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A lack of liquidity is leading to choppy trade in oil markets.

Brent has been in a \$80-90 range for the last two weeks. The problem is that the market wants China to open up, it wants the Ukraine war to end, and it wants a situation where the US Fed can feel more comfortable with starting to ease the pace of rate hikes. But these uncertainties are not going to go away as quickly as we may want.

How is Europe managing its winter energy needs?

Product pressures have not gone away and in some countries, such as Poland, it's going to be a bitterly cold winter. The natural gas problem that Europe has, particularly with wind supply being very low, is also not going away. The bigger problem however is our lack of consistency in how to deal with these problems. There is disagreement at so many levels. If we do hit a crunch point somewhere in January on supplies, there hasn't been any agreement on how we redistribute resources. Europe's gas storage may be full, but 90% of it will go to the highest bidder, and that's not necessarily going to be European or evenly distributed amongst countries within Europe.

Have central banks clarified forward policy on inflation and rates?

The message from central banks right now is that they are probably going to slow down the pace of rate hikes, but that the risks are still on the upside for rates going higher. But the problem is, that has already been priced in, so anything which veers onto the other side, will be risky for risk assets - be that commodities, equities, or credit markets. ■

**Paraphrased Comments*