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Fujairah New Silk Road WEEKLY NEWSLETTER

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EXCLUSIVE INSIGHTS /// ACTIONABLE INTELLIGENCE /// DATA TRENDS /// LATEST NEWS

New Global Crude Flows Make UAE A More Powerful Oil Trading Hub!

In 2021, India's refining giant Reliance Industries announced plans to move most of its oil-trading staff from Mumbai to Dubai. In 2022, Swiss-based Litasco, the trading arm of Russian Lukoil, moved part of its operations to Dubai. Rosneft and Gazprom Neft are also considering setting up a presence in Dubai. And it's not just traders. Indian refiners have begun paying for their Russian oil cargoes in UAE Dirhams on deals closed with traders based in Dubai. The wave of sanctions that the West has placed on Russia, has prompted a redesign of the international oil market. And it will likely be permanent. The shift in oil flows has redirected Iranian and Russian crude to Asia and away from Europe and the US. In doing so, the sanctions have led to lower oil prices for Asian buyers after decades of what analysts had called "the Asian premium". China and India have been big winners from discounted Russian oil. When the EU was preparing to impose its embargo on Russian crude oil imports combined with a price cap regime coordinated with the G7 in a bid to ensure the market remains well supplied, there was a worry that the measures would be counterproductive, as shipping and insurance services from Western providers for all Russian cargoes sold for more than $60 per barrel, would not be available. However, the UAE's well-developed insurance and shipping industry has accommodated for that. About 1.5 million barrels of Russian oil has arrived in the UAE since the embargo began last December.

CONTINUED ON P 3

Fujairah Weekly Oil Inventory Data

6,736,000 bbl	2,521,000 bbl	10,150,000 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
$3.61 - 4.38/m³

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

THE WEEK In Numbers

Weekly Average Oil Prices

Brent Crude:	$76.09/bl
WTI Crude:	$70.19/bl
DME Oman:	$78.81/bl
Murban:	$77.90/bl

*Time Period: Week 3, March 2023
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

	VLSFO	MGO	IFO380
High	$608.50/mt	$1,121.50/mt	$469.00/mt
Low	$553.50/mt	$1,050.50/mt	$437.00/mt
Average	$587.50/mt	$1,077.00/mt	$453.50/mt
Spread	$55.00/mt	$0.00/mt	$32.00/mt

*Source: Ship and Bunker, *Time Period: Mar. 9 – March 16, 2023*

Fujairah Bunker Sales Volume (m^3)

545	180cst Low Sulfur Fuel Oil
389,544	380cst Low Sulfur Fuel Oil
159,908	380cst Marine Fuel Oil
713	Marine Gasoil
21,661	Low Sulfur Marine Gasoil
4,549	Lubricants

