Fujairah New Silk Road WEEKLY NEWSLETTER

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We Need US Diplomatic Muscles & Political Back-up to Build New Global Energy Flows!

Gulmira Rzayeva, Former Energy Advisor to President of Azerbaijan

We need these Diplomatic Muscles. The US once showed it, this muscle, in my region, in Azerbaijan. We managed to put in place two multibillion-dollar projects, oil and gas projects – the Baku–Tbilisi–Ceyhan oil pipeline and the Southern Gas Corridor – and that was thanks to the US enormous political backup and support in the face of Russian opposition. We managed to materialize those politically complicated projects and commercially expensive projects. We need to see the same US diplomatic muscle and political back-up again with these new projects now in play to redirect new international energy flows to Europe. But there is another major obstacle for Europe, which is the EU hysteria over the energy transition. The EU position is that it wants more gas from alternative sources, but that it does not want to finance fossil fuel projects. It wants gas as soon as possible, but it must be clean gas, as clean as possible. So, there are lots of EU terms and conditions which are not going to help with its diversification of supply sources.

CONTINUED ON P 3

Fujairah Weekly Oil Inventory Data

4,932,000 bbl	1,180,000 bbl	11,001,000 bbl
Light Distillates	Middle Distillates	Heavy Distillates & Residues

Source: FEDCom & S&P Global Platts

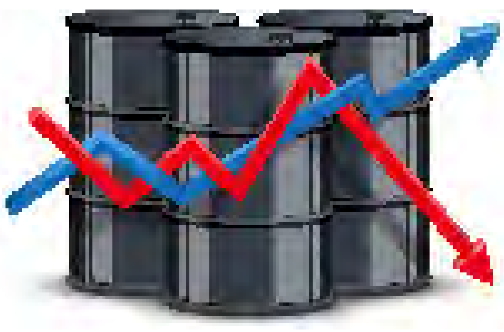
Fujairah Average Oil Tank Storage Leasing Rates*

BLACK OIL PRODUCTS

Average Range
$3.62 - 4.38/m³

↑ Highest: $4.50/m³
↓ Lowest: $3.40/m³

THE WEEK In Numbers



Weekly Average Oil Prices

Brent Crude:	$104.53/bl
WTI Crude:	$100.19/bl
DME Oman:	$101.49/bl
Murban:	$101.49/bl

*Time Period: Week 2, APRIL 2022
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

VLSFO	MGO	IFO380
High = $878.00/mt	High = $1,277.50/mt	High = $723.00/mt
Low = $840.50/mt	Low = $1,171.50/mt	Low = $688.50/mt
Average = $856.00/mt	Average = $1,221.00/mt	Average = $705.00/mt
Spread = $37.50/mt	Spread = $0.00/mt	Spread = $34.50/mt

*Source: Ship and Bunker, *Time Period: April 6 – April 13*

Fujairah Bunker Sales Volume (m^3)

150 180cst Low Sulfur Fuel Oil	462,035 380cst Low Sulfur Fuel Oil	125,389 380cst Marine Fuel Oil
1,395 Marine Gasoil	23,419 Low Sulfur Marine Gasoil	5,234 Lubricants

Source: FEDCom & S&P Global Platts

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CONTINUED FROM PAGE 1

Gulmira Rzayeva, Former Energy Advisor to President of Azerbaijan

What can Azerbaijan do to help EU secure alternative natural gas supplies?

The EU has been consulting with Azerbaijan on possibly exporting more gas to southern European countries. We already export about 10bcm to Italy, Greece and Bulgaria and we do have enormous gas reserves. However, we do not currently have the extra volumes to export. To do this, we would need security of demand to proceed with the multibillion-dollar investments required in upstream projects. We cannot do so just because of the current crisis.

Europe definitely will not be able to wean itself off Russian gas - about 100bcm - anytime soon. It can aim to do so by 2030, but much needs to be done in the interim. There are countries like Azerbaijan, which would require long term contracts. Others such as Israel, could also provide gas to Europe – an LNG route via Turkey would be the most commercially viable option.

But LNG prices today are also increasing enormously. For Europe and Turkey, depending on the price formation, they currently are above $1000, almost ten times where prices were in 2020. Pipelined gas via Turkey to Europe is another option currently being considered by Turkey, Israel and Europe. That would certainly be commercially viable today, given the very high gas prices, but what happens when those prices change in the next few years?

How might Russia's positioning on the Black Sea impact the region's geopolitics?

That would certainly involve Turkey as it plays an important role in that geography. Turkey is also implicitly involved in the war and helping Ukraine with military technologies. It is definitely not in Turkey or any other country's interest for Russia to take control of the Ukraine's major ports, especially Odessa, an important port for oil and oil products trading.

Azerbaijan also trades oil products via Odessa and has large energy interests in Ukraine - more than 100 petrol stations and some major energy assets. I think this conflict will be protracted and I do not think Russia will take control over the south of Ukraine. One reason is the determination of the Ukrainians and their fight against the Russians. If Russia could have taken the south, it would have by now. It has not turned out as easy to take control over those major cities in Ukraine.

Has there been any disruption to energy supplies from Central Asia?

Not yet. Azerbaijan, in particular, remains a reliable exporter to world markets. There could be some disruption to supplies from Kazakhstan as the majority of those are exported via Russian ports such as Novorossiysk. This has in fact prompted Kazakhstan to discuss possibly starting to transport its oil via Azerbaijan and the existing Baku-Tbilisi-Ceyhan pipeline. So, Azerbaijan is becoming a very important transit country for Central Asian states' crude and oil products.

