Fujairah New Silk Road

WEEKLY NEWSLETTER

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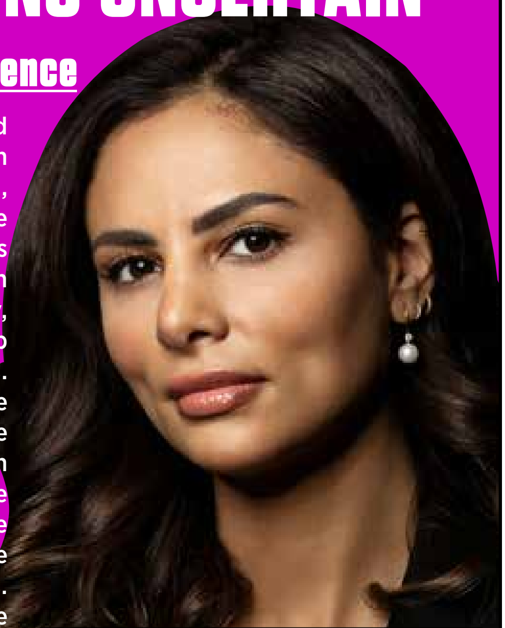
EXCLUSIVE INSIGHTS /// ACTIONABLE INTELLIGENCE /// DATA TRENDS /// LATEST NEWS

AN EXCLUSIVE GULF INTELLIGENCE INTERVIEW

OPEC+ MAY STRUGGLE TO FIND SPACE FOR IRANIAN OIL IF DEMAND REMAINS UNCERTAIN

Amena Bakr, Chief OPEC Correspondent, Energy Intelligence



Oil markets were impacted massively by the coronavirus pandemic last year and this has continued to be the main trigger binding the OPEC+ group together on policy. OPEC and its partners realized last year that if they did not cut production, prices would remain depressed - something they could not afford. Still, there are vulnerabilities and differing opinions within the group today. The obvious one is continued compliance. The compensation strategy for those who have not been able to comply fully has not worked as well as the Saudis were hoping. Secondly, Russia still has an understanding that the deal or its participation in the group is temporary; it's only going to participate when it aligns with its own interests. That may cause conflict in the near future. The return of Iranian barrels could be another sticking point; I don't see any of the Arab Gulf states willing to make space for Iranian barrels for many reasons, including political. And while Russia and Iran may have a close alliance, it's not clear that the former would be willing to sacrifice some of its market share or its supply to its domestic market. Nevertheless, the Iranians seem very confident that they can ramp up production quickly and they're adamant on not having an output quota until they've reached pre-sanction levels. That would probably be understood and accepted within the group. At the same time, it's also to Iran's advantage for prices to remain supported, so we could see an informal agreement between the parties for a gradual, managed supply increase when the time comes. Meanwhile, the OPEC Secretariat continues to closely monitor Iranian exports, which have been ramping up at several ports in the region for the last few months.

CONTINUED ON PAGE 3

Fujairah Average Oil Tank Storage Leasing Rates*

BLACK OIL PRODUCTS

Average Range
$3.61 - 4.38/m³

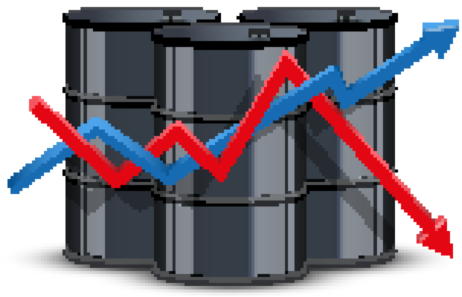
↑ **Highest: $4.50/m³**
↓ **Lowest: $3.40/m³**

Source: GI Research – Weekly Phone Survey of Terminal Operators

Fujairah Weekly Oil Inventory Data

6,122,000 bbl	3,738,000 bbl	13,585,000 bbl
Light Distillates	Middle Distillates	Heavy Distillates & Residues

Source: FEDCom & S&P Global Platts



Weekly Average Oil Prices

Brent Crude:	$67.82/bl
WTI Crude:	$64.55/bl
DME Oman:	$66.72/bl
Murban:	$67.06/bl

Time Period: Week 3, May 2021
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

VLSFO

High = $507/mt

Low = $497.50/mt

Average = $503/mt

Spread = $9.50/mt

MGO

High = $617.50/mt

Low = $607.50/mt

Average = $613.50/mt

Spread = $10/mt

IFO380

High = $402.50/mt

Low = $397.50/mt

Average = $399/mt

Spread = $5/mt

*Source: Ship and Bunker, *Time Period: May 12 - May 19*

Fujairah Bunker Sales Volume (m^3)

596 180cst Low Sulfur Fuel Oil	**532,374** 380cst Low Sulfur Fuel Oil	**112,952** 380cst Marine Fuel Oil
2,508 Marine Gasoil	**25,866** Low Sulfur Marine Gasoil	**5,042** Lubricants

Source: FEDCom & S&P Global Platts

Amena Bakr, Chief OPEC Correspondent, Energy Intelligence

CONTINUED FROM PAGE 1

GIQ: Does the drawdown in global inventories change OPEC strategy?

