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Fujairah New Silk Road WEEKLY NEWSLETTER

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"Embargo on Russian Oil Products Could Mean Run Cuts of 1.5mbd!"

Amrita Sen, Co-founder and Director of Research, Energy Aspects

The market impact of the price cap and embargo on Russian crude is not as material as the products embargo will be. Crude will continue to reshuffle east. We did see a drop of about 300,000 bd in crude exports in December versus November, and then a small recovery in January. But that's the amount that Russia is struggling to place anywhere and maybe that's what will lead to the first round of shut-ins of around 200,000-300,000 bd. The products embargo is trickier because Russia has always really struggled to place its diesel anywhere else other than Europe. That's where you are going to see the big impact on the upstream, because we anticipate Russia will find homes for only about a third of its diesel and if it has to shut-in two thirds of its 750,000 bd diesel exports, that means run cuts of about 1.5 million bd. New products capacity east of Suez could help to ease some of the gap to satisfy European demand; Middle Eastern refineries are very heavy on distillates and the yields are very jet and diesel heavy, so that will help in the second half of the year. We don't think the diesel market will face as steep a crunch as when the embargo initially kicks in during February. But it all depends on China - product export quotas are already lower so eastern markets are going to be tight, which means new Middle Eastern barrels will have to also swing east, creating pressure on the west. The other factor is that Russia is the only country that exports general feedstock, so we are going to have problems producing enough clean products. This might really hit gasoline in the summer, especially if China's reopening is going to be bullish gasoline, and because jet now needs the yield from refiners because demand for it is picking up.

CONTINUED ON P 3

Fujairah Weekly Oil Inventory Data

6,976,000 bbl	2,333,000 bbl	9,713,000 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

Weekly Average Oil Prices

Brent Crude:	$83.40/bl
WTI Crude:	$77.06/bl
DME Oman:	$82.29/bl
Murban:	$83.02/bl

*Time Period: Week 1, February 2023
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

VLSFO

High = $691.00/mt

Low = $657.50/mt

Average = $677.00/mt

Spread = $33.50/mt

MGO

High = $1,218.00/mt

Low = $1,139.00/mt

Average = $1,174.50/mt

Spread = $0.00/mt

IFO380

High = $413.00/mt

Low = $381.50/mt

Average = $400.50/mt

Spread = $31.50/mt

*Source: Ship and Bunker, *Time Period: Jan. 26 – Feb 2, 2023*

Fujairah Bunker Sales Volume (m^3)

1,494
180cst Low Sulfur Fuel Oil

500,082
380cst Low Sulfur Fuel Oil

159,566
380cst Marine Fuel Oil

899
Marine Gasoil

32,349
Low Sulfur Marine Gasoil

4,715
Lubricants

Source: FEDCom & S&P Global Platts

CONTINUED FROM PAGE 1

Amrita Sen, Co-founder and Director of Research, Energy Aspects

What range do you see oil prices in this year?
It could be a similarly volatile range of $30-40, as with 2022, simply because we've started with a very low price. But with China's reopening, the number one driver for prices, the upside could be quite substantial, and we see prices therefore averaging $100 for the year. We are already starting to see some green shoots with regards to demand for jet fuel and gasoline picking up, and China's product exports are coming off very sharply. We expect Chinese crude demand to grow by about 900,000 bd year on year. Chinese refiners are telling us that number could be as much as 2 million bd.

Will fund managers return to buying and elevate crude prices in 2023?
So far, that trend of low volumes has continued since last year. Net length in both Brent and WTI is shockingly low. Net long positions are at the 2020 lows, which is baffling. People are still sitting on the sidelines and partly for seasonal reasons with refinery maintenance coming up. So, the physical market will have to lead and then these money managers will come back. We may then get a short covering rally, but probably not till March or April onwards.

Is the guiding sentiment for markets that peak inflation is now behind us?
The market is assuming that the Fed is going to be lowering interest rates because energy prices have come off quite substantially since the peak and some of the CPI prints have come off slightly. The problem is that we need to see how China's reopening plays out because it will be very inflationary due to pent up demand. And there's also the multiplier effect to consider across the Asia region. The other side of the equation is that a big chunk of inflation was due to supply chain shortages. If factories in China now restart and people can get back to work, those shortages will come off in the coming months. So, the US Fed could be facing inflationary pressures again in the second half of the year.