Energy Markets Views You can Use

Maleeha Bengali
Founder, MB Commodity Corner

Where does Asian oil demand go with rampant inflation across the board?
We have been so focused on the oil supply side, so not many people are able to construct a framework of demand destruction going forward. We do see the rate of change of demand on the four-week moving average basis, falling. We're already seeing some signs of this and by the time demand destruction is entrenched, oil prices will have corrected by 30%. We also have the US SPR release adding about one million bd to the market at a time when Russian exports have not dropped by that amount, and with OPEC supply picking up, market balances will tip slightly into surplus going forward, but demand will remain the key factor.

Will Russian supply disruption or Asian demand destruction win in Q2?
On balance, we see demand taking the oil price a bit softer in the near to medium term. The next one or two months are a bit more precarious as Russian oil has so far been rerouted away from Europe into China and India, so the net loss has not been felt.

Are US equity markets ignoring the more aggressive Fed tightening cycle?
Equity markets have been very complacent but the elevated volatility in the cross-asset market will filter through at some point. I don't think the equity markets have priced in how strongly committed the Fed is right now. The Fed will keep going until either equity markets fall by 10 or 20 percent or until the financial system collapses. We don't think we will get close to 3-4% interest rates because the markets can't take more than a 2% increase, but the Fed will keep on its path until they get the right number for inflation or until something changes or snaps.

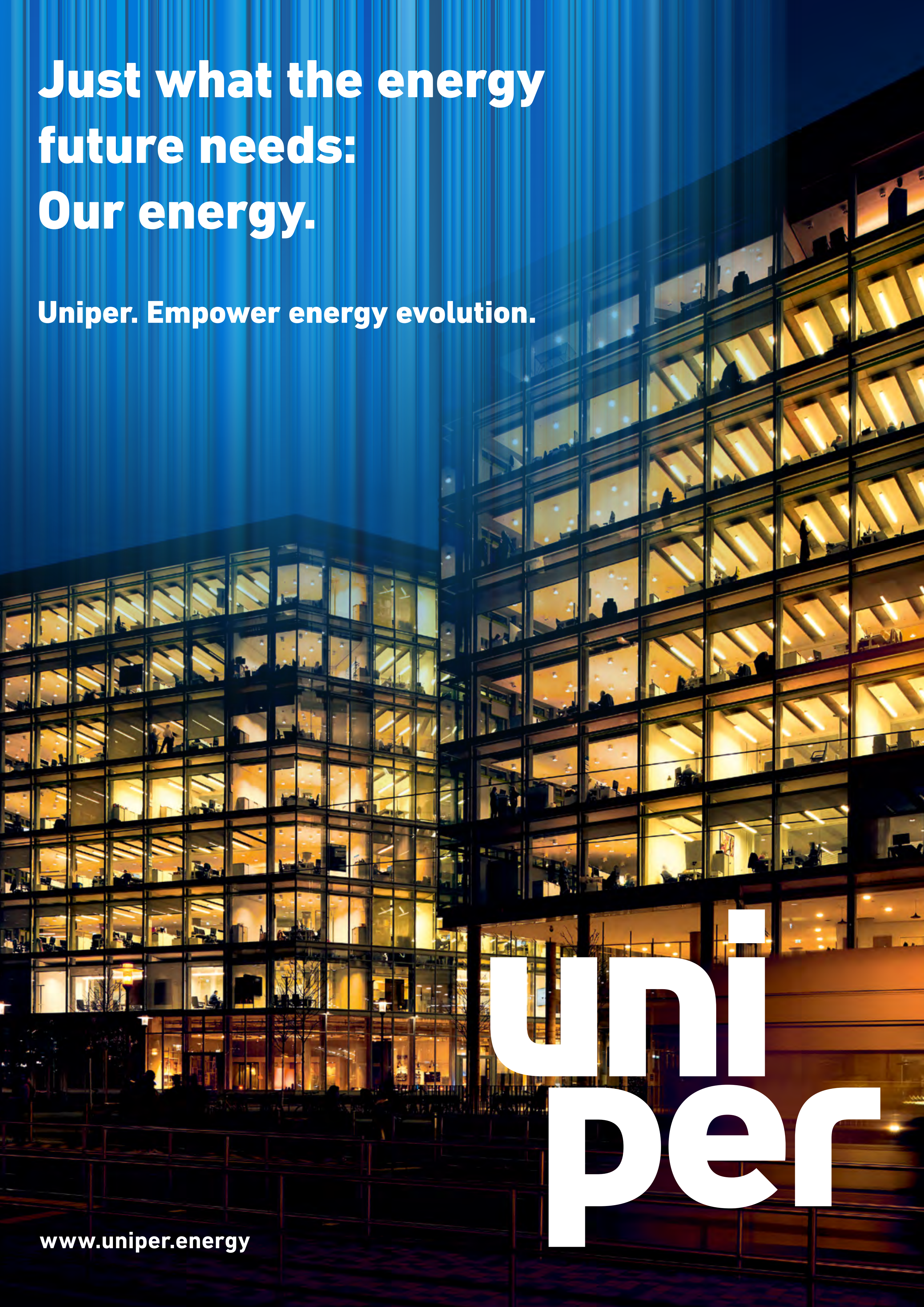
How is this monetary policy shift structurally affecting the global economy?
A generation of traders have got used to trading the wall of deflation, with lower rates and rising equity prices and every time the Fed has raised rates, something has snapped. The system has got so much debt over many years of this MMT experiment. At the same time, it cannot handle higher interest rates over a very long per of time. The 'global reset' could be this year or two years from now, but they have to get asset prices lower - it's the only way to grow consistently going forward.