Amena Bakr: It's already gradually adjusting quotas. The more confidence they have in the market, the more easing we're going to see. Just bear in mind that OPEC has delayed the easing for a while so we will now see more of that happening for the remainder of the year. If Iran comes back online, we might see a little bit of a slowdown in that easing process, but it's too early to say how it will play out.

GIQ: What is a comfortable price floor for the OPEC group?

Amena Bakr: Around $65/bl – you don't see a lot of panic from them at that price – it's the average that they're looking for and they're also comfortable bringing their projects online at that level.

GIQ: Your outlook for prices and supply, demand balance in the year ahead?

Amena Bakr: We think that $70/bl is very attainable, although we will watch supply from Iran and Libya very closely. By the end of Q2 and into Q3, we could see the markets bounce up a little on supply deficits, which might mean OPEC+ being more relaxed and bringing back more barrels into the market.

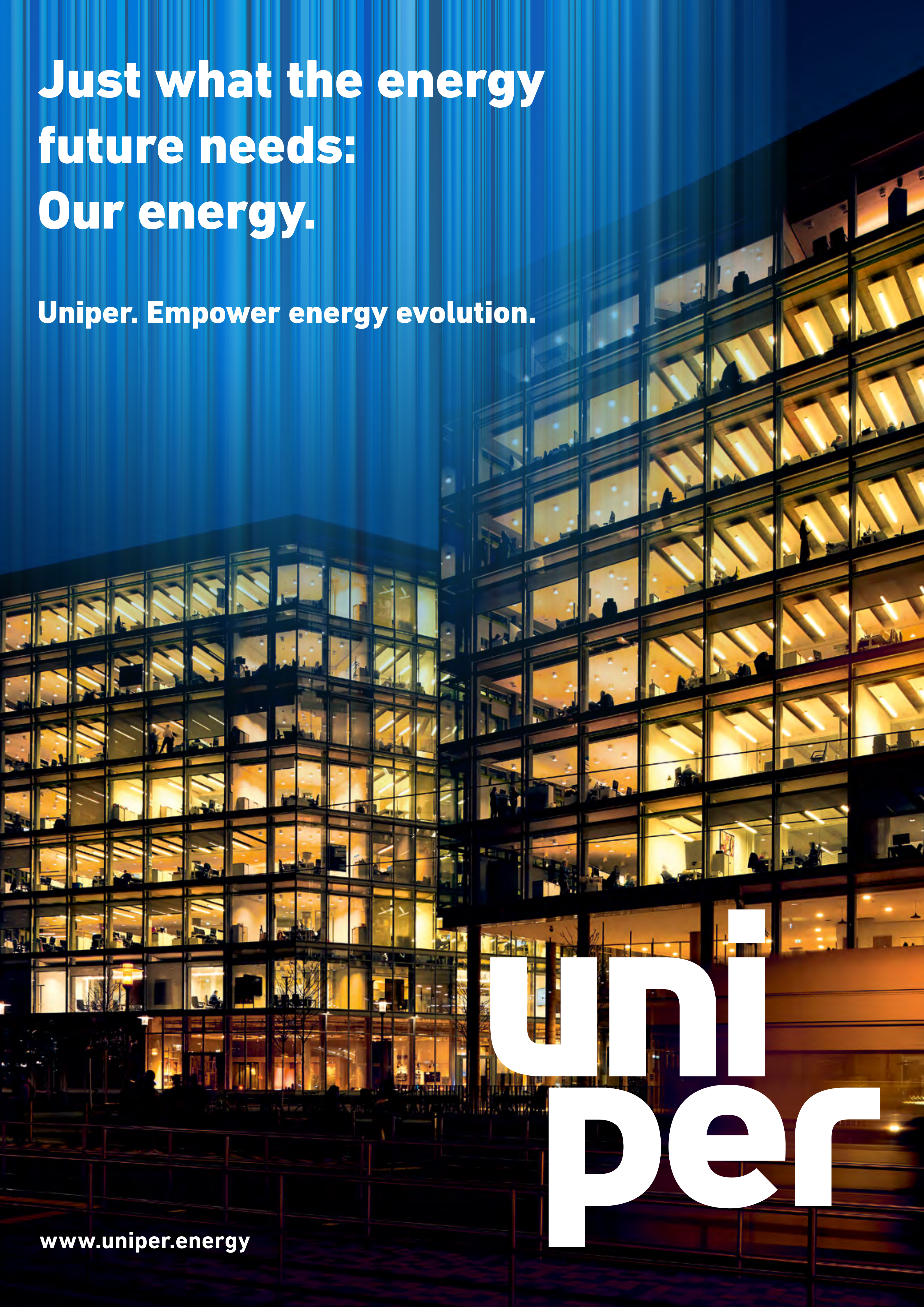
GIQ: Does the new Biden administration trigger any change in OPEC+ cohesion?

Amena Bakr: The departure of Trump has meant the loss of a friend, certainly to some OPEC members. There isn't that same open communication and close contact coordination under Biden. But we have to give the real credit to the success of the OPEC+ policy to the producers themselves, who have agreed to come to the table and work out any differences for the health of the overall market.

