Exclusive Insights ▸ Actionable Intelligence ▸ Data Trends ▸ Latest News

NEW SILK ROAD Fujairah WEEKLY NEWSLETTER

Feb 29th 2024

Vol. 184

SOUNDING

EUROPE GAS DEMAND

"Investment in gas production and transportation facilities requires securing long-term contracts, and that's looking a bit problematic for gas suppliers like Azerbaijan and Algeria. With so many demand uncertainties, buyers in Europe are reluctant to make those commitments."

Gulmira Rzayeva
Founder &
Managing Director
Eurasia Analytics

TOP SURVEY

The only way is up from here for Natural gas prices?

Disagree	33%
Agree	67%

Saudi Tadawul Group Stake in DME Will Spur Larger Product Offering!

Russell Robertson
Chief Commercial Officer
Dubai Mercantile Exchange

Fujairah Average Oil Tank Storage Leasing Rates*

BLACK OIL PRODUCTS
Average Range
$3.57 - 4.09/m³

▲ Highest: $4.50/m³
▼ Lowest: $3.30/m³

PODCAST OF THE WEEK

FUJAIRAH WEEKLY OIL INVENTORY DATA

Light Distillates	Middle Distillates	Heavy Distillates & Residues
7,777,000 bbl	1,641,000 bbl	9,316,000 bbl



THE WEEK IN NUMBERS

WEEKLY AVERAGE OIL PRICES

BRENT CRUDE	WTI CRUDE	DME	MURBAN
$82.13/bl	$77.97/bl	$81.52/bl	$82.28/bl

*Time Period: Week 4, February 2024
Source: IEA, OilPrice.com, GI Research

FUJAIRAH WEEKLY BUNKER PRICES

VLSFO	MGO	IFO380
High = $633.50/mt	High = $891.00/mt	High = $437.50/mt
Low = $624.50/mt	Low = $875.50/mt	Low = $428.00/mt
Average = $629.00/mt	Average = $885.50/mt	Average = $432.00/mt
Spread = $9.00/mt	Spread = $15.50/mt	Spread = $9.50/mt

*Source: Ship and Bunker, *Time Period: Feb. 21 – Feb. 28, 2024*

FUJAIRAH BUNKER SALES VOLUME (M^3)

341 180cst Low Sulfur Fuel Oil	436,604 380cst Low Sulfur Fuel Oil	207,124 380cst Marine Fuel Oil
122 Marine Gasoil	30,441 Low Sulfur Marine Gasoil	4,372 Lubricants

Source: FEDCom & S&P Global Platts

Russell Robertson, Chief Commercial Officer, Dubai Mercantile Exchange

We are historically an oil exchange, but with the Saudi Tadawul Group's stake in DME, we are now working with them and other Saudi corporate partners and commercial entities, to listing new asset classes, with a focus on creating regional pricing for commodities in general – from minerals, to metals, to agricultural products. We will use a similar idea as we've done in creating the Omani crude benchmark and look at ways of how we can do that in the region for these other asset classes, from the industrial level and all the way down to potentially giving access to commodities markets for GCC nationals. A lot of the discussion in GCC derivatives has generally been around equities and single stock options. There's a need to educate on the concept of commodity derivatives now, which requires a slightly different mindset. It is something that's been done in the US and other places, so it's part of the futurization of the commodity market in this region. We will be doing some market commentary, partnership and working groups, to bring the correct solution to the market. It's very difficult to simply copycat derivatives contracts; you have to be innovative and come up with solutions that are going to work for the supplier, the producer, and the end user.

Growth trajectory for DME volumes this year?

We've seen good growth since the demand destruction of 2020. The physical volume that comes through the Dubai Mercantile Exchange and ultimately the Oman crude contract, is the largest physically delivered futures contract in the world, principally because of Chinese demand. If we look at the Q1 loading cycles data and trading from November through to January on the exchange, we averaged around 26 million barrels of oil delivery. That is 28% up on the same cycle last year, which itself showed an increase of about 22% on the previous year. And if we look at February trading now, the same trend seems to be there for the start of Q2. We are also not necessarily concerned about forecasts of weaker demand, such as from China. Moreover, the Lunar New Year travel numbers have just come out to show that they were higher than pre-COVID, so that's a very strong sign. But historical economic indicators such as GDP are becoming slightly disconnected to how we see the import export market of all commodities, and not just crude.

