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Apparently all this Omicron Risk is priced into Oil Markets? I mean, Come On!

Brent is trading this morning at \$72.20 up 0.69 and WTi is trading at \$69.48 up 0.87. OK, today's cracker - Just quit my job at the Helium factory. I won't be spoken to in that tone! Excellent. Only two more left of these owing to the early Christmas trading window and, quite frankly, I might keep them going, just to add a bit of cheer.

Yesterday was pretty brutal and no, not because everything you found on Amazon (other website retailers are available) when Christmas shopping says, "Next delivery 3rd January", but because Brent at one stage was trading down to \$69.28. We ended the day closing up \$71.52, a remarkable rally from the low of the day and I can attribute no other reason for this other than the funds deciding that this was a Boxing Day sale at Harrods come early, and they swept up every available barrel of Brent and cashmere jumper they could.

In essence, the fundamental realities in the oil market have not changed, and if anything, are becoming even more concerning, especially once the turkey is gobbled, the mince pies munched, and the grog all gone. I do get a bit frustrated when I read stories like..."COVID concerns are largely priced in...". I mean, how? How does someone know that? If you were looking at the COVID situation a month ago then yes, arguably the world has blown away 90% of the COVID dust and we were all looking at borders reopening and general frivolity over the Festive season.

A month later? Yeah, nah. That dust has returned quicker than Harold Bishop did after a walk down a dodgy coastal path. Showing my age there. Yes, a month later and the COVID situation, as we all know, is honestly like winding the clock back a year. 73% of new COVID cases in the USA are now Omicron. The WHO says, "There is now consistent evidence that Omicron is spreading significantly faster than the Delta variant". Davos has been cancelled. NYE celebrations globally have been cancelled. The news is coming in quicker than anyone can type, yet apparently all this risk has been priced into oil markets? I mean, come on! ■

**Paraphrased comments*

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