GIQ: Who is ultimately in charge within OPEC+?

Amena Bakr: It is the strategy of Saudi Arabia and Russia that will continue to drive the group forward. But the Saudis also don't want to give any impression to the other members that they're dictating policy. We have smaller producers, like Mexico, who have voiced their opinion in the past and who have the potential to stop deals from going through or at least delay progress. There has to be real consensus among all members, large and small.

WATCH FULL INTERVIEW HERE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ENERGY MARKETS COMMENTARY WEEK IN REVIEW

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GIQ EXCLUSIVE SOUNDINGS

Brent Falls on Growing Inflation Concerns and Rising Covid-19 Cases in Asia

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 of Derivatives, BB Energy**
- **Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence**
- **Ole Hansen, Head, Commodity Strategy, Saxo Bank**
- **Dr. Sara Vakhshouri, Founder & President, SVB Energy International**
- **Matt Stanley, Director, Star Fuels**
- **Robin Mills, Chief Executive Officer, Qamar Energy**
- **Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy**
- **Walter Simpson, Managing Director, CCED**

Omar Najia, Global Head of Derivatives, BB Energy
"The market is right in the middle. We have to wait and see which way it wants to break out. Downside for the short-term, but the trend is high up in the long-term."

Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence
"OPEC+'s supply must remain disciplined. But right now, they are at 10% of global consumption, which is the highest ever."

Ole Hansen, Head, Commodity Strategy, Saxo Bank
"The recent IEA report highlights what an unachievable target it is to get where we'd like to be in a couple of decades time. If that's what it takes – we have to shut down at a time where the alternatives are at a stage where they are strong enough to pick up the base load from the lack of oil, coal, and gas."

Dr. Sara Vakhshouri, Founder & President, SVB Energy International
"We have seen a drop in Iranian crude exports in May compared to previous months. Exports dropped from 750,000 b/d - 800,000 b/d in previous months to about 560,000 b/d - 600,000 b/d. But it doesn't mean we don't expect Iranian oil exports to spike in the coming weeks or by the end of May."

Matt Stanley, Director, Star Fuels
"It's clear that there is a ceiling of $75/bl. I think we will get back to that $70/bl, but it's very fragile."

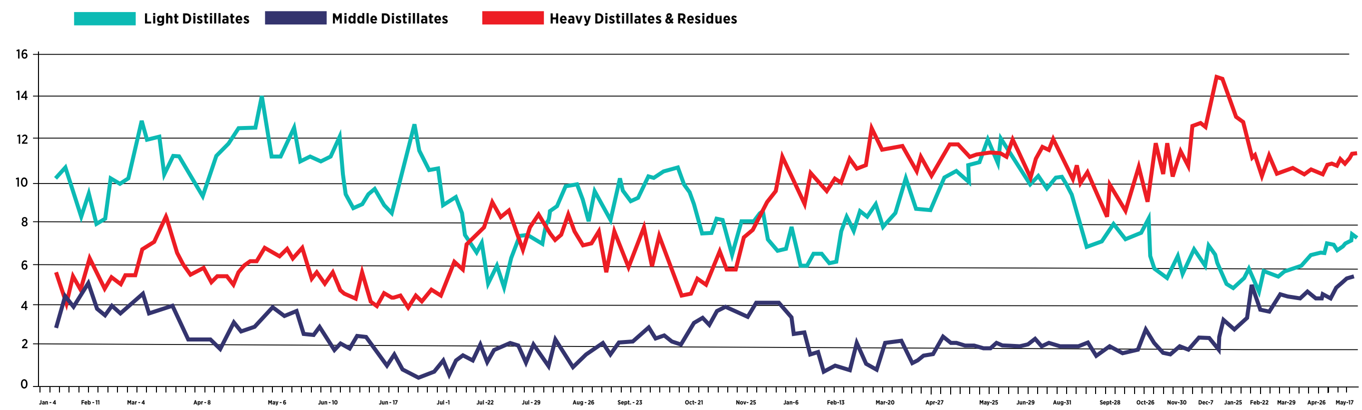
Robin Mills, Chief Executive Officer, Qamar Energy
"$70/bl is a bit of a ceiling for the near-term. This is an achievement by OPEC+ to get prices where they are, after coming through such an historic crisis. But we're far from out of the crisis, and demand is still far from pre-pandemic levels. That is really a function of how tough OPEC+ has been tough on production cuts and on compliance. OPEC+ compliance again this month has been over 100%."

Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy
"Prices may have briefly broken $70/bl, but they have been trading above $60/bl or around an average of $65/bl for the last few months. That by itself is an achievement compared to last year."

Walter Simpson, Managing Director, CCED
"We have positive signs coming from the US and Europe. They're starting to open up a bit. And we have the positive of OPEC+. They've been consistent and compliance has been good. They've been able to control output."