Source: FEDCom & S&P Global Platts

GI Consultancy Intelligence Publishing

CONTINUED FROM PAGE 1

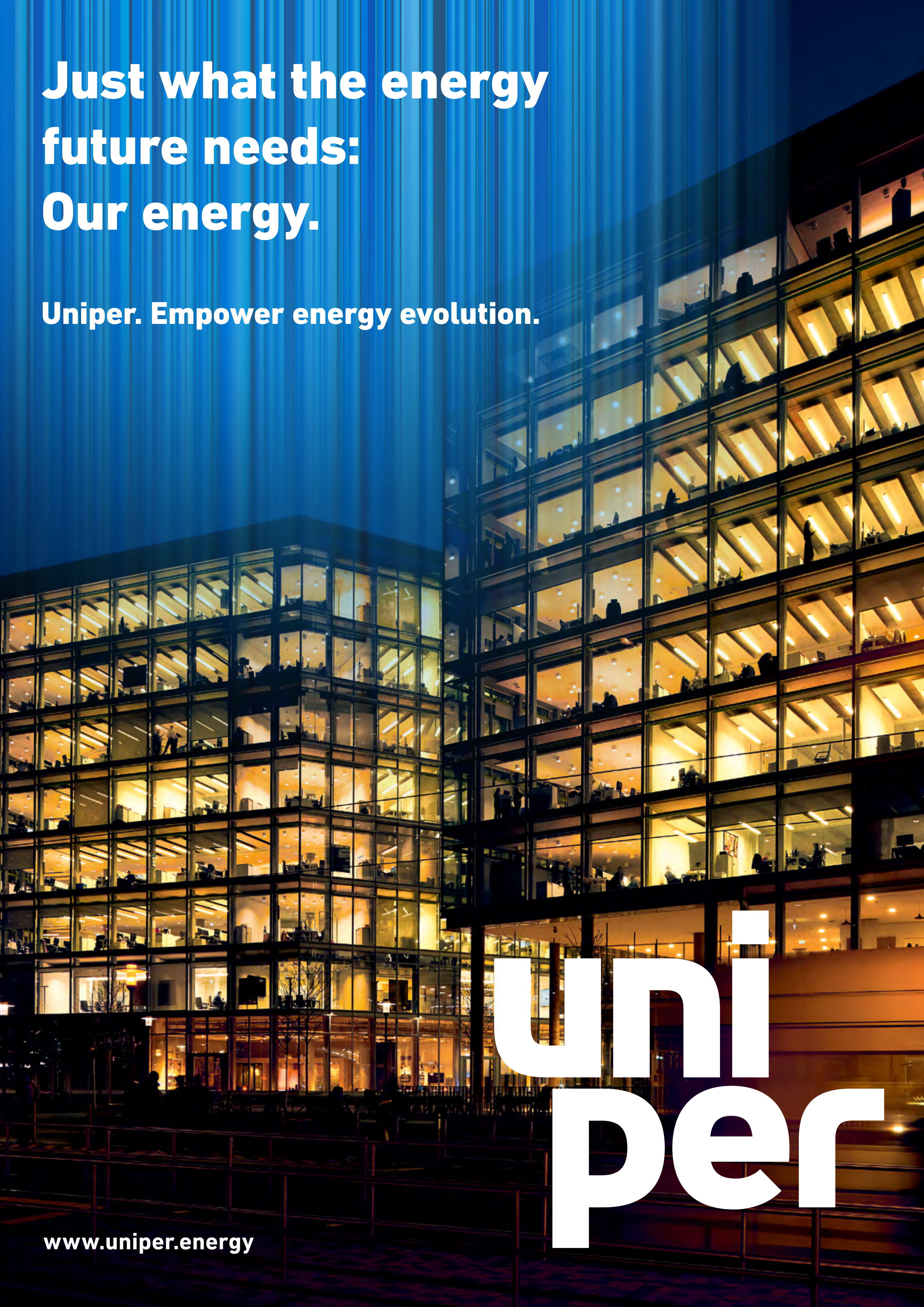
Demand for storage and transit capacity growing at Port of Fujairah.

Port officials have seen a large influx of Russian barrels coming into Fujairah, particularly Urals crude and naphtha. Asian buyers of Russian crude are working with Russian insurance and shipping service providers with a presence in the UAE to provide coverage for those cargoes.

Russian oil exports to China and India running at record highs.

Even with a narrower discount to Brent crude, Russian crude can save refiners in India as much as $1 billion annually. They can then make good profits by selling the fuels produced with Russian crude to Russia's former crude clients in Europe. The war in Ukraine has changed global oil trade routes, in such a way that buyers and service providers that used to reap most of the benefits of transporting that oil, are now cut off. Western insurers can only provide cover for Russian oil if it sells below the cap. There is limited information of what portion of total exports that has been to date. Major oil traders are shunning deals with Russian oil, fearing they might violate sanctions. Yet alternatives such as the UAE, are emerging, with traders, insurers, and shippers all available to carry crude oil wherever it needs to go.

Source: oilprice.com
**Edited Comments*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Energy Markets Views You can Use

Laury Haytayan
MENA Director
Natural Resource Governance Institute

How wide is the divergence between Europe and the US on Energy Transition?
The Europeans are not happy with what they have seen in the Inflation Reduction Act (IRA). They see it as unhealthy competition for now and that's why Ursula von der Leyen was in the US recently and the two sides agreed to create the space for dialogue and for complementarity to work together. Europe is working on counterpart measures to the IRA, which we will see come out soon – such as the Net Zero Industrial Act and one for raw materials. The latter is particularly critical because of the minerals needed for the Energy Transition. Europe wants to incentivize companies to establish on the continent vis a vis other places where these materials are being produced. Some say the US law is more straightforward than the EU in terms of incentives, taxes, etc. But at the end of the day, both understand that the bigger issue is competition with China. Almost everything regarding the materials necessary for the Energy Transition, is processed in China so Europe and the US are trying to now narrow that gap.

Likely outcome for the Presidential election in Turkey later this year?
The polls are showing a big advantage for the opposition and that Erdogan will lose. If he does, that will be a political earthquake to follow the natural disaster that happened last month. He is someone who has been at the heart of regional politics and is an established political figure with the EU. A new person coming in will bring a new politics, new behaviour and a new vision of Turkey's relations with the region, with the EU and with NATO.

Rustin Edwards
Head of Fuel Oil procurement
Euronav NV

Outlook for China growth as we approach Q2?
The data has not been stellar yet and China has even itself now said it will struggle to make 5% GDP growth this year. The expectation by a lot of the analysts that China would have 5.5 to 6% GDP growth this year, focused on the second half of the year, created concentrated risk in the market with every trader turning bullish, bullish, bullish on China and as if nothing else mattered. People forget that back in 2019, China's economy was already in a slowdown. The change in their economy from being export driven to domestic demand driven has not been easy for them to develop.

