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There is a silver lining for Europe this winter when it comes to gas.

We will of course still see higher prices if there's a complete cut in Russian supplies, but Europe has been preparing for this worse-case scenario. Russia may have escalated its cutting of gas exports recently but if you look at the last few months, you can also see that Europe has been building up its storage more rapidly than what we saw last year for example. There will be greater flexibility this time around because the system has had more time to be prepared. Europeans are also becoming more practical and flexible in their policy decisions on finding a solution. We see that coal is back in fashion in support of energy security and even nuclear decommissioning is being considered. So, it's not like the whole of Europe is hanging on Russian supplies.

What should we expect from OPEC+ in September when their deal expires?

It all depends on the outlook. Like the Fed, OPEC is monitoring the situation step by step. They want to see what the macro data shows and the impact of that on oil demand. But I don't see the OPEC+ group going anywhere – there is an important benefit, particularly the role of Russia, of this alliance sticking together for as long as possible.

Have we seen the top in oil prices for the year?

We're still in the territory of volatility. The recent decline is due to the fear of a global recession becoming more and more pronounced. That's the biggest factor weighing on prices today, but at around \$110, they are still pretty high compared to a few years ago.

How much is China impacting the current price trajectory?

Global macroeconomic developments are outweighing any potential improvement in Chinese demand and even if we put the country's zero-Covid policy aside, economic forecasts on China were not looking very strong. China is also buying a lot of discounted Russian crude so that should be taken into account when assessing its impact on the global oil market.

Significance of Biden's upcoming trip to Saudi Arabia?

Politically speaking, the US is an important player in the region, so it's a wise decision in that regard. Any escalation of tension or further geopolitical risk does not help anyone, whether in the region or elsewhere. There could be economic gains such as an element of energy coming into the discussion, but I see more of a positive outcome for both players in the form of a rapprochement. How long that will last is the bigger question. ■

**Paraphrased Comments*

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