Fujariah Weekly Oil Inventory Data

bbl (million)



TOP TAKEAWAYS

- **Total oil product stocks in Fujairah were reported at 23.445mn barrels. Total stocks rose by 1.211mn barrels with overall stocks rising by 5.4% week-on-week. Builds in light distillates and heavy residues were seen while middle distillates posted a draw.**
- **Stocks of light distillates rose by 1.026mn barrels reflecting a build of 20.1% week-on-week to stand at 6.122mn barrels – rebounding from last week's lows. The East of Suez gasoline market was finding support from an expectation of lower gasoline exports from China in the near future due to new tax regulations in the country coming into place in the weeks ahead. There will be a consumption tax on imports of mixed aromatics effective June 12th.**
- **Stocks of middle distillates fell by 350,000 barrels to 3.738mn barrels – down by 8.6% on the week. The middle distillate market was also reacting to news of new consumption taxes being implemented in China, with expectations of tighter supply balances. Industry sources said the announcement on consumption tax on imported light cycle oil in China will translate to leaner outflows from the country, as local refiners are likely to cut exports in the months to come to fulfil local requirements.**
- **Stocks of heavy residues rose by 535,000 barrels or 4.1% on the week to 13.585mn barrels. In Fujairah activity in the port was heard to be picking up following the regional break last week, with a spike in inquiries heard at the start of the week. Delivered bunker prices in Fujairah remained above those in Singapore, with delivered bunkers with a maximum 0.5% sulfur content assessed at $492/mt on May 18th. This represents a $4.25/mt premium to delivered bunkers of the same quality in Singapore.**

Source: S&P Global Platts

FX

The dollar managed to take a break from its recent selling with the DXY index up nearly 0.5% and moving back above the 90 level. Much of the gains came late in the session on the back of the FOMC minutes which helped UST yields rise. The dollar traded roughly flat in early trade today. EURUSD fell 0.4% to 1.2175, driven lower by the FOMC while USDJPY added 0.29% to 109.22, again showing some whipsaw movement late in the day. Sterling fell more than 0.5% despite a bump in inflation to 1.5% in April and nudging markets to think the Bank of England could pull back on stimulus. Elsewhere commodity currencies were off sharply thanks to a general risk off tone permeating markets..

Equities

Global equity markets were roiled by the cryptocurrency volatility yesterday, with losses almost across the board amongst major indices. While US markets did recover some of the losses seen earlier in the day, all three benchmark indices still ended the session down compared to Tuesday. Surprisingly perhaps the tech-heavy NASDAQ was this time the index which dropped the least, closing almost flat, while the S&P 500 dropped -0.3% and the Dow Jones -0.5%. The selling has continued in Asia so far this morning, with all major indices there dropping today so far. In Europe, Germany's DAX was the biggest loser, down -1.8%, followed by Germany's CAC (-1.4%), while the UK's FTSE 100 lost -1.2%. Within the region, the DFM was one of the few gainers yesterday, adding 0.2%. The ADX's rapid climb this week came to an end as it lost -0.2%, while the Tadawul closed down -0.5%.

Commodities

Oil prices were off by the most in a single day since the start of April as the market focused on the potential for a revived Iran nuclear deal. Brent futures fell further away from $70/bl to $66.66/bl, down 3% overnight while WTI was off 3.25% at $63.36/bl and Murban fell 2.9% to $65.55/bl. Iran's nuclear negotiator noted that there were still issues to be worked out with the US but hoped that a deal could be reached by next week. EIA data showed a modest build in commercial stocks of 1.3mn bbl last week, offset by a draw in gasoline and distillate stocks. Weekly EIA data will likely be distorted in the next several weeks by the disruption to the Colonial Pipeline earlier in May. Oil production was steady at 11mn b/d while product supplied moved up strongly to 19.3mn b/d, up 1.8mn b/d week/week. The recent rally in gold prices was stopped short by the market interpreting the FOMC minutes as leaning toward pulling back on accommodative policy. Spot gold closed flat at $1,869/62/troy oz, falling post FOMC minutes. The general risk-off tone helped push industrial metals prices lower as well with copper forwards holding just above $10,000/tonne.

Emirates NBD

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ENERGY MARKETS VIEWS YOU CAN USE

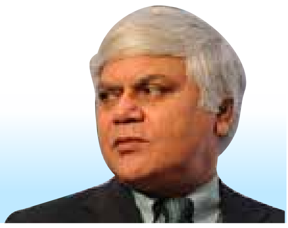
Kate Dourian, FEI
MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington

Will demand in the US and Europe lift oil prices out of their current range?

I don't see a scenario where we will have a big spike in prices, nor see them move very far from the current range because of all the uncertainty around the virus. The recent IEA and OPEC reports do expect demand growth to accelerate in the second half of 2021 – and they still have Indian economic growth at about 10%. But much will depend on jet fuel demand as people start to travel and on the gasoline season in the US, a traditional barometer of demand. It's possible things could start to look tight in the second half of the year, in which case we could see a slight movement in prices. But OPEC plus could then free up more oil. We also have the two wild cards - Iran and Libya - which may change the supply equation. In the case of Iran, even if no agreement is reached with the US, we could still see a gradual loosening of sanctions.

