



### Omar Najia

Global Head Derivatives, BB Energy



### Direction for oil and other markets this year?

If we can get over \$81.50 for WTI, then I would be short term bullish and we could have another blip to \$100, but ultimately we're going to come back down. We are bearish and my money would say that we won't go over that \$81.50 and that we fall from here. People who are now bullish this market, is more to do with equities but I'm also extremely bearish on equities unless they manage to close over the highs we had in 2022. If you can get a 5% return on US Treasuries that are supposed to be risk free, you would want to be getting at least 10% or 15% return on any equities investment that carries risk. That's not going to happen this year under any circumstance. The equity market is trading in the mentality that everything's going to be okay, but the rug will be pulled from under it at some point. Many are also saying that we've peaked in terms of interest rates and inflation and so US markets are going higher - I don't buy that. There's a lot of exuberance. As for China, it is reopening but that won't be a fast recovery.

### Has the US Dollar peaked?

It seems that way, which means that the correction on the euro and the GBP that has lasted 12 years, that's finished. It's quite interesting because that never happens when you get a downturn to a recession, as people usually go to a safe haven, which is the US dollar. A lot of people are sitting on massive USD deposits, such as the Chinese, and they've been selling US Treasuries nonstop. Russia's at zero. People are getting rid of their holdings of the USD because it is being perceived to be "unsafe" in the sense that the US might sanction or freeze your money etc. We see the USD nosediving over time, equity markets also, and the reason will be flight to safety. The pricing of oil, of gold and of commodities in the future, will be through a basket of currencies. ■

*\*Paraphrased Comments*

