

DAILY ENERGY MARKETS FORUM

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Positive sentiment in the markets seems unabated?

As long as we have people who want to short, then the market's going to continue to track higher. It's the same thing with equities. Markets are healthy. They're in very strong uptrends. It doesn't mean they don't go down, but it means that pullbacks are buying opportunities. In general, markets are viewing the Covid situation as a glass half full scenario - lots of people are going back to work in Europe, jobs in the US are skyrocketing and money continues to be pumped, so I don't see the argument for fear or worry. We think WTI will move from about \$70.40 where we are today, to the mid \$80s before the end of the year and we see the S&P going back over its highs at 4500 and maybe getting to 4900.

Is there anything that could disrupt the current direction?

The bottom line is what's driving this market is basically the lack of investment, at least for the past 10 years, and that's coming home to roost now. The wider business world has decided, I think wrongly, that we're not going to invest in oil and gas anymore. So, you look at energy markets in general, at natural gas prices, at coal prices, and they're all going up. And just because there's spare capacity, doesn't mean oil prices can't go up. We have OPEC Plus actively managing this market and if you're trading, you will go with the bigger probability that the group will hold this course because it makes sense. ■

*Paraphrased comments

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