Does the inventory drawdown create an opportunity for OPEC to add more oil?

A lot will depend on whether they see this accelerated demand surge materialize. The IEA has said that the 3.8mn barrels a day of additional supply expected from OPEC plus and Brazil, Canada, and the US, is not going to be enough to meet that demand, but at the end of the day, this is all subject to revision because of Covid.



Narendra Taneja
India's Leading Energy Expert

How substantial does the Covid challenge remain in India?

We're starting to see a light at the end of the tunnel in cities like Mumbai and New Delhi but the situation in the southern part of the country, like in Bangalore and other areas, is still quite alarming. We're also seeing the virus spreading into the hinterlands and the countryside, particularly in densely populated states like Uttar Pradesh and Bengal. Many of these areas remain in lockdown. Once the curfews are lifted and daily economic life returns to normal, we will know how the virus is going to behave.

Why has the country not implemented a national lockdown?

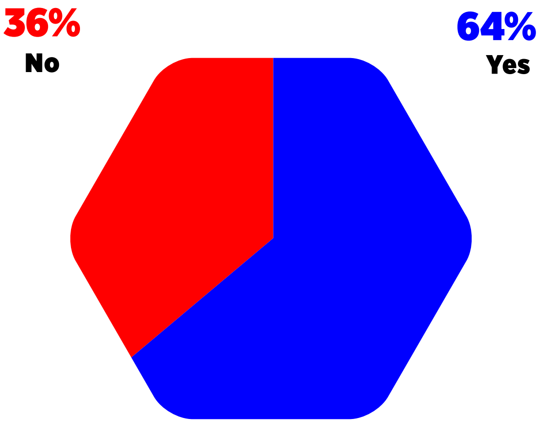
India is home to 1.38bn people. Health has always been a state matter. Many objected to the decision taken last year during the first wave, when the crisis was directed principally by the central government. Several experts have suggested that the best way to deal with this is via a decentralized model approach, where the responsibility is taken by each state but with strong support from the center.

How is this current equation hitting oil demand?

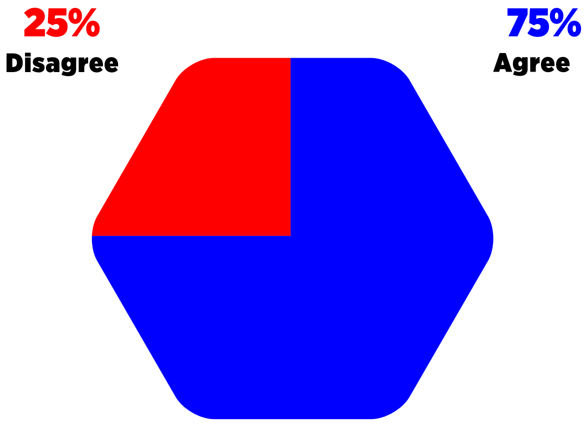
In some parts of country, like in the North, it's been a little above 20% but the reality on the ground and policy approach is that things are going to get under control sooner than many in the western part of the world are saying. The data we are looking at – such as credit and purchases and commodities - shows that the setback to the economy this time around, is less severe than the first, and that areas which are critical for economic growth, like New Delhi, Bombay and Chennai, will bounce back quickly. Yes, GDP projections for the current financial year will take a hit, but not by more than 1.5%. The stock market, hard currency reserves and foreign direct investment are still doing extremely well overall despite Covid.

GIQ Weekly Surveys

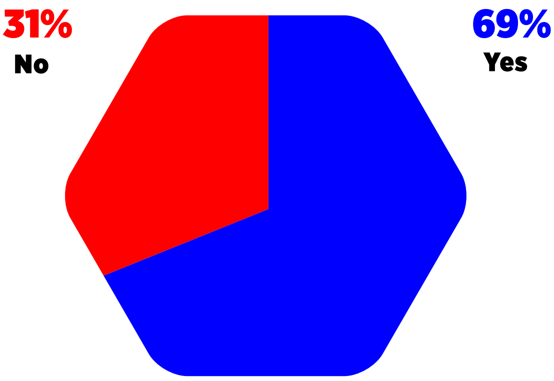
Does the end of the Covid oil glut clear the way for OPEC+ to increase oil supply further and still pro-tect $65 Brent?



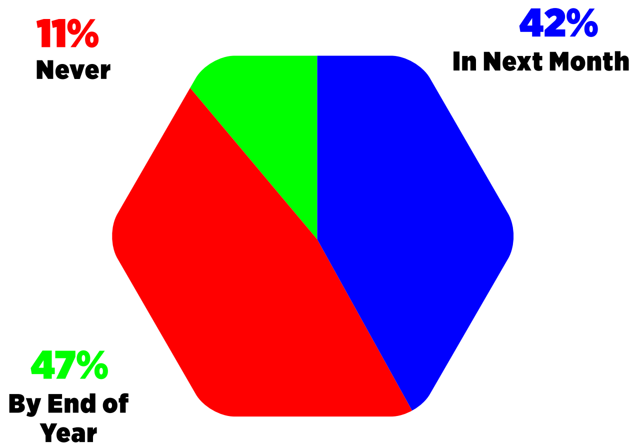
COVID resurgence, inconsistent vaccine rollout and supply bottlenecks will force downward revisions of world economic growth forecasts for 2021?



