science, Zayed University,  
Nonresident Senior Fellow, The Atlantic Council

### China Doesn't have much to Offer Iran during a Major Crisis

China mostly offers material incentives through economic engagement - trade and investment is nowhere near substantial enough to sway Iran at a time when it is facing political, ideological, and military threats. When they signed the comprehensive strategic partnership agreement way back in January 2016, they optimistically forecast trade hitting \$600 billion by 2026, and talked about massive Chinese investment into Iran. That has not happened, not by a long shot, and the limits of what Beijing is willing to do for Tehran have been made clear time and again. Since China is not able to move the needle on most political issues in the Middle East and is not willing to engage militarily, it does not have much to offer Iran during a major crisis. No doubt the Islamic Republic of Iran will publicly thank the Peoples Republic of China and hype up the bilateral, but they know there is a very low ceiling of real support. So no, I do not think China has leverage right now. That is not to say it has not at other points, but this moment is different. Iran needs more than what China's willing to give. The point is that many assume China's economic relations with Iran put it in position to influence Iranian behavior, and I do not think it does. That said, I think China makes a lot of money in the Gulf and gets a lot of energy from Gulf suppliers, so its' interests here would dictate stability. Iran as a troublemaker hurts China.



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MENA Terminals Fujairah is an independently owned and operated storage terminal located within the Fujairah Oil Industry Zone at the Port of Fujairah. Established in 2012, the terminal has been effectively catering to the storage requirements of major trading houses, multinational corporations, and medium-sized traders.

The terminal comprised of 14 tanks with a total capacity of 352,000 cbm, is capable of handling Class I, Class II, and Class III products ranging from light distillates like Gasoline all the way up to Middle and Heavy distillates like Gas Oils and Fuel Oils, respectively.

Equipped with the state-of-the-art technologies, the terminal can accomplish operations such as vessels and bunker barges loading and discharge, pipeline transfers with other terminals, inter-tank transfers, additive blending, cargo heating, circulation, and truck loading services.

MENA Terminals Fujairah is part of the Mercantile & Maritime Group, which specializes in oil and gas marketing & trading, shipping, logistics and consultancy services. The group offers a comprehensive range of services across the oil and gas value chain.

MENA Terminals Fujairah has a sizable landbank with the potential to add more than 1 million cbm of new storage capacity to its existing infrastructure. Anticipated developments within the Port of Fujairah and region are expected to create substantial storage demand going forward.

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- Two jetty lines (30" each) for black products capable of 4,500 m<sup>3</sup>/hr flowrates per line
- Four jetty lines (24" each) for clean products capable of 3,000 m<sup>3</sup>/hr flowrates per line
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- Cone-bottom and fully strippable product tanks
- Efficient product blending and heating capability
- Dedicated matrix manifold for positive segregation of black and clean products
- All pumps equipped with Variable Frequency Drives for optimized flow rates.
- Redundant critical utilities & equipment in place to ensure business continuity.

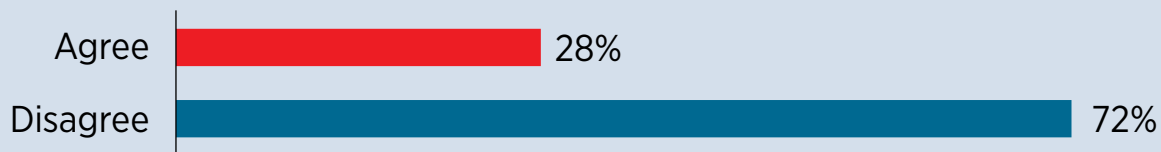


# GI WEEKLY SURVEYS

What stage is Israel's War on Gaza at after 7 months?



The US believes negotiations on a Gaza ceasefire should be able to close the gaps between Israel and Hamas?



Oil prices will hold in a \$75-\$90/bl range for the remainder of 2024, given the now negligible risk premium and OPEC+ keeping volumes steady?





