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Markets seem unperturbed by the potential India demand fall-out?

There's a lag effect on demand. It takes time for a supply chain to react to something like a pandemic. The purchasing of crudes and the products being run at the refineries will take a long time to flow through, but we've had announcements already that they will cut back on runs out of concern for forward demand. It will snowball and have an impact at some point and will show in the next week or two once export data is released.

US travel meanwhile is booming and lending support to jet fuel?

Most of the air travel in the US is for vacations, not business and the business traveler is the crux of major airline earnings. But US domestic travel accounts for about two thirds of jet consumed so it does help support refining margins in general and keeps utilization rates at 85% or so. However, we're still missing the exports out to South America where the Covid outbreak is fairly dire.

European summer tourism season looking optimistic?

A lot of talk but also disagreement over approved vaccines. There's a big push to reopen travel between the US and the EU to get that flow of tourism dollars coming back into the block but until these restrictions get resolved around quarantine, I don't see how a tourism season can develop. Wholesale travel won't be back till Q4 or 2022.

How are tankers reacting to the mixed market signals?

Container traffic is starting to get off the spike that it was in the past four months as logistics systems adjust and get back to normal. However, any further problems triggered by new Covid waves remain to be seen. For example, if we can't keep the base line logistics systems running by allowing crew changes to happen on a regular basis, how can we open up travel for global tourism? ■

**Paraphrased comments*

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