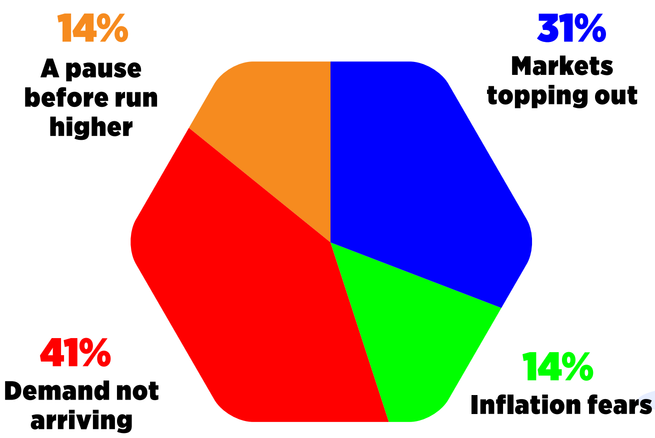
Can US/Europe reopening trump Covid-19 surge in India/ Asia and push oil prices above $70/bl this week?

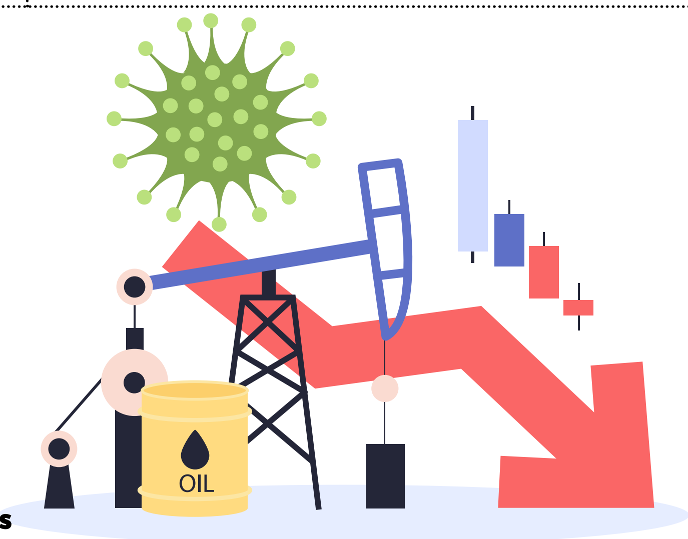


When do you expect the Iran Deal to be completed?



Why are we seeing so much volatility in oil markets?





Source: GIQ

ENERGY MARKETS VIEWS YOU CAN USE

Victor Yang
Senior Editor
JLC Network Technology

Any surprises from the strong April crude data for China?

The year-on-year surge is no surprise given the slowdown in 2020. Industrial production in China is now back to normal and growing from 2019 levels. We have also increased refining capacity by adding two large refineries in the middle of last year. And although the government has plans to close certain outdated independent refineries, they are also critical to local government revenue and employment and therefore difficult to get rid of quickly. Refining capacity will continue to grow through to 2025.

How concerning is the Chinese debt burden and internal credit issue?

The government is trying to switch from the old economy being the main growth driver and one change is the necessity to tighten lending gradually. At the same time, China is also pushing forward with the transition to cleaner energy. The country's economic growth will increasingly depend on what we call high quality development and the transition to using alternative energies like electricity, wind power and hydrogen is part of this.

Will China start to open its borders like Europe this summer?

We do not see any chance of that in the near term. We have had a few new indigenous cases of the virus a few days ago in China after 22 days of none, so some regions are getting more wary. This has spurred renewed interest in vaccination. So far, 380mn doses have been administered in China. Hopefully, we will see continued progress on this front and lessen concerns.

Marc Ostwald
Chief Economist & Global Strategist
ADM Investor Services International

Outlook for Chinese industrial growth following this week's released data?

We were hoping for more pickup in private consumption, but industrial production continued to be much more robust, at 19.9, paced above all by the steel and aluminum sectors, which both saw record levels of output. Steel is a concern because its strength came despite restrictions on output from the local authorities. Meanwhile, smaller downstream manufacturers in China are struggling with rising import prices across the board, in energy and industrial metals. The government has said it may intervene and it is this regulatory intervention which remains the greatest threat to Chinese growth, particularly with so much uncertainty about demand in Southeast Asia.

Are the positive revisions on economic growth at threat?

Forecasts are going to be constantly revised because there isn't that much visibility. We've got a lot of supply chain disruptions. We are going to be coming out of this recovery with many companies having had huge revenue hits and having scaled back. What they won't want to do is scale up and still be paying for all the debt. There are big risks over the next couple of months, with countries starting to remove unemployment benefits and rolling back company furlough schemes etc. This will make for a big stop start scenario and will be hugely uneven. The global economy is not going to rebuild in the same way as before. Except for the manufacturing sector, we really don't know what demand is going to look like so people will err on the side of caution, which will create price pressures.