How have freight rates been impacted by global GDP expectations?
The lack of Chinese growth means container freight is in the doldrums. It is $900 to move a box across the Atlantic and across the Pacific. That doesn't make any money for container companies. Actual port calls in the US year to date, are down 50% for container ships versus where they were last year. That tells you there's no consumer demand, which means there's no demand pull from Chinese industry. Oil demand in the West is not doing so well either. Gasoline demand in the US is probably down about 500,000 barrels a day from where it was pre-pandemic. So, those predictions for 102mn b/d of global demand are not going to happen.

How disruptive have new energy flows been to tanker markets?
Rates remain very supportive in the front. Even with India and China buying a fair amount of Russian crude, they still need lighter crudes to blend with it to make it more suitable for their crude units. They're still buying cargoes from West Africa and US Gulf Coast on very long hauls. And in Europe for March, we saw one of the largest imports of US crude of about 1.8 million b/d. European demand for crude and products hasn't changed but the complete change on the logistics of supply into Europe reroutes the entire tanker market so that things are moving on a much longer haul just to maintain the same supply flow. Russia is long product and long crude, and it has found other markets for its oil. And some its previous customers continue to buy - Saudi Arabia has always been a big buyer of Russian fuel oil for its utility needs and it will buy again in the second quarter ahead of the summer burn.

Fujairah Spotlight

UAE's Fujairah port set for robust growth as Russian oil trade reshuffles

Oil storage demand and transit volumes are poised to grow further at the United Arab Emirates' Fujairah port this year as Russian trade flows continue to flood the hub, while latest price caps on Russian petroleum products have a mild impact on trade, industry executives said on Tuesday.

Source: Reuters

Small-Scale Refineries Could come to Fujairah

More refineries geared to producing low sulfur fuel oil could be built in Fujairah, according to the UAE port's managing director. "It's cheaper to produce it here ... that's why we are expecting more, special refineries to come up here," Mousa Murad was quoted as saying by local news provider the National News.

Source: Ship & Bunker

National Bank of Fujairah supports the enhancement of the global trade ecosystem

The National Bank of Fujairah (NBF) announces its sponsorship of, and participation in, the Global Trade Facilitation Summit 2023. Organised by ICC UAE and hosted by Dubai Chambers, the second edition will welcome key stakeholders in trade facilitation to share their experiences and expertise under the strategic theme of 'Trade Transformation and Technology'.

Source: Zawya

UAE's Fujairah marine fuel sales at record lows in February

Marine fuel sales at the world's third-largest bunkering hub of Fujairah in the United Arab Emirates fell to record lows in February, based on the latest Fujairah Oil Industry Zone data, which started being published in 2021. The drop reflects the softer bunker demand across key refuelling ports in February, when sales at the world's largest bunker hub Singapore slumped to an eight-month low.

Source: Reuters

Consultancy Intelligence Publishing

Energy Markets Views You can Use

Omar Al-Ubaydli
Director of Research
Bahrain Center for Strategic International & Energy Studies

Your view on the rapprochement between Saudi Arabia and Iran?
It's unlikely Iran will conform to Saudi demands. The kingdom does not have the power, to impose sanctions or take aggressive military action in the way that the US, Russia, or China do, in terms of leverage. If you judge by Iran's track record of its relations with other countries in the region, it's not good. The rapprochement doesn't hurt - Iran is under pressure due to the domestic protests and economic problems they're facing and so a little bit of breathing room is good - but it is not going to change its fundamental mindset. I don't think that the ingredients are there for a lasting commitment and the key stumbling block is that, over the last 30 or 40 years, Iran has constructed a very sophisticated network of non-state actors who it can direct and influence. It's not going to suspend that anytime soon. But what you might see in the near-term is, at the very least, is that it should hopefully keep Israel slightly less aggressive in its stance towards Iran as the signal from Saudi Arabia is that it's not interested in a military escalation.