Neil Atkinson
Former Head of Oil Markets Division
International Energy Agency

Are demand destruction bears overcoming supply shortage bulls?
There are fears of demand destruction because of high prices for consumers and because of the lockdowns in China. On the other hand, we're still to some extent floundering around, trying to understand what the supply implications are of the Russia Ukraine war. The shortfalls of three million bd of Russian oil product and exports predicted a month ago by the IEA, were thought to be a little chunky in the time that's passed since. With the Easter holidays coming up at the end of this week, we should get some data next week on mobility, which will give us a good idea as to what the impact of higher consumer prices are.

How is the Chinese economy coping with this inflation?
It's clearly hitting the Chinese people in the pocket, with a high proportion of income going to housing costs and with no social security net. The inflation issue is very, very serious for all economies and the direction of commodities prices is essentially upwards. That has enormous implications for consumers, for energy, for the energy transition and for economic stability. And the ability of policy makers to tackle it, from a political point of view, seems to be pretty limited.

What keeps oil prices propped up with China energy demand dropping?
On the supply side, we do need to make the distinction between announcing the availability of 240 million barrels of US SPR to be released to the market, and how much of that will in effect be taken. There are also questions about the quality of that oil and operational application. Still, over time, there will be some release and that will contribute towards offsetting whatever reduction we may see from Russia. In the meantime, the demand picture is in a sort of holding pattern. I suspect that we may see prices ease further back this week, but we'll wait and see what the agencies tell us on the latest assessments of demand and the likely impact, as we move into April and May, on actual levels of Russian exports. That's going to be the key number.



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Fujairah Spotlight

Fujairah Ruler receives Chief Executive Officer of ENOC Group

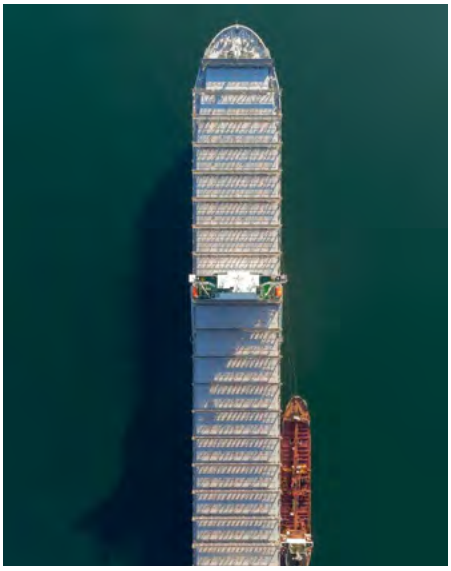
H.H. Sheikh Hamad bin Mohammed Al Sharqi, Supreme Council Member and Ruler of Fujairah, received today at Al Rumaila Palace Saif Humaid Al Falasi, Chief Executive Officer of ENOC Group. Also present during the meeting were H.H. Sheikh Mohammed bin Hamad bin Mohammed Al Sharqi, Crown Prince of Fujairah, and Sheikh Maktoum bin Hamad Al Sharqi. The Ruler of Fujairah welcomed the guest and his accompanying delegation who came to greet His Highness and extend congratulations on the occasion of the Holy Month of Ramadan. During the meeting, they discussed the existing and future projects of the Fujairah government and ENOC Group in various sectors, based on the UAE's vision on sustainable development.

Source: Emirates News Agency

Oil product stocks at two-week high despite plunge in middle distillates

Oil product stockpiles at the UAE's Port of Fujairah have climbed to a two-week high even as diesel and other middle distillates slumped close to the record low. The total inventory was 17.113 million barrels as of April 11, up 7.2% from a week earlier to the highest since March 28, according to Fujairah Oil Industry Zone data provided exclusively to S&P Global Commodity Insights on April 13. Middle distillates including diesel and gasoil plunged 36.9% over the period to 1.18 million barrels, close to the record low of 1.103 million barrels set on March 7.

Source: S&P Global Commodity Insights



Short bunker deliveries 'prevalent' in Rotterdam and Fujairah

Singapore HSFO Contaminant Was Seen in Fujairah in 2004: Verifuel.
The recent contamination of Singapore HSFO samples, which has now affected close to 30 ship operators, was seen before in a similar case in Fujairah almost twenty years ago, according to testing firm Verifuel.

Source: Ship & Bunker

Data from consultancy Blue Insight said shortages amounted to US$250M

between the two ports in 2021 The data from Blue Insight has indicated many bunker fuel deliveries in Rotterdam and Fujairah are being made below a financial breakeven point, indicating fuel buyers are not receiving the volume of bunkers they are paying for. The consultancy said its findings will prompt renewed calls for mass flow meters as a universal standard.