Any notes of interest in the week ahead?

We won't see bond yields hit any levels which would start to drag away from riskier assets. The inflation story, central bank policy and pickup in commodity prices are all driving greater volatility but not necessarily a bigger downtrend. PMIs coming out at the end of the week will be anecdotal evidence in terms of footfall in leisure activities in Europe. Overall, the recovery is going to be increasingly a balancing act between two sides - Europe, the UK and North America on one, and Asia on the other.

ENERGY MARKETS FORUM NEW SILK ROAD LIVE

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TOP 10

MAY 16th - 20th

MARKET OBSERVATIONS FOR THE WEEK

1. Shale oil is returning slowly but surely and will present a big challenge to OPEC+ strategy in 2022.
2. Inflation debate continues to rage -- everyone agrees it is here for now, but disagree on how long it will last.
3. The Covid-19 oil glut has finally been removed and could open up a runway for OPEC+ to add back more and more idle supply over the coming months.
4. Covid-19 resurgence, inconsistent vaccine rollout and supply bottlenecks may force downward revisions of 2021 world economic growth forecasts.
5. The US dollar is likely to test new lows between 84-87, which could offer more support to commodity prices.
6. Inflation and supply bottlenecks will likely keep delivering greater and greater volatility in all markets, but the trend is still higher for now.
7. Oil prices are unlikely to move too far away from current range as demand uncertainty is still smothering upward momentum.
8. India is likely to continue its export ban on Covid-19 vaccines until the second wave of pandemic is brought under control.
9. Oil prices are unlikely to hold above $70/bl as long as global economic growth remains unsynchronized around the world.
10. The Iran deal may not add too many new barrels on the market in the short-term as they are already exporting significant numbers, but clearly it changes the sentiment around the OPEC+ deal.

Fujairah Spotlight

Asia's VLSFO Market Moves Up, Fujairah Stocks Up

Asia's 0.5% very low-sulphur fuel oil (VLSFO) market complex edged higher on Wednesday, halting sharp declines earlier in the week that sent prices to multi-month lows in the previous session. VLSFO cash differential improved to minus $2.50 a tonne to Singapore quotes from a 9-1/2-month low of minus $2.83 a tonne on Tuesday. Meanwhile, fuel oil inventories in the Fujairah bunkering and storage hub climbed 4% to a two-week high in the week ended May 17, data released on Wednesday showed. The inventories rose despite elevated fuel oil exports from the Fujairah hub, trade sources said.

Source: Business Recorder

Oil Spill at Marbah Beach Contained; Residents Warned to Stay Away

An oil spill that struck the beaches of the city of Marbah, located 15 kilometres north of Fujairah city on Sunday, has been successfully contained. The Fujairah Environment Authority (FEA) worked in tandem with the Fujairah City Municipality for the operation that was launched to protect water resources, infrastructure, and livelihood of local fisherfolk in the area. Assila Abdullah Al Mualla, Director of FEA, said that the green body in coordination with the civic and port authorities and coupled with companies and institutions in the private sector were engaged in the operation to contain the impact of the oil spill that had struck the beaches at Marbah.

Source: Khaleej Times

Fujairah Charity Association's Ramadan Projects Worth AED56 Million Benefitted 495,150 Beneficiaries

The Fujairah Charity Association's Ramadan projects benefitted 495,150 beneficiaries this year. The projects comprise Zakat money and Ramadan Iftar and Ramadan Ration projects worth AED56 million, an increase of 15 percent compared to the previous year. Saeed bin Mohammed Al Raqbani, Chairman of the Association, thanked the philanthropists, sponsors and supporters who contributed to its charity projects and programmes, noting that the number of Iftar meals provided by the association during the Holy Month was 15,926 meals per day, totalling 480,700 during the entire month distributed to 128 locations, including local workers and needy families housing areas, with full adherence to relevant precautionary measures.

Source: Emirates News Agency

NBF Partners with Fujairah Government to Launch the Exclusive 'Technology Academy' to Fuel the UAE Innovation Agenda

National Bank of Fujairah (NBF) PJSC announced today the launch of an exclusive 'Technology Academy' in collaboration with the Fujairah Government. Given the increasing impact that digitisation continues to have on the financial sector and beyond, the academy will focus on nurturing the leaders of tomorrow across the UAE in the evolving digital space. Targeting Emirati young graduates, the initiative is part of the Bank's ongoing efforts to develop UAE national talents and equip them with the knowledge and skills they need to achieve their career goals while contributing to the country's economic growth.The NBF Technology Academy is supported by a professional team who will be dedicated to training graduates by providing them with opportunities to learn, explore, and share their innovative ideas.

Source: Zawya


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our partners and our customers. But this is just the start of our story.
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ENERGY MARKETS VIEWS YOU CAN USE

Adi Imsirovic
Senior Research Fellow
The Oxford Institute for Energy Studies

US shale rig counts will recover to 2019 levels this year, at around 600.
While this won't have much of an impact on prices in 2021, it will become a thorn in the side of OPEC Plus next year. And if Brent and WTI rise beyond their current range of $60 to $65, US supply will return more quickly.