WATCH FULL INTERVIEW HERE

Will we continue to see gas to liquids switching?
This has predominantly happened in industries such as petrochemicals and refineries and that has continued. Gas prices would need to be €63 per megawatt hours for the switch back away from gasoil, and as low as €43 per megawatt hours to switch back out of LPG. We don't see a drop below €70 despite the warm winter, because at that price you are going to get quite a bit of demand coming back. Storage is also still a problem for next winter without Russian gas this year.

Outlook for China LNG demand in 2023?
China has obviously taken a lot more LNG than they require, and they've been reselling that in the markets. We see that volume of reselling dropping. We had previously factored in Chinese LNG demand would be higher year on year by about 10% to 15% in 2023; that number is now going to be substantially higher - anywhere between 10 to 15 million tons higher over the next 12-18 months, compared to 60 million tons in 2022. That could put some pressure back onto Europe as they try to rebuild inventories for next winter. Europe was lucky with the milder weather this winter and with China being out of the market but now that China's back, it's going to be game on and let's see who wins these cargoes effectively.

Any tension within OPEC+ with Russian crude heading to Asia?
OPEC+ key countries have maintained their market share in Asia. At the same time, we are seeing more Middle Eastern volumes, such as Murban and some other lighter grades, move to Europe. I don't see this being a huge issue that derails OPEC+. The relationships are very, very strong and overall, Russia needs OPEC+ now more than ever.

Does OPEC+ need to revisit its output plan with the reopening of China?
Our balances assume OPEC+ will have to increase production in the second half of the year, but they will want to see evidence of stock draws returning and China reopening first. if China were to bring back 2 million bd of demand, that would require more OPEC+ barrels.

ENERGY FOR LIFE

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Energy Markets Views You can Use

Mike McGlone
Senior Commodity Strategist, Bloomberg Intelligence

How likely is it that we will now avert global recession?
The US economy is tilting towards recession and the Fed is still tightening to fight inflation. And if we look at commodities at a 12-month basis, copper is down 7%, crude oil is down about 12%. But the market is also likely to force the Fed to ease. That's the key dichotomy right now. Markets are priced for easing later in the year. You can see that in oil and natural gas - they're already indicating that we're heading towards significant deflationary periods. The US benchmark natural gas, the primary source for energy electricity in this country, has dropped to the same price that was first traded in 1995. We have disinflation in commodities, with more supply than demand and increasing elasticity.

Is the war in Ukraine not causing supply stress in food commodities?
The primary commodity that matters in this space is corn and wheat. Corn is still up about 10% on a 12-month basis. I view that as the war premium still in the market, but it's been fading rapidly. The forward curve on corn right now on the front contracts for the end of the year is closer to five and we are at around seven today. When you can make that kind of money at that price, that supply will come. So, unless there's a major escalation in the Ukraine war, corn is going to drop with other commodities. Natural gas is another key indicator for corn, as a primary feed for corn fertilizer, and that has plunged.

Can the remnant liquidity in the system trump interest rate hike policy?
The long invariable lag is the key thing to remember about central bank interest rate policies. A year ago, the US federal funds rate was zero and now it's almost 5% and rising, as the global economy declines. It's early days. Commodity markets also typically bottom a year and a half after the first ease, and we're still tightening. Anybody buying risk assets is making a major mistake and should be buying US treasuries instead. Yes, there's cash in the system, but in this case, you're fighting the Fed.

Kieran Gallagher
Managing Director, Vitol Bahrain E.C

Crude isn't following the optimistic mood we're seeing in other markets?
Stocks are healthy and demand in Europe is stable, so it's an uninteresting and directionless market. There's a lot happening in the next few weeks and that could obviously change things, but it's largely a product driven market today.

How will the Feb 5 EU embargo on Russian products impact market dynamics?
There's still a lot of uncertainty on how the price cap regulation will work and its impact on the different grades, so we've seen players sitting on the sidelines for the last couple of weeks waiting to see how that plays out. Next week, we could see a period of volatility when there's a little more clarity.

Outlook for the Asian refined products market?
We've already seen a big pick up in Chinese jet fuel demand and I would expect to see more of that. We should see a healthier shipping program in the second half of February and into March because of Chinese export margins. If the economic recovery continues as is, we will see better domestic gasoil numbers and therefore, those exports naturally slow down.

Have the crude sanctions on Russia achieved their intention?
Russian oil has continued to flow and found its way into the homes that that EU and G7 wanted it to – such as India and China - and refineries continue to run. So, they seem to have hit the right point and it's obvious that the market is pricing crude in a way that it doesn't see a shortage of Russian supply. The challenge now is whether they can do the same in a few days' time on the products.