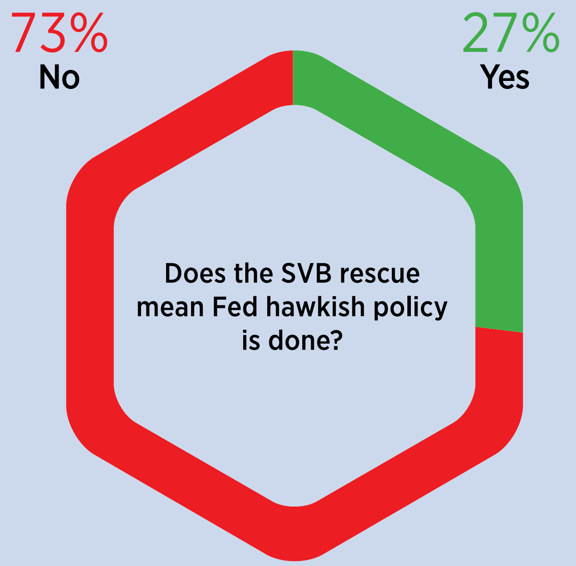
Is the current banking crisis a buying opportunity Gulf sovereign wealth funds?
The Saudis have already been on a shopping spree and have massive exposure to every single kind of stock and share you could imagine in European and US markets. Also, transparency is not the hallmark of many of these bailouts, especially when it comes to reading what direction the politicians are going to take. And in terms of Credit Suisse and the Swiss government in particular, we don't even have a precedent to go on. So, the mix of risk aversion and saturated portfolios will likely keep those funds out.

Marc Ostwald
Chief Economist & Global Strategist
ADM Investor Services International

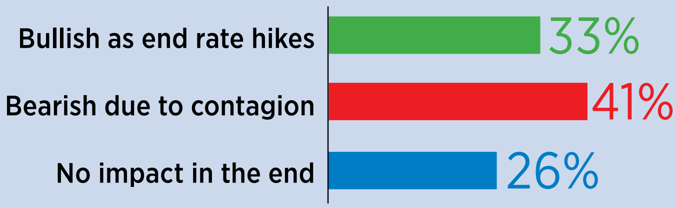
How serious is this US banking crisis?
It's certainly a problem and what the Fed has done with its program was necessary. Otherwise, there will be a sharp impact on the regional US banks. It's the smaller banks which are where the problem potentially is. I don't think that you're going to create bank runs, but what we've seen in the last couple of days is above all, how bad market liquidity is and that is spilling over into everything. If short-dated US Treasuries are that volatile, it has an impact on funding costs for every single position in the market. We should also note that this is the lag effect of Fed policy now impacting balance sheets. If we do however see a sharp tightening of financial conditions, then the Fed will rein in its hawkishness because it doesn't want to create a systemic risk.

Outlook for European oil products prices?
Jet fuel has definitely recovered, buoyed by the desire for Europeans to travel. I think the issue that we are going to face in Europe is drought this summer. The winter energy crisis that we were expecting is probably the wrong one to look at, and a summer energy crisis will spill over into all sorts of oil product demand. There will be an impact on agriculture, on hydroelectric power production, which then impacts Norway, which will probably start to pull back in terms of its exports, creating another displacement problem. And above all, the French nuclear industry will be impacted in its ability for cooling. So, a lot of variables out there for the summer season.

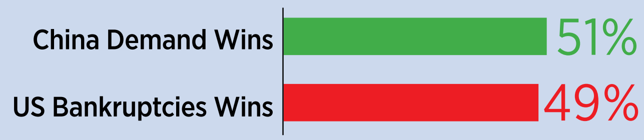
Weekly Surveys

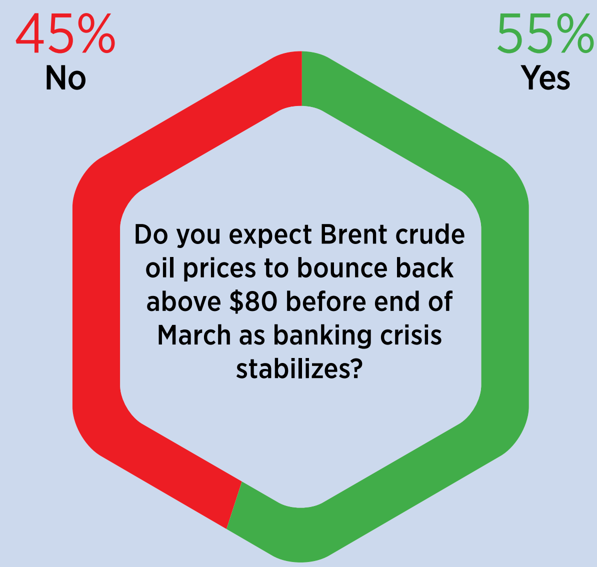


Will collapse of SVB be bullish or bearish for oil prices?

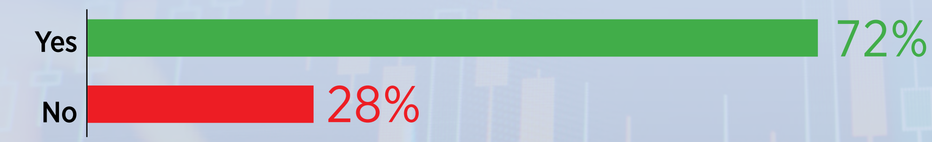


Will a 'maybe' on China demand recovery trump concerns for demand from US Bank bankruptcies in Q2?