Inventories have recovered to five-year averages - impact on OPEC policy?
It is looking quite positive. OECD is at the top end of the five-year average while the US is at the lower end with about 32 days of coverage. Stocks have certainly normalized a lot, which is expected when demand suddenly picks up. In China, they are sharply down in April compared to Q4 of last year, triggered by independent refinery restocking. It will be a tough one for OPEC Plus because of the continued uncertainty around Covid infections and the impact on global demand. They will adopt a wait and see approach for now. We see prices remaining in the mid-$60s for this year with possible blips over $70 come Q3.

Outlook for a US-Iran deal?
The longer the talks drag on, the harder it will be to close a deal. I feel President Biden would just like to put this to bed. In terms of market impact, a lot of Iranian supply is being priced in already with about 1 million barrels being exported to China via Malaysia and transshipments. So, the ability of Iran to quickly ramp up more than this is very low – they can perhaps manage an extra 250,000 bd and the market will have no problem absorbing those volumes. If you look down the curve, Brent doesn't go below $60 until 2024 so we have a very solid floor, assuming OPEC also maintains compliance.

Christof Rühl
Senior Research Scholar - Center on Global Energy Policy
Columbia University

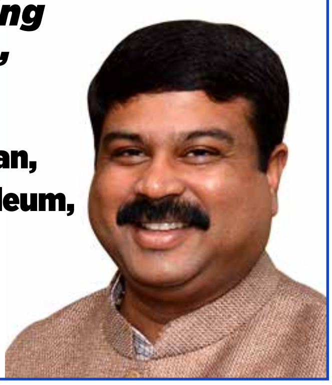
What's the macroeconomic outlook mid-Q2?
The economic picture will continue to be driven by the US and China. Supply chain bottlenecks continue but we should distinguish between those that the system is equipped to handle (such as delivery of white goods) and problems which arise from sudden excess demand (microchips and lumber). The latter can escalate into other sectors of the economy and potentially cause problems such as wage inflation. Inflation data will be released in several countries this coming week, including the UK. It will be interesting to compare that with what has happened in the US. In the US itself, we also have end of season retailer reports - if they are not very positive, we could see them raising prices. And perhaps most importantly, we have April US housing market date being released which will give further guidance on where inflation might be headed.

Has the global oil glut from last year finally been removed?
Inventories have drawn down and are coming back to normal. But that's not where the music plays anymore. The focus now needs to be on spare capacity and that's in the hands of OPEC. Saudi Arabia is probably happy today to have the flexibility of its additional 1mn bd. It will watch demand and make the call on when to get into the market without draining the system.

Should OPEC Plus be concerned about more Iranian oil hitting the market?
Iran has the capacity to ramp up exports, not production, by 600,000 bd within three months and 1.2mn bd within six months, of a deal being struck. It will then become harder for OPEC to calculate its impact. The other interesting component which plays into market calculations today is on product spreads between various destinations. The heavy end of the barrel, such as Bitumen, seems to be collapsing first so we are starting to see this imbalance within refining systems.

"Steel plants and oil refineries are playing a crucial role in strengthening India's fight against Covid-19 by producing and supplying approximately 6,650 MT of medical oxygen out of the daily allocation of 10,000 MT in the country. The petroleum and steel industry is doing everything possible to save lives and better prepare for emerging health challenges."

H.E. Dharmendra Pradhan, India's Minister of Petroleum, Natural Gas, and Steel



ENERGY MARKET NEWS

RECOMMENDED READING

1. OIL PRICES DIVE $2 ON FEARS OF ASIAN PANDEMIC, POSSIBLE US RATE HIKES
2. OPEC+ COMPLIANCE AGAIN STEADY AT 113PC
3. AGREEMENT TO REVIVE JCPOA 'WITHIN REACH'
4. THE IEA'S LATEST PROPOSAL IS BOTH RECKLESS & IMPOSSIBLE
5. CHINA SAYS IT WILL STABILISE COMMODITY MARKET, COAL PRODUCERS TO HIKE OUTPUT
6. TOYOTA TO HALT PRODUCTION AT TWO PLANTS DUE TO CHIP SHORTAGE
7. LUFTHANSA SEES SURGE IN DEMAND FOR EU FLIGHTS
8. PHILIPPINES IGNORES CHINA'S FISHING BAN: 'WE DO NOT RECOGNIZE IT'
9. DOLLAR BOUNCES AFTER FED MINUTES REVIVES TAPERING DISCUSSION
10. FULLY-VACCINATED PASSENGERS ALLOWED TO ENTER EU FOR HOLIDAYS

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- WEEKLY PETROLEUM STATUS REPORT
- TAIWAN HAS MOBILISED SOLDIERS TO DISINFECT TAIPEI'S MAIN SUBWAY STATION
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- WANING US MUST OVERCOME FEAR OF CHINA'S INEVITABLE RISE TO THE TOP
- OPEC+ MEMBERS MAY BE RELUCTANT TO GIVE UP MARKET SHARE FOR RETURNING IRANIAN OIL?

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