Expectations for Omani crude volumes to India?

We did see very significant declines at the beginning of last year, not so much for the exchange, but for physical flows. But like China, India is a swing buyer and will always go to where the value is, and at that time Russian barrels were clearly cheaper. But what India didn't take, the Chinese were happy to lift anyway, so it didn't have any impact on the DME. Omani crude is limited in its production so someone will always take it.

Has the IFAD Murban crude contract had any impact on DME volumes?

It creates a bigger ecosystem, but Murban is more of a sweet crude, so it isn't competitive in the sense that end users of those grades are slightly different. What we have seen develop is a much bigger arbitrage, particularly between Murban and Dubai crudes. Similarly, if you look at when the INE Chinese futures contract started, that again created an opportunity for traders. Also, flat price trading is becoming less and less, and so the arbitrage spread between contracts is a less risky investment. The East to West futures portfolio is becoming much more of an interesting choice for people.

WATCH FULL INTERVIEW HERE

Do you see liquidity in the region improving and incorporating more players?

A lot of the trading in the regional contracts and regional exchanges mostly takes place in Singapore. That is partly why we're working with Tadawul – to try and build that local institutional trading, which isn't as prevalent as in places like London, Singapore, or New York. That idea that the financial center in the region needs to grow will bring another unlocked piece of liquidity to all exchanges, and ultimately make us more international, which is where we need to go.

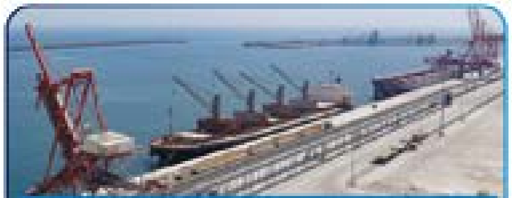
What impact has WTI's inclusion in the Brent complex had?

Derivatives markets must innovate and move with the times. The Brent basket was creating issues for some people so there had to be something added to that. WTI was a bit controversial as it's different than what people were used to, and it does create additional legs of trade. Neither of the contracts has been impacted much outright from a volume sense, but the price spread seems to have become less volatile, and that's good for traders. We don't have the official statistics, but approximately 60% of the time, WTI is now setting the price of Brent, so it is clearly becoming the cheapest to deliver, in more cases than not. Where that goes from here depends on a few factors. What we know is that currently, the WTI book is generally run out of the US, and Brent often out of Asia. Until that changes, it may have limited impact on the WTI-Brent spread, but ultimately in the long run, there would have to be some sort of crossover.

THE MULTI PURPOSE PORT

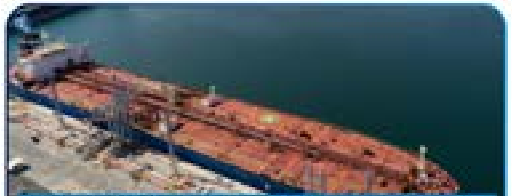
ONE OF THE WORLD'S LEADING ANCHORAGE AND BUNKERING LOCATIONS

Port of Fujairah
ميناء الفجيرة
Port of Fujairah
United Arab Emirates



Dry Bulk Cargo - Key regional aggregate export hub.

Stategically situated on the East Coast of the UAE outside the Straits of Hormuz.



Fujairah Oil Tanker Terminals (FOTT) - The Middle East's premier hub location for oil trading activities.

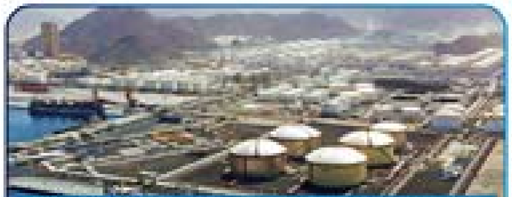
Bunkering at Fujairah Offshore Anchorage Area - Fujairah is the world's third largest Bunkering Hub.

Fujairah Terminals "FT" - FT provides a full range of container, general and project cargo services.

Extensive pipeline infrastructure connecting the Tank Storage Terminals with FOTT

Liquid Bulk Tank Storage Terminals - The Middle East's largest oil storage hub.

Fujairah Grain Silos - Strategic & commercial grain storage and trading.



FOTT Matrix Manifold System - This unique system provides terminals access to all berths as well enable ITTs between Terminals.

