

# Daily Energy Markets

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### Beware Bankers Talking-Up Their Own Book

Brent is trading this morning at \$81.28 up 0.41 and WTi is trading up 0.51 at \$78.74.

Amazing. That's how I can describe this market. JP Morgan CEO Jamie Dimon agrees too, not that Jamie and I have had a chat about it you understand, but he was quoted last night on TV as saying the following: "We're going to have the best growth we've ever had this year; I think since maybe sometime after the Great Depression!"

Amazing. I just want to point out that Mr. Dimon was speaking from his 356-bedroom house in the Hamptons, probably, because let's not forget that we are still in the middle of a pandemic. And this is the thing, we have bullish traders, who are working from home, dishing up far too many biscuits to their children (because they are learning from home) before they go on a Zoom call (because that means you may get twenty minutes of silence "the zoom biscuit cupboard" as we now call it) and ignoring that the world is a different to place to live and work in, but a much better one to invest in, apparently.

The same can be said for oil markets. Brent has continued its climb above \$80 per barrel even with the reasons that pushed it there in the first place largely unresolved i.e. unrest in Kazakhstan and supply issues in Libya. I don't want to sound like a last in the series episode of a US sitcom, but allow me to quote from last week's commentary -- "The bulls sieve through stories and only keep back the ones that support their own narrative. I wonder though, if Libya and Nigeria bring back production next month, which they probably will, does Brent reflect this and drops accordingly?"

Well, not a bit of it. The support this morning is supposedly down to a general "risk on appetite." This, despite headwinds the market is seemingly faced with, but so far content to supposedly dismiss. Does Omicron even come in the thinking of a bullish trader anymore? I'm thinking, nah, not at all. Even if cases in the US reached over 1 million yesterday. Even if cases in India have increased 400% since New-Year's Day -- meaning home quarantine for all arriving into the country.

Even if people are back working from home and children learning from home. I could go on, but I won't. Expectation is certainly outstripping reality at the moment, but when has it ever not? Sooner or later though, the punch bowl will run dry, until then my oily friends, creep ever closer to \$90 because, well, why not? ■

*\*Paraphrased comments*

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