Source: Riviera

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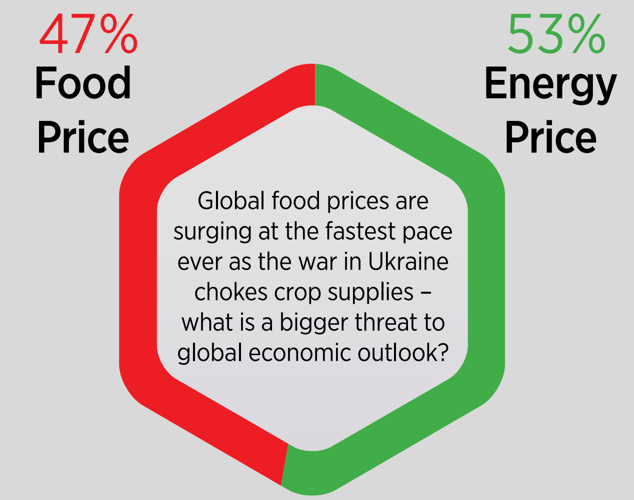
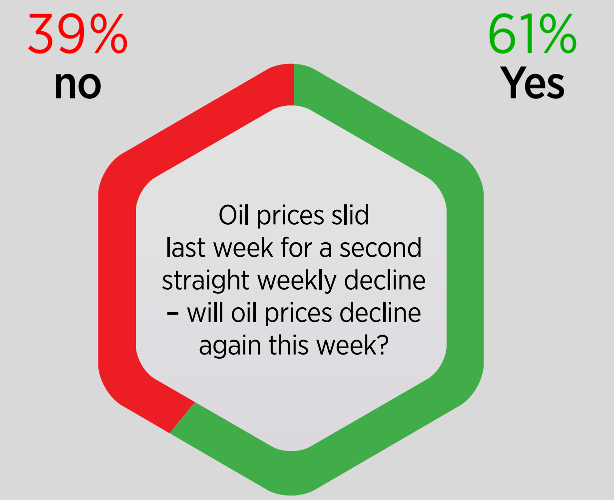
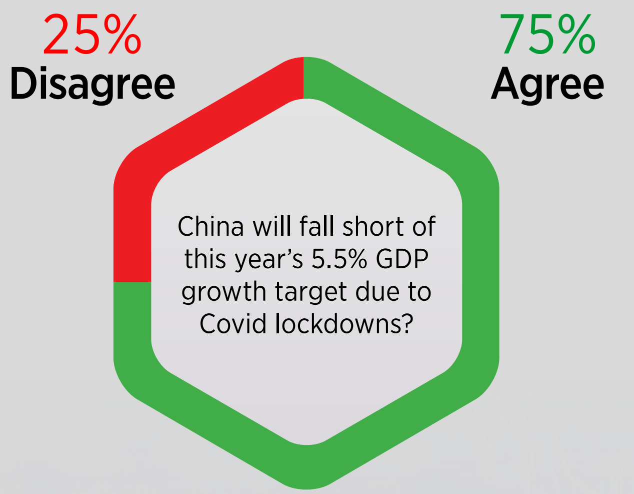
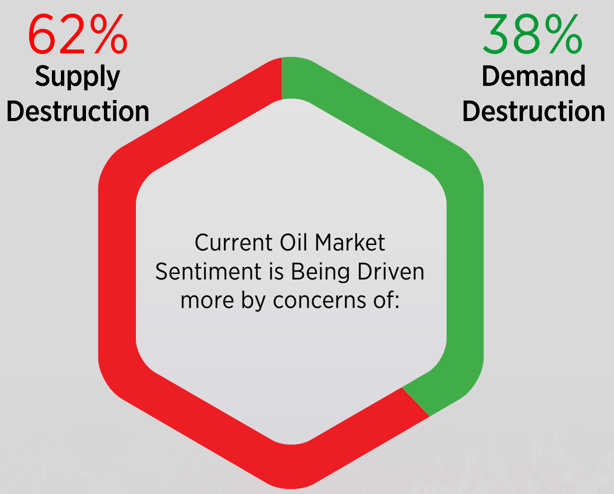
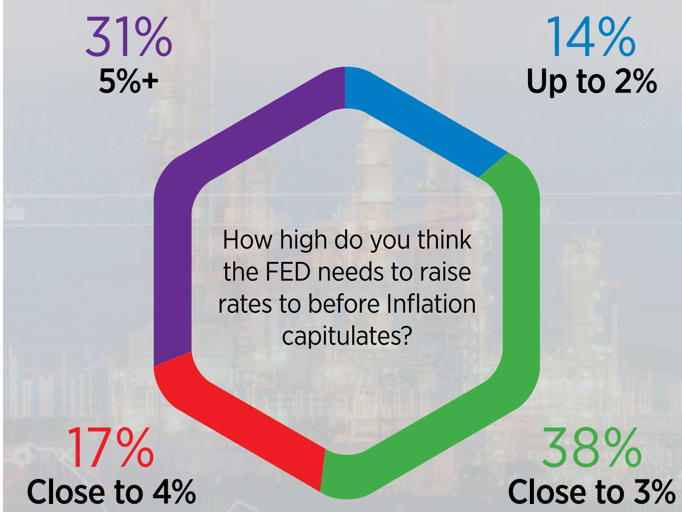
GI Weekly Surveys











Source: GI Research March 2022

Energy Markets Views You can Use

Vandana Hari
Founder & CEO, Vanda Insights

Strategic reserves releases hose down crude's rally

Crude has now surrendered just over two-thirds of its peak Ukraine-war fear premium. Prices could continue cooling off, but we expect the way down will be gradual and winding, possibly with some sharp about-turns, in contrast to the ascent, which was relatively steep and straight. The 240 million barrels of emergency oil reserve releases collectively pledged by the US and other IEA members over the next six months may be a key factor in turning the tide of oil prices. The largest release in the IEA's history will put on average 1.33mbd of oil from stockpiles around the world into the market over May-October. This should counteract much of the drop in Russian supply. If the rest of the gap is neutralised by softening demand, Brent could drift back towards $90. The releases of stockpiles have also rapidly flattened the Brent and WTI forward curves from steeply backwardated or downward-sloping structures, noticeably starting in the last week of March.