Can the US banking crisis be contained?



Source: GI Research March 2023

Fujairah Weekly Oil Inventory Data

TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 19.407 million barrels with a fall of 1.474 million bbls or 7.1% week-on-week as they fell below the 20-million-barrel level. The stocks movement saw a drop for light distillates, a rise for middle distillates and a drop for heavy residues.

- Stocks of light distillates, including gasoline and naphtha, fell by 415,000 barrels or 5.8% on the week to 6.736 million barrels. The East of Suez gasoline complex strengthened in early trading March 13, as market participants continued to expect Chinese exports to remain low in March, sources said. Market participants expected gasoline exports from China to drop to below 300,000 mt in March, down from an estimated 400,000-500,000 mt in February, sources said. India's total gasoline consumption decreased 1.8% month on month to 2.78 million mt in February, latest data from the Petroleum Planning and Analysis Cell showed, but on a daily consumption basis, February demand was up 8.7% month on month as domestic demand recovered from a cold snap in January, sources said. Despite the consumption increasing 8.86% year on year in February, the volume was the lowest since February 2022 when it was at 2.55 million mt due to the shorter month, the data showed.

- Stocks of middle distillates, including diesel and jet fuel, increased by 303,000 barrels or 13.7% on the week to 2.521 million barrels. The East of Suez gasoil market could face some headwinds over the week of March 13-17, with unattractive arbitrage economics trapping surplus barrels within the region even as demand remains robust. Market participants observed that demand for the ultra low sulfur grade remained healthy while buying interest for the medium sulfur grade remained subdued. In tender activity, South Korea's SK Energy is offering 300,000 barrels of 10ppm sulfur gasoil (plus/minus 5% at buyer's option) loading from Ulsan over April 16-18 at loading month average of the Mean of Platts Singapore 10ppm sulfur gasoil assessment, FOB. The tender closes March 13, with same-day validity. Elsewhere, Bahrain Petroleum Company is offering 40,000-60,000 mt (plus/minus 10% operational tolerance at buyer's option) loading over April 11-14 from Sitra at Mean of Platts Arab Gulf gasoil assessment, FOB. The tender closes March 14, S&P Global reported earlier.

- Stocks of heavy residues fell by 1.362 barrels, or 11.8% on the week as they stood at 10.150 million barrels. The Asian low sulfur fuel oil market structure was seen firmer early March 14, partly buoyed by expectations for tighter near-term supplies. Spot trading activity at the bunkering hubs of Singapore and Fujairah was said to be less-than-robust on March 14, traders said. A drop in flat price due to a weakening crude during the Platts bunker Market on Close assessment process led buyers to drift to the sidelines in anticipation that flat price would continue to slip, traders added. In the port of Fujairah, most offers for delivered marine fuel 0.5%S bunker were heard at $586-$593/mt with the offer at the lower end of the range for product deliverable from March 20 onwards. No trades were heard concluded during the MOC process. The grade was assessed at $585/mt, $10/mt higher on the day. The premium for Fujairah-delivered marine fuel 0.5%S bunker over Singapore marine fuel 0.5%S cargo fell $1.16/mt on the day at $5.79/mt.

Source: S&P Global Commodity Insights

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Energy Markets Views You can Use

Clyde Russell
Asia Commodities & Energy Columnist, Thomson Reuters

Russian oil continues to flow undisrupted?
The oil market has been very good at rerouting Russian oil, even from the Baltic ports in the west of Russia, especially to India, and we're starting to see that happen with the products as well. Quite a lot is also flowing into places like the Middle East where theoretically they're consumed domestically, allowing those refiners to export their output. The key question is, is Russia getting less money for what it's selling? That's the measure for whether sanctions have been a success. But overall, the market has adapted very nicely.

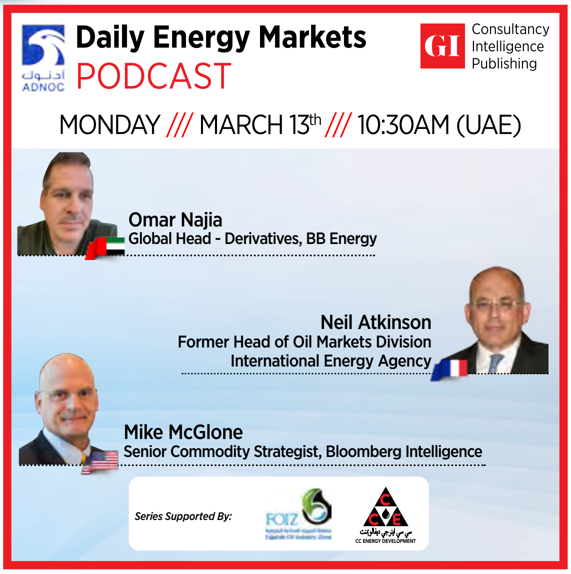
Outlook for Q2 Chinese oil demand?
I think we will probably see an uptick in imports in the second half of May and June once the refinery maintenance season is over by April. The initial boost from domestic travel consumption has happened already so that takes a little bit of the froth out. If we see a strong summer construction season, and if Chinese manufacturing can hold up, all of these will be very positive, particularly for middle distillate demand. The key with China is always price. If crude goes back above $100, they're going to be very tempted to moderate their imports and dip into inventories.