VLCC Berth - The first VLCC Berth on the Indian Ocean, which accommodates oil tanker up to 330,000 DWT.

Service Harbour - A Key facility to support one the world's biggest maritime service hubs.

www.fujairahport.ae

FUJAIRAH SPOTLIGHT

National Bank of Fujairah launches NBF Markets to redefine online trading

National Bank of Fujairah PJSC (NBF) today announces the launch of NBF Markets, a margin trading platform providing 24/5 access to FX, precious metals, derivatives and CFDs for NBF corporate clients. With access to a diverse range of instruments to meet varied trading needs, NBF Markets benefits from real-time pricing, advanced order management, and risk monitoring for an efficient and enhanced trading experience.

Source: Zawya

UAE's Fujairah port approves two new jetties in trading boost

The UAE's Port of Fujairah, the world's third-biggest bunkering hub, approved adding two more jetties to serve liquid bulk vessels, allowing for some 20 million mt/year of more throughput, the port's business development manager Martijn Heijboer told S&P Global Commodity Insights. Work on the expansion is about to start and should take 18 months to complete, Heijboer said Feb. 27 on the sidelines of the London Energy Forum.

Source: S&P Global Commodity & Insights

BUNKER HUB PRICE WATCH: FUJAIRAH

The price of high sulphur fuel oil (HSFO) and very low sulphur fuel oil (VLSFO) decreased week-on-week at the Port of Fujairah, according to Bunkerspot Price Index (BPi) data. The price of HSFO fell $4, from $429 per metric tonne (p/mt) on 20 February to $425 p/mt today (27 February). On 27 February 2023, HSFO at Fujairah was $438 p/mt.

Source: Bunkerspot

FUJAIRAH DATA: OIL PRODUCT STOCKS REBOUND FROM FOUR-MONTH LOW

Stockpiles of oil products at the UAE's Port of Fujairah climbed 13% in the week ended Feb. 26, rebounding from a four-month low a week earlier amid signs of a slowdown in exports of some light distillates, according to the Fujairah Oil Industry Zone and shipping data.

Source: spglobal.com


OUT NOW! CLICK HERE TO DOWNLOAD
SPECIAL REPORT
Top 50 Energy Market Analysts
A Message in a Bottle From Around the World
YEAR AHEAD
ENERGY OUTLOOK
2024
GI Consultancy Intelligence Publishing
15

ENERGY MARKETS VIEWS YOU CAN USE

Eng. Abdulaziz Al Balooshi

Chief Executive Officer – Fujairah Terminals, AD Ports Group

AD Ports Group can provide the solutions required for any geopolitical instability.

This is nothing new to the history of the region. It is complex and unavoidable during this period, but we have always been prepared with contingencies; it's part of our diversity management. We saw how the oil and gas and other sectors and ports, were able to navigate the COVID period. Trade will always look for alternative solutions. We've witnessed a change of flows due to the crisis within the Red Sea area, with traffic diverted to the upper Gulf and to UAE ports, including oil flows. A lot of traffic is also coming from China and being transshipped via terminals or ports in the UAE. The Russia-Ukraine war has also meant an increase in demand for Russian oil flowing into the regional market and Fujairah, with a capacity of 1.177 m^3 of oil storage, has the capacity to accommodate these volumes and any other diversions, whether from China or other markets that flow into the GCC. Infrastructure does need to keep developing and AD Ports is continuously working to improve capacities. We are also expanding our global footprint, enabling trade through strategic agreements and partnerships, such as in the Caspian Sea area. We have an international fleet of vessels that include containers, and dry and liquid bulk carriers.

Is there too much ports capacity being planned for the region?

Fujairah today has one of the largest hubs for oil storage but there has always been demand also for other terminals within the region. Luckily, we are positioned in the middle of a very busy trade route, giving us the advantage of always accommodating any excess demand when it comes to shortages in the global supply chain, in any direction.

How fast should we expect the marine industry to decarbonise?

The global maritime industry is embarking on an unprecedented transition. In the UAE, we have already looked at LNG, methanol, biofuel and other bunkering alternatives. We're now seeing cruise ships also launching ammonia as an alternative fuel energy. There are serious intentions being set to meet IMO greenhouse gas emissions targets.

Narendra Taneja

India's Leading Energy Expert

Any changes expected in India's energy strategy after elections this year?

