

# DAILY ENERGY MARKETS FORUM

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**Omar Najia**  
**Global Head, Derivatives**  
**BB Energy**



### Is the health crisis in India shaking overall positive market sentiment?

The short answer is no. Most of the trading goes on in the US, EU or Far East and whether it be equities, or oil or Bitcoin, we're starting on new trends to the upside across the board. Markets are finishing corrections and as we move into the second half of the year, we're going to see more demand.

### Any shifts on open interest liquidity on oil futures expected?

Open interest is interesting but it's also a blunt tool. We need to study what speculators are doing – is their open interest going up or down, becoming more positive or negative. Hedgers will always want to hedge and sell. What indicates how much money is coming into oil markets is the flows into funds - for example, into commodity ETFs - and all of those are going up. Money is coming into oil and at a big pace.

### What's guiding the week ahead?

Oil is looking to break out. It will either need to get to new highs of \$68 or it needs to continue lower and correct even more than it has already. On the lows, it will need to drop to \$57.25. I would suggest that time is against corrections; demand and vaccinations keep improving – in the UK, the US and Europe. It's basic science. The bears are pushing but when they finally get too tired and stop, the shorts will come out. The momentum of selling from the high of \$68 is being slowed down so as soon as we start seeing bullish momentum, it will steamroll everybody to the upside. ■

*\*Paraphrased comments*

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