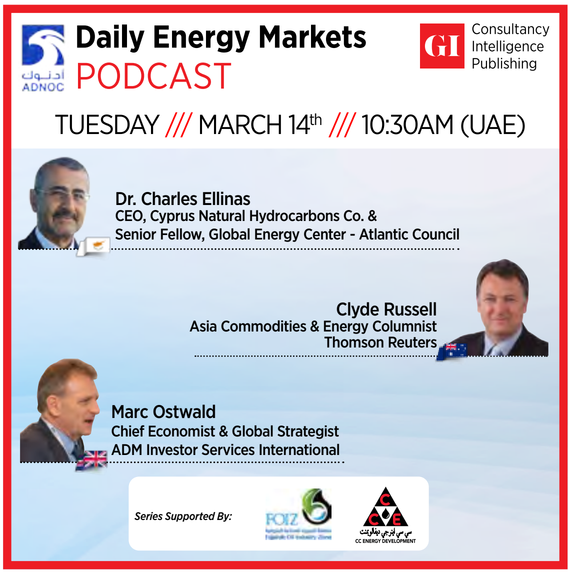
Would a slowdown in the US and EU impact the Chinese economy?
China's economy is very interlinked trade wise with the rest of the world, but it's also drumming to a different beat right now. It has growth coming through and does not have an inflation problem. China is putting stimulus into the economy when everybody else is trying to take it out, so it is effectively decoupled. The rest of Asia however - Japan, South Korea, Australia – are much more exposed as they tend to follow the US. But on the whole, expectations are that Asian oil demand is going to lead the world. Will it be enough to offset any declines in Europe and the US? My current thinking would be yes, but for now, I still see plenty of crude oil around. The problem is in refined products - there's not enough diesel.

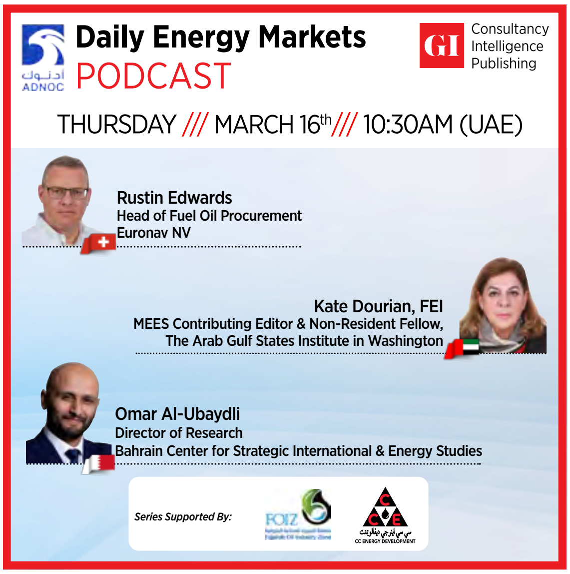
Dr. Charles Ellinas
CEO, Cyprus Natural Hydrocarbons Co. & Senior Fellow, Global Energy Center – Atlantic Council

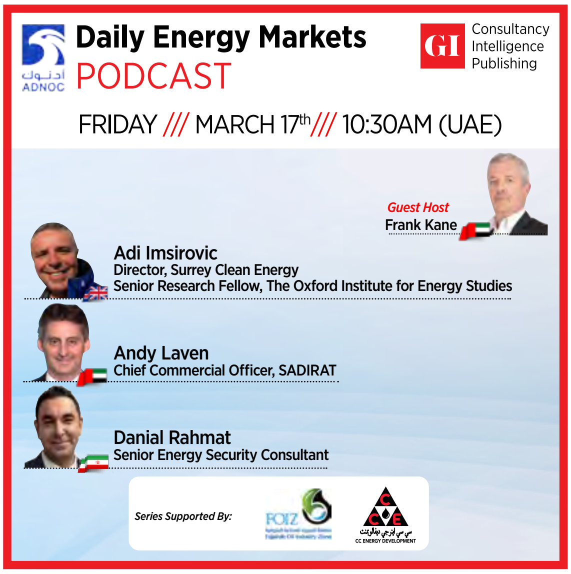
Europe is almost getting too comfortable with gas prices.
It has declared the battle won, but it is not. The IEA and others are warning that there are still problems to come, and we are already seeing issues in France with nuclear power. Suddenly the price of gas has shot up again as a result. That shows how sensitive it is and it's not settled by any means. And if later in the year as expected, China really comes back to the market, it will impact gas prices further. Europe has been very, very lucky this winter but what about next year? Prices have come down, but they are still three times higher than pre-COVID and they are affecting companies in Europe, some of which are still looking to relocate to the US. Europe is still pursuing this idea that we are going to get rid of gas by 2030 and that renewables will save the world. That's not going to happen. It needs to eventually come to realize that gas is part of the equation for a long time to come, and it needs to open the way for long term contracts for utilities to buy more gas. At the moment, the utilities are not doing that. Environmentalists and activists are forcing the European Union's direction, that in my view, will lead to a crisis later on because it's not solving the problems of energy.