India has massive investments in areas like hydrogen, solar, offshore wind and nuclear, but this is not going to happen at the cost of oil, or gas or coal. The focus on domestic oil and gas exploration will continue and Indian companies will also keep looking for opportunities overseas to acquire E&P assets. We remain by and large a fossil fuel economy and that won't change for four or five decades. Today, we consume about 5.4 million barrels of oil every day and that could rise to even 8 million b/d in the coming couple of decades. If we want to sustain a growth rate of 8% or above, and if we want to eradicate poverty, we will need more oil, more coal, more LNG terminals and more E&P. India is targeting to be a developed economy by 2047, with a size of about $27-$30 trillion, so we will need all forms of energy to achieve that. Even with solar, where we are doing very well, about 85% of the equipment comes from China. In that regard, we are setting up two massive gigafactories over the next five years, to become a major exporter of solar equipment. These are the kinds of plans the country is working on and we are attracting a lot of foreign investment. In the next five to seven years, India's overall economic landscape is going to look very attractive, and the policy infrastructure for that has already been put in place.

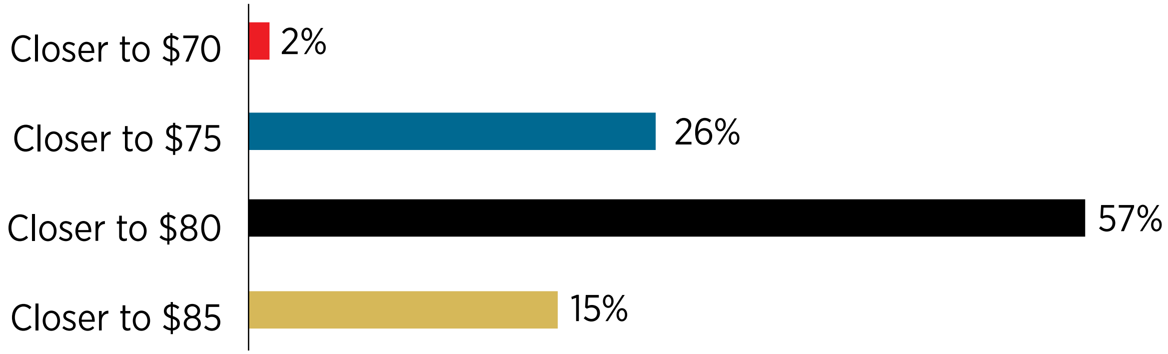

OMV
KNOWLEDGE INSPIRES INNOVATIVE SOLUTIONS.
We're taking the next step.
OMV is a reliable partner – both for energy supply and research. We are already working on tomorrow's solutions today. We invest in innovative recycling technologies and sustainable biofuels, just to name a few examples. These investments are part of our contribution towards a future with low CO_2 emissions.
Find out more at: omv.com

GI WEEKLY SURVEYS

Forecasts from IEWeek In London show wide range in US oil supply growth in 2024 - what do you think is more likely:

Are oil markets now factoring in Red Sea disruptions and costs for the entire year? YES/NO - there's a belief that the Mideast crisis will be resolved by June.

Brent crude averaged just above $80 a barrel in February – what will it average in March?



ENERGY MARKETS VIEWS YOU CAN USE

Matthew Wright
Senior Freight Analyst, Kpler

The market has reached a point of stability on Red Sea tanker transits.
The number of vessels is down around 44% since November, now with about 12 passing through the Red Sea and Suez Canal, and currently not necessarily getting worse or better. The market is essentially looking forward to the rest of the year and assuming this is going to be the case for a couple of months at least. All it takes is for one or two ships to be attacked, to keep owners away from the area and keep insurance premiums high.

Have LNG flows been impacted?
They have been relatively unscathed, with only Qatar to Europe flows affected, down this month about 570 kt, which is quite significant compared to monthly averages. But other flows like Qatar-East, US to Europe or US-East, only go marginally faster through the Suez Canal, so it's not that bad to go around the Cape.

What impact will the Russian ban on gasoline exports have?
They don't make up a huge component of Russia's product exports; the majority are diesel, gasoil, and naphtha. But it does show the country's concern about serving its domestic market, which is potentially tight. The drone strikes on refineries in Russia are going to be impacting output. The main drop in exports from Russia will be naphtha into Asia, and that's already having trouble getting there because Black Sea to Asia is now a very, very long voyage. It makes a lot more sense to just take a Mideast Gulf cargo.

