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Future direction of the oil market following the OPEC decision last week?

OPEC did exactly what the market expected them to do so that was already priced in. Whether we have one more push to the upside is a very difficult call but on the balance of probability, I think the top is in and oil, and maybe even gas prices, will start to fall, if not now, then in the new year. The bounce we have seen in the last few sessions came following a dramatic \$10 drop. We see WTI going to plus or minus \$61 and once we get there, the market has to decide whether it goes lower still or whether we try and set new highs. There is still a lot of liquidation to come, and the market has lost the sentiment that it will go higher. There's been too much damage done and it's that capitulation which will move it down.

US November CPI expected to show higher inflation - impact on equities?

Inflation over time is negative for equity prices and for assets, but at the beginning while it's inflating, it's excellent for assets. Today, equity markets are correcting sideways, but they won't do that for an extended period. They will either break to the upside or drop and I think it will be the former because the inflation we are seeing is not in daily goods like bread, but rather in the rare stuff like expensive art. What we have today is fear of inflation, not actual. ■

**Paraphrased comments*

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