Energy Markets COMMENTARY WEEK IN REVIEW









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Energy Markets Views You can Use

Neil Atkinson
Former Head of Oil Markets Division
International Energy Agency (IEA)

Outlook for oil demand in Q2?
Key indicators for oil demand, particularly from China, are still opaque, so the market will continue to tread water until the picture starts to clear up. If we do get lower than expected GDP growth for China, then the prospects for oil demand growth are less rosy and because of the continuing strategy by the Fed, the outlook for global oil demand in 2023 may also not be maintained.

Will India continue to take increasing amounts of Russian oil?
India has hugely increased its shipments from Russia from next to nothing in 2021 of about 50,000 barrels a day on average for the year, to certain points in the later part of 2022 when shipments hit 1.2 million barrels a day. There will still be huge volumes of Russian oil heading to India because it's an unmissable commercial opportunity and India will act in its self-interest in that regard. The lesson learned in the past few months, is that Russia has not suffered as the year has progressed, contrary to expectations, and by one means or another, it is going to be able to supply more oil to the market than we might have expected. And that's of course where all the money comes from, far more than gas.

Iranian oil exports are performing relatively well in recent months?
As prices were heading up in 2022, the US turned a blind eye to higher shipments from Iran and in some respects, that's been extremely convenient, if not necessarily welcome.

ENERGY MARKET NEWS

1. OIL STEADIES AS INVESTORS TAKE STOCK OF BANKING CRISIS
2. OPEC+ VIEWS OIL PRICE DROP AS FINANCIALLY DRIVEN, DELEGATES SAY
3. GLOBAL CRUDE OIL PRODUCTION FELL TO A 7-MONTH LOW IN JANUARY
4. US HOUSE PASSES BILL BANNING EXPORTS OF RESERVE OIL TO CHINA
5. NEW GLOBAL CRUDE FLOWS MAKE UAE A MORE POWERFUL OIL TRADING HUB
6. RUSSIAN OIL SEEKS NEW MARKETS IN AFRICA
7. EIA: US TO REMAIN NET EXPORTER OF PETROLEUM PRODUCTS
8. CHINA'S UNEVEN ECONOMIC RECOVERY TO BE MIRRORED IN COMMODITY IMPORTS
9. INDIA SHOULD KEEP LID ON WHEAT EXPORTS TO REPLENISH LOCAL STOCKS
10. CHINA HOPES RUSSIA AND UKRAINE WILL HOLD PEACE TALKS

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GI Soundings Week in Review

Oil Prices Submit Downwards As Supply Sentiment Once Again Trumps Demand!

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.

- **Omar Najia, Global Head, Derivatives, BB Energy**
- **Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence**
- **Richard Redoglia, Chief Executive Officer, Matrix Global Holdings•**
- **Ali Al Riyami, Consultant & Former Director General of Marketing, Ministry of Energy & Minerals, Oman**
- **Kate Dourian, FEI, MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington**
- **Danial Rahmat, Senior Energy Security Consultant**
- **Andy Laven, Chief Commercial Officer, SADIRAT**

Omar Najia, Global Head, Derivatives, BB Energy MARKET OUTLOOK: "You've got systemic issues with financial markets and the Fed and Western central banks only do one thing – bailout - print money. Meanwhile, the oil market is just going sideways, which means it's building energy and then it's going to break up. The longer it stays sideways, the bigger the breakup. My sense is it's going to be on the downside, same as for equity markets."

Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence US BANKS FALLOUT: "The fact is the Fed is still tightening aggressively – and this is the bottom line of all that is happening in this space. The SVB issue is just a tree in the forest of the bigger picture forest which we have been talking about for a while – that is, that economic activity is going to decline and on the back of the most aggressive central bank on a coordinated basis, ever."