Expectations for Iranian crude export volumes this year?
Iranian exports in February were down slightly, at about 1.1 million b/d, compared to 1.5mn b/d in November, most of it being Chinese buying. And interestingly, because sanctions have been lifted on Venezuelan crude, a lot of those sanctioned vessels are now available to keep Iranian cargoes moving.

Do you see the US maintaining the reprieve on Venezuelan oil?
There are good reasons for it to do so. Venezuelan heavy sour crude is very useful for US Gulf refineries and with the start-up of Mexico's Olmeca refinery later this year, that will reduce heavy sours into the US further, so Venezuela provides a good alternative.

Rachel Ziemba
Founder, Ziemba Insights;
Adjunct Fellow, Center for a New American Security

Impact of new US sanctions on Russian tanker fleets?
A few months ago, we were in a period of almost non-enforcement of sanctions. There's been a palpable shift since, with the discounts decreasing and other costs increasing for Russian barrels. And even though those tankers are still getting to market and are among those going through the Suez Canal, it will be harder for them to go back and forth, with more paperwork and so more friction. But with the market generally well-supplied, it's also less disruptive than it would have been otherwise.

Respective roles the US and China could play in diffusing the Mideast conflict?
As the biggest trading nation with the region and biggest crude buyer, China has an interest in trade flows going as smoothly and cheaply as possible. They also don't have the same political baggage that the US does in the region, but there's also a limit of how far China is willing to go as a negotiator. The US and China both want to try to avoid escalation of tensions with each other in general; that is being challenged by the conflict in the Middle East and for example, by sanctions on Russian entities that are China based.

Likely that the US will renew the six-month reprieve on Venezuelan crude?
I don't think so, especially because it was explicitly tied to political concessions, which are still in play. The question is, if it is not renewed, does it go back to the baseline of October and does it impair some of the swaps that the likes of Chevron and others have been able to take advantage of. The market perspective seems to be to wait and see. Players like Chevron have solidified their position, but new investors will be wary because the door could be closed again, and that's probably warranted.

Fujairah Weekly Oil Inventory Data

TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 18.734 million barrels with a hike of 2.086 million barrels or 12.5% week-on-week. The stocks movement saw a rise for light distillates and heavy residues, while a fall for middle distillates
- Stocks of light distillates, including gasoline and naphtha, rose by 1.484 million barrels or 23.6% on the week to 7.777 million barrels. The Asian gasoline complex strengthened at the beginning of the week, tracking gains in the US RBOB-Brent crack on the back of an unplanned refinery shutdown in the US. In tenders, Taiwan's Formosa was heard selling up to 9,000 mt of minimum 95 Ron alkylate for loading over March 15-19 at a premium of about $12-$13/b to the average of Mean of Platts Singapore 92 RON gasoline assessments, FOB. Indonesia's Pertamina was heard seeking up to 50,000 barrels of 98 RON gasoline for loading/delivery in late March, via a tender that closes Feb. 28.
- Stocks of middle distillates, including diesel and jet fuel, fell by 409,000 barrels or 20.0% on the week to 1.641 million barrels. Backwardation in the Asian ultra-low sulfur gasoil market structure narrowed further Feb. 28 to a two-month low amid uncertainty over the near-term demand and supply fundamentals. Industry sources added that East-West arbitrage demand has been progressing at a slow pace, which could prompt more swing barrels, particularly those from India and the Persian Gulf, to point eastward. The southeast Asian nation's import demand for gasoil could rise in the near term amid refinery maintenance activity.
- Stocks of heavy residues increased by 1.011 million barrels, up 12.2% on the week as they stood at 9.316 million barrels. Spot trading activity around the key bunker hubs of Singapore and Fujairah was capped, or average at best, amid a flat price environment, while buyers were seen submitting competitive bids for forward requirements. Slower demand in the end-user market over the recent weeks led competitive suppliers to lower both their delivered and ex-wharf offers, to close deals and draw down stocks, bunker suppliers said, while availabilities of prompt barge schedules are expected to stay mostly adequate for the near term. "Bunker demand has been weak especially after the Lunar New Year [period]; it has been quite sluggish," a Singapore-based trader said Feb. 27. During and outside the MOC process, Fujairah-delivered marine fuel 0.5%S was heard offered at $625-$638/mt, with lower to mid offers for product deliverable from March 5-6 onward; no bids or offers were heard during the MOC process.