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# ENERGY MARKETS VIEWS YOU CAN USE



## Mukesh Sahdev

SVP, Head of Downstream/Oil Trading  
Rystad Energy


### Outlook for OPEC+ to unravel its cuts in 2H?

Our analysis indicates robust refinery runs now through the July-August period. We anticipate heightened activity particularly in regions such as the Middle East, Asia, and China, where new capacity has been commissioned. Conversely, the OECD and developed nations are still in the process of recovering demand, which may lead to more cautious refinery operations. Disruptions in supply chains could spur higher-than-needed refinery runs, contributing to tightness in crude supply in the latter half of the year. We must also consider the persistent issue of noncompliance and leakage of sanctioned barrels into the market. So, our projection leans towards OPEC maintaining its current strategy. Additionally, upcoming turnarounds in September, October, and November could further temper demand. And even with market tightness, OPEC's preference for a substantial backwardation, coupled with anticipated demand fluctuations, suggests a prudent approach to maintaining current production levels.

### Can we rely on China demand to bolster global oil prices?

April witnessed a notable dip of about 650,000 b/d in Chinese refinery runs compared to March, but we anticipate a resurgence in Chinese crude demand as summer approaches, so short-term, it should lend support to oil prices, potentially nudging them upwards from the current floor of \$80. China's growing naphtha demand and expanding petrochemical sector also offer additional support to refining activities. So, for the next five to six months, indications from China point towards a supportive stance on oil. The main concern lies in the prolonged weakness in diesel markets, compounded by persistent challenges in jet fuel demand. One question is whether we will finally come out of post COVID 'jet lag' this year; that trajectory is a critical determinant for oil market stability moving forward.

# TOP 30 FEMALE ENERGY MARKET ANALYSTS



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# ENERGY MARKETS VIEWS YOU CAN USE



**Jamie Ingram**

Senior Editor

Middle East Economic Survey

## It's been a relatively favourable narrative for OPEC+.

The focus in the oil markets has primarily revolved around the sentiment on geopolitical tensions, and associated risk premiums, rather than narratives portraying OPEC as manipulating supply or exacerbating inflationary pressures on Western and emerging economies. Prices have remained surprisingly stable, and at a relatively high level. Aramco recently disclosed their earnings, revealing an average crude price of just over \$80 a barrel for the first quarter of this year, a robust figure by any measure. OPEC+ can find satisfaction in the trajectory of prices leading up to the June meeting. Recent softening in prices and inventories hovering around seasonal averages suggest a more cautious approach from the group, likely maintaining these cuts for the time being.

## Do you view \$80 as a floor?

OPEC+ is the key player here. If the current status quo persists and OPEC+ retains its production cuts, then \$80 appears to be a floor. However, should OPEC+ opt to increase production volumes, we could see a swift downward momentum pushing prices below \$80 a barrel once again.

## Status of distillates as we enter the summer travel season?

Recently, major Middle Eastern producers announced their OSPs for the next batch of crude. As anticipated, heavier grades saw significant premiums, reflecting a tightening in the distillates market, which appears tighter than the light ends market. The impact of OPEC+ cuts is felt more prominently on the heavier end of the spectrum. However, there were surprises, such as Saudi Aramco increasing the OSP for extra-light grades more than expected. This move comes amidst a downturn in the light ends market, particularly as gasoline demand underperforms. Additionally, significant volumes of other light grades, like condensates, are being diverted from Abu Dhabi's refining system due to ongoing refinery upgrades.

## How might Saudi's evolving 2030 Vision impact OPEC+ policy going forward?

Saudi Arabia exhibits a willingness to sustain deficits for an extended period, boasting low debt levels and access to favourable borrowing rates. The nation also possesses ample foreign reserves to support its financial endeavors. While a relatively high oil price is currently beneficial, Saudi's aversion to a price war driving oil below certain thresholds is evident. This cautious stance safeguards against depleting their spare capacity.