US, China demand begins to weaken

The US and China are both showing signs of moderating demand, the former with a slowdown in consumer spending, which is reflected in a sharp downturn in the domestic freight market and a deceleration in the country's diesel consumption. We expect US oil demand growth to remain moderate going forward, as price pressures outpace wage gains and erode discretionary income. In China, rolling Covid lockdowns have the trucking networks in a chokehold and ports paralysed with logjams. The Chinese financial hub of Shanghai, home to 26 million residents, was in lockdown for the second consecutive week, with no end in sight yet for the heightened restrictions.

China new infrastructure investment won't bolster oil demand as before

Lower demand and clogged ports have meant that oil vessels are piling up offshore China, including tankers carrying some 22 million barrels of crude from Iran, Russia and Venezuela, according to Kpler. China's zero-Covid policy will continue to exacerbate the country's supply chain issues, keeping manufacturing under pressure. The central government is preparing to throw about $2.3 trillion at infrastructure this year in a bid to boost economic growth, but the projects are mostly in transportation, water and digital infrastructure, areas which will not bolster oil demand like increasing factory activity and a booming construction sector did over the period of 1990-2010.

Omar Najia
Global Head, Derivatives, BB Energy

The oil market still has new highs to come.

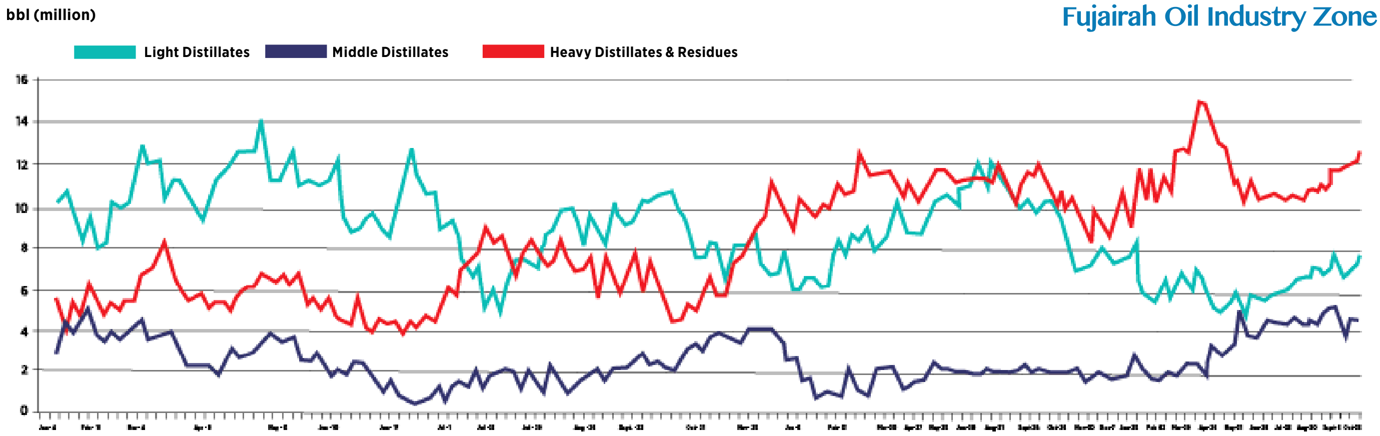
I would not want to be selling and certainly not directionally because there's so much inflation. The West needs to inflate and if they do, the only way that commodities can go is higher. Time isn't on the side of bears and the longer we trade sideways, the more we are going to go up. The realization is that inflation is here to stay and that most commodities have further upside. What will happen to the US dollar as a reserve currency is going to be very interesting. If we don't manage to increase interest rates, the USD purchasing power will continue to drop. And 1% or 2% interest rate increases won't be enough. The world is in so much debt after 12 years of printing money and the Fed and the West are trapped so badly that they can't do anything except inflate.

Will oil trading companies step back from the opportunity of Russian oil?

Absolutely. The new enemy is Russia so there's just too much to lose. Russia has said that its gas must be bought with rubles. The next thing will be oil. The Russians will set the rate of exchange and so will squeeze everybody in terms of energy, wheat and metals. The ruble is already getting stronger, and yet people are still confused. The move of global trade away from the dollar and the euro is going to implode catastrophically. Saudi Arabia is going to sell oil in Chinese yuan and the Russians and Indians are trading energy in rupees and rubles. Everybody now realizes that if you hold dollars, it is not any kind of asset and is something that can be taken away from you at any time.

