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As a minimum, OPEC will pause their output plans at their meeting today.

And they will say they are on standby to do more if the WHO comes out with additional warnings. They also know that economic growth is tapering off and at the same time, need to be careful that they don't get prices so high that it starts to have a negative impact on demand. So, plenty of moving parts that need to add up, to make a decision. But overall, with these prices, it almost looks as if the market wants to force a decision.

Will suspending the monthly increase really twist the direction of the market?

It will at least arrest some of the slide that we've seen. The main thing right now is to get some more data on the new virus strain, but by signaling what they are prepared to do and prepared to be even more aggressive if need be, that should help the market find its balance.

Is the price move more a fragility in the market or threat of the Covid variant?

These prices are as much about trading activity as real fundamentals. All that talk last month of possible \$100 oil by some of the banks had also created a false sense of security, so the market could only go one way once it started to break down. Some of the hedge funds have been net selling all the way since June and so the breakdown would have triggered some additional stop selling. It's a sentiment driven market and that sentiment right now is weak. And quite often, Saudi Arabia's been quite shrewd in sending out a signal that has helped change that. Also let's remember that we have an energy crisis in Europe and to a certain extent, in Asia. Record gas prices, coal prices and coal demand. That is providing some underlying demand for fuel products through the switch and will also help keep demand relatively high during the winter months. Still, additional barrels at this time are probably not what the market needs. ■

**Paraphrased comments*

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