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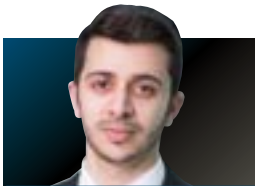
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# ENERGY MARKETS VIEWS YOU CAN USE



## Salih Yilmaz

Senior Energy Equity Analyst  
Bloomberg Intelligence

### The \$7 decline in oil prices this month primarily reflects a weakening physical market.

While demand hasn't been poor this year, it hasn't been robust either and the future outlook remains uncertain. Refining margins, which showed resilience in the first quarter, are now faltering, particularly for diesel. Weekly indicators highlight record US output alongside fluctuating domestic demand. Bloomberg Economics' recent analysis suggests that much of this year's price increases were likely demand-driven rather than supply-induced from any geopolitical tensions.

### What do Q1 results of some oil majors tell us about future capacity expansion?

BP's profit decline in recent results was anticipated, driven by oil price fluctuations and natural gas weakness. Maintaining a stable buyback pace is reassuring for investors, but their new \$2 billion cost-saving target also echoes Shell's successful strategy. Shell, on the other hand, exceeded expectations, with production and oil prices favorably impacting their performance. Both companies prioritize shareholder returns, evident in their consistent buyback practices. Saudi Aramco's results were as expected, with ongoing output limitations due to OPEC+ agreements. Their commitment to dividend payments, totaling \$124.3 billion this year, remains steadfast. Notably, this surpasses their quarterly free cash flow, leading to a gradual decline in their net cash position.

### So, the decision to refrain from increasing production to 13mn b/d seems logical in hindsight?

It does. A significant portion of ARAMCO dividends is allocated to the government and Public Investment Fund. The question now is whether they will prolong performance-linked dividends into 2025, considering the Kingdom's ambitious diversification projects that require substantial funding.

### Are we still expecting a tighter oil market in 2H and will OPEC+ potentially adjust its cuts?

Our outlook suggests improved demand in the second half of the year supporting prices, but it's probable OPEC+ will opt to extend output cuts, at least through the third quarter. Saudi Arabia, as the de facto leader, remains focused on price stability, despite the fiscal need for higher prices. While they could produce more without jeopardizing prices, they're cautious not to taper too quickly. Unity within OPEC+ remains strong, though some members like the UAE may push for baseline readjustments in the future. However, this may not be a point of contention at the upcoming June 1st meeting.

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# Fujairah Weekly Oil Inventory Data



## TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 20.270 million barrels with a fall of 526,000 barrels or decline of 2.5% week-on-week, as they held above the 20-million-barrel level. The stocks movement saw a slight build in light distillates while there were continued draws in middle distillates and heavy residues.
- Stocks of light distillates, including gasoline and naphtha, rose by 76,000 barrels or 1% on the week to 7.524 million barrels. The East of Suez gasoline complex was finding support, tracking a widening US RBOB-Brent crack and amid lowered refinery activity in the US. Furthermore "Asian

gasoline prices should be supported ahead of the hurricane season," a trader said, pointing toward the tornado season in Oklahoma, which lasts from March until June. In tenders, South Africa's Engen was heard seeking 37,000 mt of 95 RON gasoline for May-June loading, via a tender.

- Stocks of middle distillates, including diesel and jet fuel, fell by 225,000 barrels or 6.5% on the week to 3.241 million barrels. The East of Suez gasoil complex was challenged by a supply glut amidst long supply and unfavorable east-west arbitrage economics. However, traders mulled over a possible demand recovery in the summer season. Overall, the contango structure in the paper market reflected weak market fundamentals.

- Stocks of heavy residues fell by 377,000 barrels, down 3.8% on the week as they stood at 9.505 million barrels. Spot bunker trading activity at the Port of Fujairah was seen steady amid decent flows of inquiries from end-users meeting their prompt requirements, despite a slight rise in flat prices. "Bunker demand is pretty good; there are limited HSFO [refueling] slots within eight days... [The] schedule remains tight," a Fujairah-based bunker supplier said. Marine fuel 0.5%S delivered bunkers were assessed at at \$619/ mt on May 7, up \$2/mt on the day.