Source: S&P Global Commodity Insights

ENERGY MARKETS NEWS

1. Oil Fluctuates With US Stockpiles, OPEC+ Supply Policy in Focus
2. Saudi energy minister: OPEC+ has mechanisms to deal with global oil market challenges
3. BP Plans To Invest About $1.5 Bln In Egypt During Next Few Years - Bloomberg News
4. Oil market 'comfortable' at current prices, says Vitol CEO
5. Mitch McConnell to step down as Republican Senate leader in November
6. China's central government should take leading role in kick-starting consumption, adviser says
7. Treasury yields dip as investors look to key inflation data
8. Gold Prices Forecast: Decline Continues as Dollar Strengthens Ahead of GDP Data
9. Natural Gas on its way to $2 in the wake of US GDP release
10. Oman's New Refinery Could Begin Processing Heavier Crude Soon

Series Supported By:

RECOMMENDED READING

- In South Korea, world's lowest fertility rate plunges again in 2023
- China promises investment in impoverished Sierra Leone
- Asia Distillates-Markets turn volatile, premiums slip for 4th session
- India's Oil Supply From Russia Threatened by New U.S. Sanctions
- China and Europe to Drive LNG Demand Growth This Year
- EIA Confirms Moderate Crude Build, Products Draw
- Russia's LNG Cargoes Bound for China Avoid the Red Sea
- Dramatic Moment when Houthi Missile-struck British Ship Sinks In the Gulf Of Aden

ENERGY MARKETS VIEWS YOU CAN USE

Vandana Hari
Founder & CEO
Vanda Insights

The divergence in viewpoints on China's oil demand is narrowing.
When we started 2023, people were factoring in upwards from 1mn b/d to 1.5mn b/d year on year rebound in Chinese demand growth. By the end of that year, the picture had changed completely. As we go into 2024, there's a little more certainty, and expectations are much more moderate and tempered. Chinese oil demand will continue to grow by around 400,000-500,000 b/d year on year. What we hear on the ground in China is that consumer sentiment has weakened considerably, and that even the recent steps by the government on benchmark interest rates are too little, too late. We are going to see consumers tighten their purse strings this year.

Next steps for OPEC+ on output cuts?
There was a strong OPEC put in the market between April and October of last year; to my mind, that has now disappeared. OPEC does need to decide before the 10th of April, on whether they will extend voluntary cuts beyond March. Since their last announcement, the group has left the market doing a lot of guesswork. They have gone from declaring targets for a year in advance, to just one quarter, and the most direct impact of that has been a market that's starting to increasingly doubt that there is the same degree of cohesion that there was in Q2 and Q3 of last year.

Where is Russian compliance to cuts today?
The intent is there. They promised to be more transparent after the last November meeting, so it is harder for them to cheat, and the pressure is there. But regardless of quotas, Russian crude is facing a lot of hurdles on the physical front, because of the US tightening of the $60 price cap. In recent weeks, for instance, Indian refiners are starting to face challenges getting Russian crude.

How should we interpret Qatar's latest move to boost gas production?
I see it as quite logical. Europe's gas demand is going to continue for the foreseeable future, as it is not expected to turn back to Russian pipelined gas. Qatar is also looking very keenly at Asia. It has already signed substantial and long-term deals with the likes of Sinopec and Petronet. LNG producers are all targeting China, India, and Southeast Asia. And because these countries are quite price sensitive, as prices drop due to ample global supply in the coming years, demand growth will flourish.

Clay Seigle
Director - Global Oil Service, Rapidan Energy Group

We're assuming OPEC+ will keep cuts in place for the balance of this year.
If that is the case, we expect to see oil prices in the low-$80s and into 2025, and we see a deficit of demand over supply in 2024 of around 700,000 b/d, with next year quite balanced. But if OPEC+ were to rescind or taper those cuts, and taking into consideration increases in non-OPEC output, we would wind up with inventory levels that are probably higher than the group has in mind for a balanced market. It is possible that as we get into Q4 and towards the end of this year, where we're expecting slightly higher prices, that they could consider bringing a little bit of oil back onto the market.

