



Pamela Munger

Senior Market Analyst

Vortexa



Pendulum of oil prices.

A lot deciding the direction of crude prices, whether they go up or down, depends on China returning – and when. We are starting to slowly see China increase their crude imports, which suggests that refineries are coming back online after a lengthy lockdown. We've especially noticed an increase in imports and activity by the independent refineries in Shandong. Right now, that returning demand is definitely being driven by gasoline and probably jet fuel as more people increase their mobility.

Russia's play?

The other crucial influence on crude prices is whether Russia will indeed cut crude production, as it has stated, by 500,000b/d in March. We haven't seen evidence of that surface in seaborne crude oil exports yet. However, it is still only early March and it also depends on product demand. If Russia is not able to place its barrels, especially the diesel barrels, its number one clean product export, what does that do for refineries? And will that increase the amount of crude production that it must shut in as well? Those are all big questions that are going to drive prices.

A big question that needs answering...

Where do we see non-OPEC crude exports? Certainly, there are fears about the US not being able to increase its production by much more, based on several factors. One being a lack of investment, another being declining fields. Questions around those are trying to be answered at CERAWEEK. ■

**Paraphrased Comments*

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