Source: S&P Global Commodity Insights

## ENERGY MARKETS NEWS

- Oil rises on US crude storage draw, Fed rate cut hopes
- Is China's Oil Demand Set For A Major Bounce Back?
- US Gasoline, Diesel Demand Hit Seasonal Low Not Seen Since COVID
- Iran Uses Malaysia to Sell Oil Abroad
- Russia Launches New Wave of Attacks on Ukrainian Energy
- US gas surplus will be eliminated before end of winter 2024/25: Kemp
- Half of Gaza water sites damaged or destroyed, BBC satellite data reveals
- Turkey signs long-term LNG deal with ExxonMobil
- Goldman Sachs sees OPEC+ likely to extend cuts in June
- President Biden Is Ready to Use the SPR Again If Needed

### RECOMMENDED READING

- Gaza war: US bomb delay biggest warning yet for Israel
- ADNOC Signs New LNG Supply Deal With German Firm
- Shell to sell Singapore refinery, petchem assets to Chandra Asri and Glencore
- Mediator Qatar urges international community to prevent Rafah 'genocide'
- Iran seeks to preserve regional status quo despite Israel's assault on Rafah
- Trinity College Dublin agrees to divest from Israeli firms after student protest
- China's factory glut alarms the world but there's no quick fix



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## ITINERARY

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October 1<sup>st</sup> - 2<sup>nd</sup>, 2024 | Fujairah, UAE



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### DAY 1 OCT. 1<sup>st</sup>

Time: 11:00AM

What: Open Registration

Time: 1:00PM

What: Welcome Lunch

Host: H.H. Sheikh Saleh Al Sharqi,  
Chairman of Port of Fujairah

Time: 2:30PM - 4:30PM

What: ENOC Oil Markets Workshop

Time: 2:30PM - 4:30PM

What: "Energy & Geopolitics" Briefings x 4

Time: 2:30PM - 4:30PM

What: TOUR of FOIZ Oil Storage Terminals

Time: 7:00PM - 9:00PM

What: Aramco Trading Gala Awards Dinner

Host: H.H. Sheikh Saleh Al Sharqi, Chairman of Port of Fujairah

Time: 9:30PM - 10:30PM

What: GI Networking Social Hour

### DAY 2 OCT. 2<sup>nd</sup>

#### INDUSTRY FORUM

Time: 8:00AM - 2:30PM

What: Breakfast Briefings x 5

What: Plenary Session

Hosts: H.H. Sheikh Mohammed Al Sharqi, Crown Prince of Fujairah  
& H.H. Sheikh Saleh Al Sharqi, Chairman of Port of Fujairah

#### International Energy Journalism Awards

What: Industry Roundtables x 6

Time: 2:30PM - 4:30PM

What: BOAT TOUR of Port of Fujairah

5:00PM - END OF EMFWEEK24

**RSVP: [stephaniegatdula@gulfintelligence.com](mailto:stephaniegatdula@gulfintelligence.com)**







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منطقة الفجيرة للصناعة البترولية  
Fujairah Oil Industry Zone



# ***The Gateway to the World's Fastest Growing Energy Consumers!***

*As the UAE's only emirate on the Arabian Sea coast, Fujairah is at the heart of the new energy corridor opening up East of Suez to Asia. The emirate is already established as a world-scale storage and bunkering center alongside Rotterdam and Singapore and is set to benefit in the next few years from companies' plans to expand crude and petroleum product facilities to avail of the state-of-the-art physical infrastructure on offer.*