Are dark tanker rates distorting the clean tanker market?
There's incredible volatility in the shipping markets in both clean and dirty rates. But it's also because of logistics- that fleet of privately owned vessels is limited. A lot of these ports are draft restricted etc., so a lot of the ship-to-ship operations are happening because the smaller ships need to load and then go onto the larger ships.


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Fujairah Spotlight

Adnoc reveals record income for gas business ahead of IPO

The United Arab Emirates' national energy company has started pitching an initial public offering of its gas business to investors, according to people familiar with the matter. It will lead the UAE's push to boost output and trading of LNG. The country is building a production plant at the port city of Fujairah to almost triple its capacity to around 15 million tons a year, which may make it one of the world's ten biggest exporters of the fuel.

Source: Al Arabiya News

Oil product stockpiles drop 4.8% on week to seven-month low

Stockpiles of oil products at the UAE's Port of Fujairah dropped 4.8% in the week ended Jan. 30 with middle distillates such as jet fuel and diesel falling to an eight-month low, according to Fujairah Oil Industry Zone data published Feb. 1. Total inventories were 19.022 million barrels as of Jan. 30, a seven-month low, the FOIZ data provided exclusively to S&P Global Commodities Insights on Feb. 1 showed. Middle distillates tumbled 22% to 2.333 million barrels, the lowest since May 23.

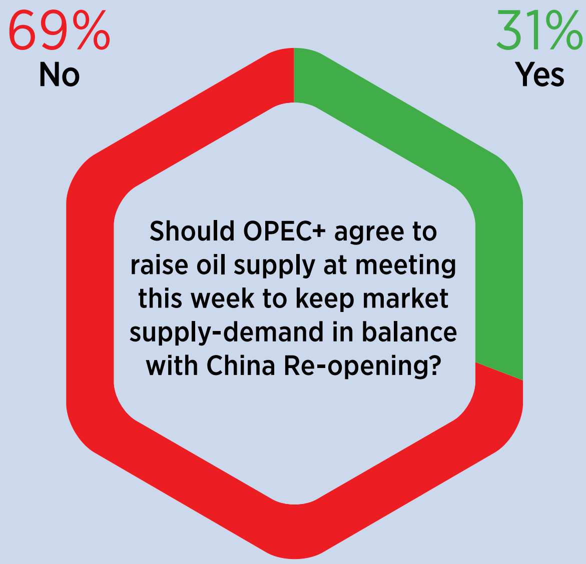
Source: S&P Global Commodity & Insights

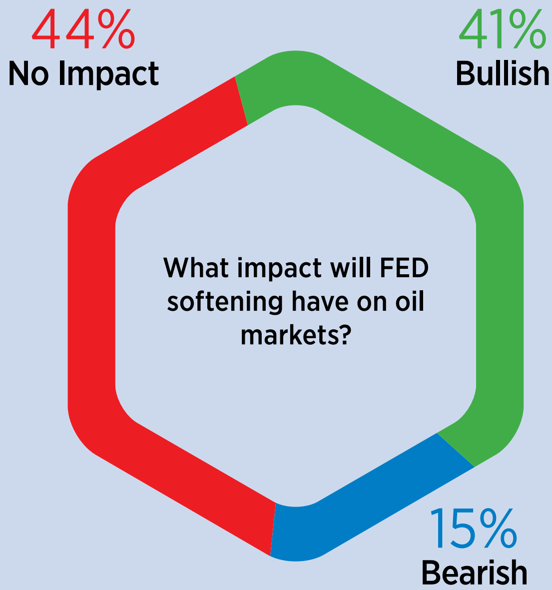
National Bank of Fujairah announces 12 UAE national graduates from the 2nd batch of NBF Technology Academy

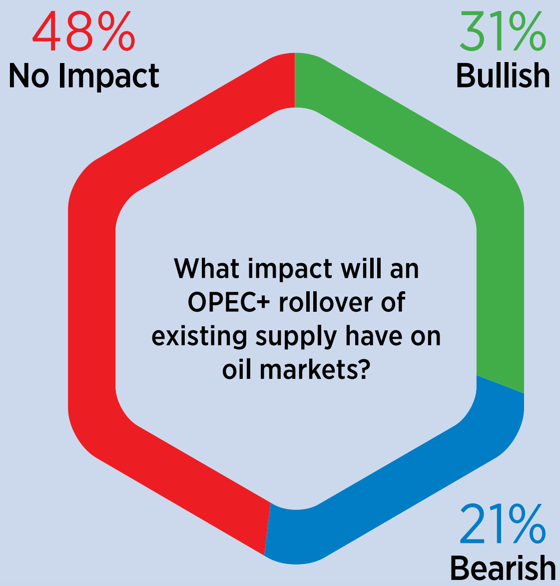
National Bank of Fujairah PJSC (NBF) today announces the graduation of a further 12 UAE nationals from its 2nd batch of NBF Technology Academy, with this year's programme run in partnership with Fujairah Government. Students completed six months of intensive training, equipping them with the knowledge and skills to fulfil their career ambitions, while contributing to the country's economic growth.