Trajectory for the US economy in an election year?
The higher for longer interest rates have been priced into oil and other commodities. But we are starting to focus on the potential for a major debt crisis in the United States in the coming years, which could be as early as the first year of a new administration. If that were to be one led by Trump, it would probably lean heavily towards imposing significant trade tariffs, potentially acting as a barrier to GDP growth versus those expectations that are already priced into the market for interest rate policy. So, rates could be even higher for longer, and with that lower economic activity and lower oil demand.

Your view on Saudi Arabia's apparent plan to halt oil capacity expansion?
Our assessment is that it is temporary in nature. It could be implemented if and when the supply demand conditions warrant, but that's not the case right now. We may have assertive growth from non-OPEC supply to keep market stability for now, but towards the end of the current decade, we will see those balances tighten. And given general underinvestment in upstream globally, we will need more supply from OPEC+, including Saudi Arabia, and so they will always have the opportunity to bring those added capacity plans back to fruition.

FOIZ
منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone

The Gateway to the World's Fastest Growing Energy Consumers!

As the UAE's only emirate on the Arabian Sea coast, Fujairah is at the heart of the new energy corridor opening up East of Suez to Asia. The emirate is already established as a world-scale storage and bunkering center alongside Rotterdam and Singapore and is set to benefit in the next few years from companies' plans to expand crude and petroleum product facilities to avail of the state-of-the-art physical infrastructure on offer.

STRATEGY

Developing the petroleum strategy for investment in the region

REGULATORY AUTHORITY

Regulating all aspects associated with the Oil and Gas industry

ADMINISTRATIVE SERVICES

Providing administrative services to stakeholders for smooth operation of the business

INFRASTRUCTURE

Infrastructure enablement & provisioning for companies investing in the region.

Energy Markets Commentary
Week in Review

LISTEN ON Spotify APPLE PODCAST SOUNDCLOUD

GI Consultancy Intelligence Publishing


Committed to
Excellence
سي سي اينرجي ديفالوبمنت
CC ENERGY DEVELOPMENT
www.cced.com.om
in : CCED
: CCED_Oman

GI SOUNDINGS WEEK IN REVIEW

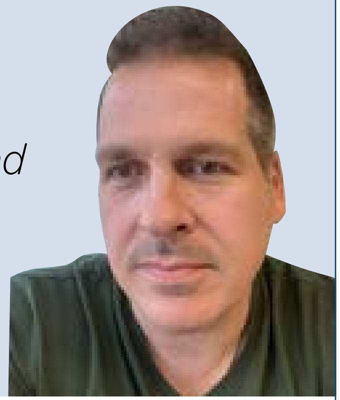
"Oil Markets Remain Lacklustre Amid More Dynamic Geopolitical Backdrop!"

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.

USD STRENGTH

"The world's reserve currency is losing its status and will have to weaken, and the reason is that it's being debased because the US keeps printing money. And others are seeing this - the Chinese and Saudis are selling US treasuries, the Russians have already sold all their treasuries, and the UAE is following."

Omar Najia , Global Head, Derivatives, BB Energy



US LNG EXPORTS

"Many people see this as a pause rather than a permanent change in the US position on LNG exports. A lot of the near-term projects already have the necessary permits, so you're looking at a three or four year plus timeline before you'd see any physical impact on the LNG market."

Rob Barnett, Senior Global Energy & Commodity Analyst, Bloomberg Intelligence

SOUNDINGS WEEK IN REVIEW

US GDP GROWTH

"The US might have the highest growth rate among advanced economies, and at 2.5% is coming from the services sector and things like the Inflation Reduction Act but the US deficit is at 6% of GDP. So, we should be asking, without that access to money printing and borrowing, what would the growth rate be?"

Bora Bariman, Managing Partner, Hormuz Straits Partnership

MIDEAST REFINING

"A lot of the focus so far at Kuwait's Al Zour refinery has been on their VLSFO exports. This summer will be the real test to see what those other product flows are going to look like, and we also have Oman's Duqm and the UAE's Ruwais refineries coming out of maintenance as we head into the summer months."

Aabha Gandhi, Senior Pricing Analyst, General-Index

SAUDI ECONOMY

"We are witnessing significant investment in Saudi Arabia in the last 12-18 months towards implementing its economic diversification strategy. In general, the market is getting ready to consume the requirements with respect to the finances available, with local and international corporates raising liquidity for these well-planned projects."

Badar Chaudhry, Head of Energy Sector, Mashreq