Richard Redoglia, Chief Executive Officer, Matrix Global Holdings BANKING CRISIS: "The structure that put us here took a decade to put into place. Low interest rates and free money are coming back to haunt us. And this is not just the US. This is a function of the printing of money for long periods of times and forcing the financial institutions to buy the paper at those low rates, and then the turnaround of that, is raising rates rapidly. That's why the curve is inverted and that's the problem we are in right now."

Ali Al Riyami, Consultant & Former Director General of Marketing, Ministry of Energy & Minerals, Oman
RUSSIAN OIL PRODUCTS: "Russian crude oil has been flowing to refineries here in the region for a few months now, and at a discount, so those higher margins for them is good news. But for products, I don't think those will continue to regional refineries as they are trying to export any extra volumes not used domestically, to Asia, and Russian gasoline and other products would create competition, unless there is a good discount."

Kate Dourian, FEI, MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington
OPEC+ SUPPLY: "I don't think OPEC+ wants to do anything that would upset the cohesion within the group - particularly the relationship between Saudi Arabia and Russia. I don't think they're going to take any action that will change fundamentals but if the price goes much below $70, then I think they have no option but to act.

Danial Rahmat, Senior Energy Security Consultant IRAN-SAUDI RAPPROCHEMENT: "It was very shocking news to the public because just a few weeks before that, during the protests in Tehran, Iranian officials were shouting that Saudi Arabia should pay back for supporting the protests in Iran, accusing it of a huge amount of Saudi money going to Iranian protesters. But immediately after that, we saw Iran and Saudi make the deal."

Andy Laven, Chief Commercial Officer, SADIRAT SENTIMENT: "I think the oil markets are currently driven by emotion and momentum. The lack of confidence is pulling the market down. There's nothing that says it is going to be great - all the messages are negative. If the Fed starts to hold back interest rates, then there is going to be more confidence and therefore you would expect to see some kind of enthusiasm in the markets."

Energy Markets Views You can Use

Adi Imsirovic
Director, Surrey Clean Energy
Senior Research Fellow, The Oxford Institute for Energy Studies

What's the cause of the recent malaise in the oil market?

It started for a very good reason with the financial side of things; banking crises can develop into economic crises very, very quickly. Having said that, the oil market hasn't come off that much. It's been in steady decline even before this 'financial crisis,' for the last couple of years. The simple fact is that GDP growth and oil consumption are decoupling. People are becoming more efficient. The best cure for high prices is high prices – but it takes a while to take effect both in oil and gas. That's one of the lessons that OPEC never seems to learn – that by holding up prices, they're just speeding up the transition away from oil. Of course, fundamentals at the end of the day will prevail and those are not particularly great either. If you look at the balances, we have more supply than demand for the first half of this year, and in March and April, we have a lot of maintenance. We see more Russian crude sitting on the water unsold and plenty also going to India and China, US production is increasing, and Europe is awash with WTI. The bottom line is that there is enough crude out there.

Will Saudi and Russia stick together on oil policy in the year ahead?

This alliance is very opportunistic. It's taken Saudi Arabia years to get one of the big three producers into their fold, and I think that's one of the main reasons why Russia is still in OPEC+. For the Saudis to discard Russia now probably wouldn't make that much sense, even though Russia doesn't play any role whatsoever in the group. In fact, I think that OPEC+ is slowly going to fade into obscurity over time for a very simple reason. Gas was the lever for Russia to use as a political weapon, but that has failed. Oil has never been much of a weapon for Russia because it needs that revenue. The only reason Russia would cut 500,000 barrels is if they functionally had to.

Daily Energy Markets

TOP TAKEAWAYS
MARKET OBSERVATIONS FOR THE WEEK
March 13th - 17th

1. The dull oil market will likely continue to thread water as long as China demand recovery remains opaque.
2. US bank failures seem to be just the beginning of the long and variable lags from the fastest rate rise in history after the biggest bond collapse in history.
3. Saudi-Iran rapprochement is a massive geopolitical event that went overlooked in the shadow of US bank collapses.
4. Gas prices in Europe might have dropped but they're still high compared to pre-COVID levels.
5. China's oil demand growth recovery this year is unlikely to trump the expected demand destruction in the West.
6. OPEC+ likely to remain on the sidelines of global banking crisis until China demand recovery becomes a little clearer and the FED shows its hand on the outlook for rates i.e.is tightening cycle over?
7. The Iran-Saudi Arabia agreement may have little tangible impact on Riyadh-Tehran engagement, but it could be more significant for its impact on easing geopolitical tensions in the region.
8. Brent crude oil has been flirting with a move below $80 for months now, and it would appear the banking crisis has given it the momentum to cross the Rubicon.
9. China likely to increase crude oil imports from late May, but if prices exceed $100 again, it will moderate those and probably dip into inventories.
10. OPEC+ is unlikely to adjust supply agreement before the end of the year as planned.

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