Fujairah Weekly Oil Inventory Data

منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 17.113 million barrels. Total stocks rose by 1.142 million barrels with overall stocks up 7.2% week-on-week. Light distillates posted a large rise and heavy residues posted a small rise, while middle distillates saw a draw down in stocks.
- Stocks of light distillates, including gasoline and naphtha, rose by 1.522 million barrels or 44.6% on the week to 4.932 million barrels. The East of Suez gasoline market continued to see downward pressure amid expectations of rising Chinese gasoline exports in April, increasing overall supply, market sources said. In the US, President Joe Biden was set to announce a waiver that will temporarily allow E15 gasoline to be sold this summer in an attempt to ease domestic fuel prices. E15 gasoline is blended with 15% ethanol and is typically banned from sale from June to September.
- Stocks of middle distillates, including diesel and jet fuel, fell by 690,000 barrels or 36.9% on the week to 1.180 million barrels. The gasoil market remained firm with fundamentals that have supported the complex remaining as strong crack spreads for gasoil continued to incentivize refiners to maximize its yield and channel excess barrels into the export market. Furthermore, the steep backwardation in the gasoil market structure was discouraging the storage of barrels.
- Stocks of heavy residues rose by 310,000 barrels on the week to 11.001 million barrels as stocks breached the 11 million barrel level for the first time since the end of January. Bunkering activity at the Port of Fujairah was steady with UAE-based traders said inquiries seemed to be increasingly piling up. In Fujairah, on April 12 most offers for delivered marine fuel 0.5%S bunker were heard in the low-to-high $830/mt levels, while the grade was assessed at $833/mt, $6/mt higher on the day. The premium of Fujairah-delivered marine fuel 0.5%S against the same grade in Singapore was $10/mt with Singapore delivered bunkers assessed at $823/mt on the day.

Source: S&P Global Platts

Commodities
Oil prices recorded another strong day of gains with Brent futures up nearly 4% at USD 108.78/b and WTI gaining 3.6% to USD 104.25/b. The IEA lowered their oil demand growth forecast for 2022 thanks to the Covid restrictions in China limiting consumption.
Oil demand this year is still set to increase to more than 100m b/d by Q3, converging on pre-Covid levels of activity. On supply, the IEA estimates a drop in Russian oil production of 3m b/d by the end of the year as sanctions and firms avoiding trade with Russia has an impact.

FX
A swing back to risk-on sentiment helped to stall the dollar's rally overnight with the broad DXY index falling back below the 100 level. EURUSD gained 0.5% to 1.0888 ahead of today's ECB meeting. Markets will be watching for any sign of further hawkish shift from the ECB or a timeline when accommodative policy will start to be reversed. GPBUSD jumped up almost 0.9% to 1.3117 as elevated inflation raises the stakes for the Bank of England to continue hiking rates to dampen down price rises. USDJPY remains bid higher with the pair closing up 0.19% overnight at 125.62.

Equities
Equity markets took a break from recent selling yesterday, with most key indices closing higher on the day. In the US, the Dow Jones, the S&P 500 and the NASDAQ added 1.0%, 1.1% and 2.0% respectively. Earlier in the day both the UK's FTSE 100 and France's CAC edged up 0.1%, but ongoing weak data out of Germany continued to weigh on the DAX, which lost -0.3% over the course of the session. Locally, the DFM added 0.4%, but the ADX (-0.1%) and the Tadawul (-0.8%) both closed lower. Turkey's Borsa Istanbul lost -0.1% and Egypt's EGX 30 -0.5%.

Source: Emirates NBD

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Energy Markets Views You can Use

Peter McGuire
Chief Executive Officer, XM Australia

British Pound Shifts Attention to Busy Calendar as Selling Pressures Persist

The Bank of England (BoE) has hiked its interest rate three times to 0.75% so far this year with scope to combat the accelerating inflation and cool it down to its 2.0% price target, but apparently more is needed to be done. The BoE chief has clearly stated last month that monetary tightening will continue in the coming months, though surprisingly it no longer suggested a larger 50 bps rate hike, which several policymakers backed in February.

Instead, it judged that only a modest tightening may be appropriate in the coming months, with futures markets currently being almost certain of four 25 bps rate increases by December. The reasoning behind its skepticism is that although it is focused on taming inflation, reducing stimulus too aggressively could damage the UK's evolving post-lockdown recovery, especially as the war in Ukraine and the mounting sanctions against Russian oligarchs are increasingly threatening to worsen the cost of living in the energy-importing UK and shock its financial system.

Therefore, the BoE may wisely attempt to build in some insurance against a potential growth slowdown and data releases during the next months could play a key role in determining that. Besides CPI inflation readings, GDP growth and employment figures for February could shed some light on economic conditions this week but the war factor will be absent from the stats and perhaps investors may consider them outdated. Yet, the figures could still be worthy to watch as those may provide some clues on the health of the UK's economy before Ukraine's invasion.

The news, however, may not be very encouraging or better to say it could be more neutral overall for the British pound. Forecasts point to a monthly growth slowdown to 0.3% from 0.8% in January, with the three-month average expected to touch a one-year low of 0.9% from 1.1% previously. Turning to the employment report, analysts anticipate the economy to have created 48k new jobs after the 12k contraction in the previous month. Such an addition could still be the lowest in a year, and probably not strong enough to press the unemployment rate below 3.9%. Nevertheless, with average weekly earnings expected to keep trending higher to 4.0%, a weak employment growth could be a result of persisting labor shortages.

Rustin Edwards
Head, Fuel Oil Procurement, Euronav NV

Demand destruction is starting to impact world oil markets.

Bunker fuel demand was down 10% in February and looks like it's going to drop a further 10%-15% in March. Gasoline demand in the US is down almost 5% because of the persistent high prices and gasoil prices have been over $1000 a ton for the better part of six weeks, so that main base industrial fuel is becoming harder to justify at the current economics for company budgets. So, demand destruction will start to impact prices far more than supply constraints.

How big is the likely loss in Russian crude?

There's the internal crude demand for refineries in Russia, and there's export volumes. Russia is shutting in production for the inland refineries because those rely on lines of credits, which have been frozen, but it's still exporting 3.5mbd to 4mbd and if it finds other markets, that could possibly grow to 5.5mbd. All in all, we are probably seeing a risk of losing 1.5mbd of internal demand and a similar amount for external demand if sanctions further hamper the ability of Russian investment and production going forward.

