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Will Covid resurgence in Europe affect oil demand recovery?

I've always considered that to be a significant risk as we go into winter. And with increases in oil supply expected in 2022, oil prices are likely to stabilize and if anything, go slightly lower. Covid is going to factor into our balances for rather longer than we would like.

Are US gasoline prices, at above \$5, problematic to that economy?

We have been here before and the world didn't come to an end, which is not to say that it won't be painful for many people in the US who are totally reliant on personal transport to get around. In Europe by contrast, we've been used to significantly higher pump prices, partly because of taxes and we also have viable alternatives to getting around.

Expectations for OPEC output policy for next year?

The producers are walking a tightrope, meeting every month to try and keep this balance between bringing more supply back - while simultaneously reducing the spare capacity cushion that we've got - and keeping prices which meet their revenue needs while not adversely impacting consumers. But I would be very surprised if they were to amend the deal in any way when they meet in December.

How is the lack of capex in oil and gas being viewed as we end COP 26?

Oil demand will continue to grow during the 2020s, albeit at a slower pace, and we are going to need supply and therefore investment to maintain production at current levels, let alone expand it. If we don't, we will be running up against a supply crunch by the middle of the decade and we could see oil rise way beyond \$80. It's a simple supply demand analysis - the numbers are all there. ■

**Paraphrased comments*

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