## STRATEGY

**Developing the petroleum strategy for investment in the region**



## REGULATORY AUTHORITY

**Regulating all aspects associated with the Oil and Gas industry**



## ADMINISTRATIVE SERVICES

**Providing administrative services to stakeholders for smooth operation of the business**



## INFRASTRUCTURE

**Infrastructure enablement & provisioning for companies investing in the region.**

# Energy Markets Commentary

## Week in Review

**Daily Energy Markets PODCAST**  
 MONDAY // MAY 6<sup>th</sup> // 10:30AM (UAE)

**Omar Najja**  
 Global Head, Derivatives  
 E&S Energy

**Mukesh Sahdev**  
 SVP, Head of Downstreams/Oil Trading  
 Rystad Energy

**Bora Bariman**  
 Managing Partner  
 Hormuz Straits Partnership

**Daily Energy Markets PODCAST**  
 TUESDAY // MAY 7<sup>th</sup> // 10:30AM (UAE)

**Andrew Laven**  
 Senior Partner  
 E-Cons

**Jamie Ingram**  
 Senior Editor  
 Middle East Economic Survey

**Osama Rizvi**  
 Energy & Economic Analyst  
 Primary Vision Network

**Daily Energy Markets PODCAST**  
 WEDNESDAY // MAY 8<sup>th</sup> // 10:30AM (UAE)

**Neil Atkinson**  
 Former Head of Oil Markets Division  
 International Energy Agency

**Niamh McBurney**  
 Associate Director  
 Control Risks

**Salih Yilmaz**  
 Senior Energy Equity Analyst  
 Bloomberg Intelligence

**Daily Energy Markets PODCAST**  
 THURSDAY // MAY 9<sup>th</sup> // 10:30AM (UAE)

**Matthew Wright**  
 Senior Freight Analyst  
 Kpler

**Kate Dourian, FEI**  
 MEES Contributing Editor &  
 Non-Resident Fellow, The Arab Gulf  
 States Institute in Washington

**Scott Livermore**  
 Chief Economist  
 Oxford Economics Middle East

**LISTEN ON**

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# GI SOUNDINGS WEEK IN REVIEW

## “Oil Market Confidently Shuns Geopolitical Risk!”

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.



### RUSSIAN ECONOMY

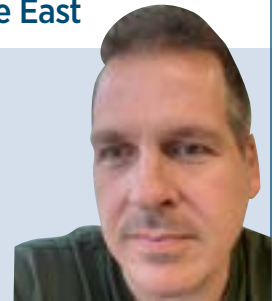
*“It’s a war economy in Russia now and that is leading to quite a lot of stimulus. It’s probably in a position where it can sustain its war effort for a while. Meanwhile, the same channel is going to remain open for Russian oil; I don’t think that will reverse itself over the rest of this year and even into 2025.”*

**Scott Livermore, Chief Economist, Oxford Economics Middle East**

### OIL AND GAS PRICES

*“Over time, we see new all-time highs for oil, and I think the low is in for natural gas. Henry Hub, the deepest gas market in terms of price, seems to have set a low at \$1.48, and is now over \$2.00; we see that also setting new all-time highs over time.”*

**Omar Najia, Global Head, Derivatives, BB Energy**



### PAKISTAN FUELS

*“Around 30% of the diesel market in Pakistan is engaged in smuggling from Iran. About 10 million litres of petrol and diesel is flowing into the country on a daily basis, causing a loss of about 224 billion Pakistan rupee on an annual basis.”*

**Osama Rizvi, Energy & Economic Analyst, Primary Vision Network**



# GI SOUNDINGS WEEK IN REVIEW

## OIL FLOWS

*“If you remove the Russian sanctions and oil price cap, crude will find the best economic home, and the highest bidder will get it, unless Russia still decides to sell it at a discount. So, I don’t think the change in oil flow direction is a long-term trend.”*

**Andrew Laven, Senior Partner, E-Cons**



## OPEC+ VOLUMES

*“We see demand rising fairly solidly this year, but there is also plenty of supply. As far as OPEC+ is concerned, the market is in a good place and if the price holds at around \$80, my personal bet is that they will take no action on the June 1<sup>st</sup> meeting.”*

**Neil Atkinson, Former Head of Oil Markets Division  
International Energy Agency**

## REFINING CAPACITY

*“Increased refining capacity and oil product exports coming out of the Middle East this year, will really turn the screw on some European refiners, particularly those with more simple setups, as they will struggle to break even amid the glut of supply coming from those more efficient running operations.”*

**Matthew Wright, Senior Freight Analyst, Kpler**







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