Is there a point of having Russia in OPEC+ if its production is falling?

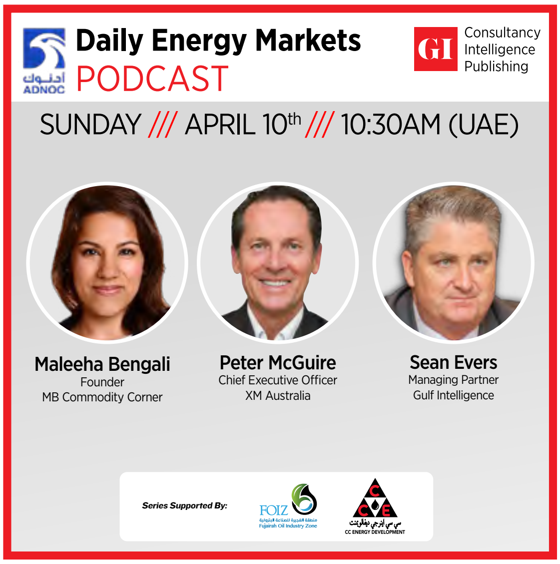
Even if you have the EU not buying Russian oil, there's a lot of other countries that can be covered by it. Look at Iran and Venezuela which have supplied those willing to take their oil. It's all part of the same pricing mechanism. Similarly, if Russia displaces Saudi oil, Saudi will need to find other markets and they can still control the world's supply and demand balance because that remains fairly static.

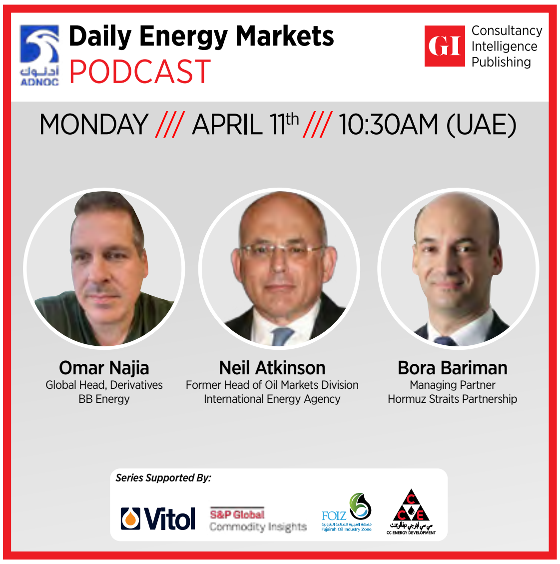
How do you see the Ukraine war coming to an end?

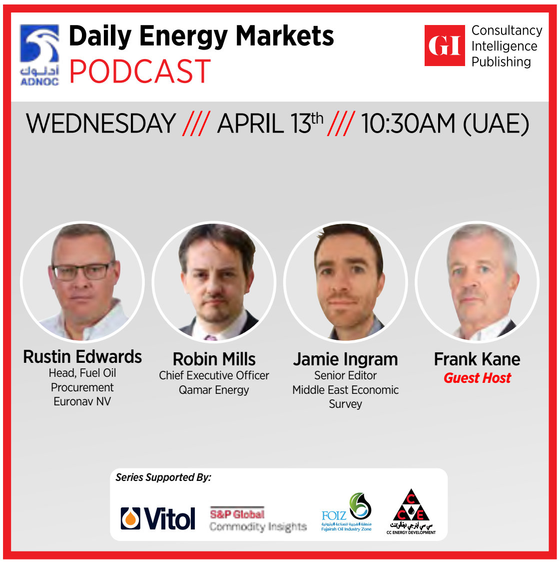
From a military perspective, the war has not gone well for Russia. Putin now needs to solidify the pre-invasion borders around the Donbas region as well as Crimea, hoping to create a land bridge between the two that he can call a win by his declared planned victory date of May 9th. But the sanctions won't go away, and we will probably end up with a frozen conflict from that point forward.

Energy Markets COMMENTARY

WEEK IN REVIEW







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Energy Markets Views You can Use

Robin Mills
Chief Executive Officer
Qamar Energy

Tense supply fundamentals are still very concerning.
As April goes on, falls in Russian production are growing, even if not by as much as we might have initially expected. We also have problematic supply on the OPEC side. Yet the market seems to be focusing very much on Chinese Covid lockdowns and greater demand destruction there. But, however bad it gets in China, I see that as ultimately transitory - the supply side is harder to fix.

How much Russian oil are we going to lose?
We're starting to see up to a million barrels per day and we're going to get worse disruptions. The question is how quickly the Russians can turn that around and start accessing other markets. There will be markets for Russian oil, in Asia in particular, even if Europe eventually gives up on it.

Any chance OPEC will be flexible on increasing production?
If anything, OPEC is becoming less flexible. Even before the Russia Ukraine crisis, they were in a difficult structural position because of production limits. If they increase output targets, more countries won't be able to hit those so they will resist any further production increases. And the Russia issue complicates this because if that production goes down, they also have no incentive to agree to OPEC+ increasing its target.

When and how do you envisage the war in Ukraine coming to an end?
The sanctions on Russia will persist for an extended period, and that includes oil. Europe will, if anything, keep tightening its grip as it becomes less acceptable to take Russian crude, but alternative supplies will also improve over the long term particularly if we have demand destruction. A Russian oil industry under heavy sanctions will lack access to service companies and future investment and so we will probably see a steady decline in its production capability - maybe not Venezuela style, but it won't be able to go after the more challenging fields.

ENERGY MARKET NEWS

1. OIL MARKETS OPEN SLIGHTLY LOWER AS MARKET WEIGHS MIXED SUPPLY SIGNALS
2. GLOBAL EQUITIES RISE DESPITE INFLATION SCARES, OIL CLIMBS
3. US OIL & GAS DEALS JUMP FOURFOLD IN Q1, COOLS AFTER UKRAINE CRISIS
4. CHINA'S OFFSHORE OIL GIANT EXITS WESTERN MARKETS OVER SANCTION FEARS
5. RUSSIA READY TO SELL OIL AT ANY PRICE
6. US FUEL TRADERS DITCH STORAGE AS HOLDING PRODUCT POSES RISK
7. CHINA AND THE US ARE BATTLING FOR INFLUENCE OVER IRAQI OIL
8. MAJOR OIL TRADERS CUT RUSSIAN CRUDE PURCHASES STARTING NEXT MONTH
9. ITALY STEPS UP PUSH TO CUT RUSSIAN GAS WITH EGYPT AGREEMENT
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- RUSSIA TARGETS CASPIAN PIPELINE WITH UNSCHEDULED INSPECTIONS
- DELTA AIR LINES SEES RAPID TRAVEL DEMAND RECOVERY AS BORDERS REOPEN

GI Soundings Week in Review

"Market to remain volatile in Q2 amid uncertainty on extent of Russian oil disruption"

Over the last week, Gulf Intelligence has held high-level interviews with energy experts in the MiddleEast, Asia, Europe, and the US. This intel is harvested from the exclusive briefings.

- **Bora Bariman, Managing Partner, Hormuz Straits Partnership**
- **Khatija Haque, Chief Economist & Head of Research, Emirates NBD**
- **Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence**
- **Jamie Ingram, Senior Editor, Middle East Economic Survey**
- **James McCallum, Executive Chairman Xergy, Professor of Energy, Strathclyde University**
- **Andrew Mullen, Production Editor, Economy, South China Morning Post**

Bora Bariman, Managing Partner, Hormuz Straits Partnership:

"Energy is fundamental and so the world needs Russian oil. Apart from Europe and the US, the world is not going to cut itself from Russian oil and gas because their economic growth and political stability would be at risk."

Khatija Haque, Chief Economist & Head of Research, Emirates NBD:

"Egypt's CPI inflation accelerated to 10.5% y/y in March, compared with 8.8% in February. This was the fastest pace of price growth since mid-2019. Inflation has been accelerating for several months as the economy has been affected by the global rise in commodity prices, exacerbated by the war in Ukraine." (Source: Emirates NBD Research)

Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence:

"Commodities may not have much upside after Q1, which could make the remainder of 2022 all about reversion as part of an ebbing tide. The higher risk that oil heads toward $50 a barrel vs. $150 has implications for inflation, equities and the Federal Reserve."

Jamie Ingram, Senior Editor, Middle East Economic Survey:

"Any idea that a peace deal will return Russian barrels being freely tradable in the West, is not feasible. The reputational damage that would come from dealing with Kremlin backed businesses, in particular in the oil and gas sector, would be too damaging."

James McCallum, Executive Chairman Xergy, Professor of Energy, Strathclyde University:

"The markets have not yet figured out what the real Russian oil supply position is, and equally what the global demand side of the equation is. At the moment, the pieces of the supply side jigsaw puzzle are just being moved around, so it's not coming down, and that will create another level of disruption to come throughout this year."

Andrew Mullen, Production Editor, Economy, South China Morning Post:

"The Ukraine war has split the world. The majority sides with Ukraine, and its momentum gained support this week amid accusations of human rights abuses that resulted in a successful US-led effort to suspend Russia from the UN Human Rights Council. China has still not fully committed to either side, but it did oppose this week's vote in Geneva on the atrocities uncovered in Bucha. So, it's fair to say that Beijing and Washington are not aligned over Russia's actions in Ukraine."

Daily Energy Markets

TOP TAKEAWAYS
MARKET OBSERVATIONS FOR THE WEEK
April 10th - 14th

1. Oil markets appear to be underpricing the scale of supply disruption that could still come from Russia, with all the oil majors and international trading firms withdrawing from Russian market.
2. US oil refiners likely to avoid seasonal maintenance season in Q2 as profit margins are too big at present to miss out on.
3. Russia unlikely to succeed in mission to take over all of Ukraine's Black Sea coastline as too many countries in the region and beyond, especially Turkey, who would resist that fiercely.
4. If Marie Le Pen wins French election it will be like throwing a hand grenade into the middle of the European Union, and with hit being possible Euro-Dollar parity.
5. China is likely to deploy a massive stimulus campaign once Covid outbreak is contained, driving oil demand in H2 2022.
6. Oil market volatility set to continue through Q2 as forces of supply and demand remain locked in a global tug of war.
7. Oil markets are still caught between a rock and hard place on trying to read the tea leaves on the scale of Russian oil disruption to come in Q2.
8. China demand destruction is the big surprise of 2022, and the rock is still dropping through the water.
9. The oil markets will continue to wobble between concerns about demand destruction and supply disruption until such time as there is crystal clarity on the outlook for Russia's oil exports.
10. Turkey and Russia could find themselves facing-off across the Black Sea if Moscow takes over all of Ukraine's southern coastline.

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