Source: Zawya

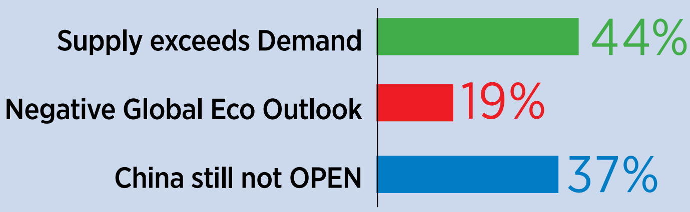
GI Weekly Surveys



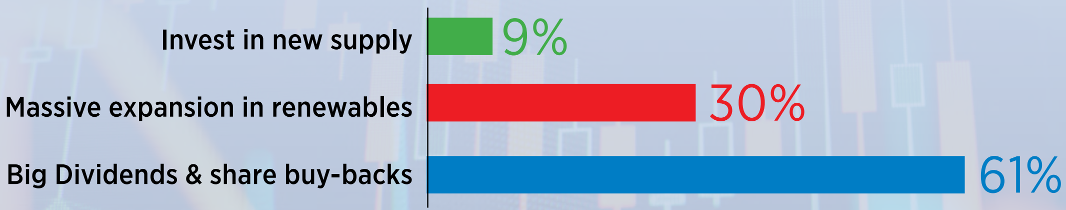




Why is oil market not participating in 2023 rally across financial markets?



Oil Companies huge profits will result in:



Source: GI Research March 2023

Fujairah Weekly Oil Inventory Data

FOIZ
منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone

TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 19.022 million barrels with a drop of 966,000 barrels, or 4.8% week-on-week as they continued to fall below the 20-million-barrel level. The stocks movement saw a drop for light distillates, middle distillates and for heavy residues.
- Stocks of light distillates, including gasoline and naphtha, fell by 113,00 barrels or 1.6% on the week to 6.976 million barrels. The East of Suez gasoline complex weakened in early trading Jan. 31 amid expectations of higher exports from South Korea due to weaker domestic demand because of a cold snap, market sources said. Some market participants also added that the fall in Chinese domestic gasoline may be moderated by relaxed COVID-19 restrictions. Chinese refineries are also expected to maintain high run rates moving forward in order to support increased gasoline exports, sources added. India's December gasoline production was up 10.81% month on month but down 0.89% on the year at 3.69 million mt, showed Petroleum Planning and Analysis Cell data released Jan. 26, amid the year-end festivities and as local refineries returned from turnaround periods.
- Stocks of middle distillates, including diesel and jet fuel, decreased by 654,000 barrels or 21.9% on the week to 2.333 million barrels. The East of Suez gasoil market was slow Jan. 31 amid a lack of fresh spot tender activity but the complex remains bolstered by steady demand in the region and viable East-West arbitrage economics. "There are no tenders for March-loading cargo yet, so we will know where the market is once those are out," said a gasoil trader. The February gasoil Exchange of Futures for Swaps spread, a key indicator of East-West arbitrage economics, was pegged at minus $51/mt at 0300 GMT Jan. 31, narrowing from minus $70.94/mt at the Asian close Jan. 30. "Gasoil fundamentals are well supported," said a second gasoil trader, adding that this is despite a narrowing regrade spread.
- Stocks of heavy residues fell by 199,000 barrels, down 2.0% on the week as they stood at 9.713 million barrels. Spot trading activity at the bunkering hubs of Singapore and Fujairah was mixed on the day, traders said Jan. 31. Above-average demand was reported at the UAE port, while buying interest was reportedly less than robust in Singapore. The drop in flat prices, led by weakening crude, led buyers to take to the sidelines expecting levels to continue to drift lower, said traders. "Volume [is] slow today. I think a lot [of inquiries] got postponed," said a Singapore-based bunker trader. A lack of buying interest for LSFO cargoes in the upstream market coupled with sellers making determined offers have led cargo premiums to inch lower in the last three consecutive trading days.

Source: S&P Global Platts

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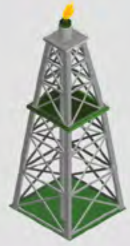
EXPLORATION
& PRODUCTION



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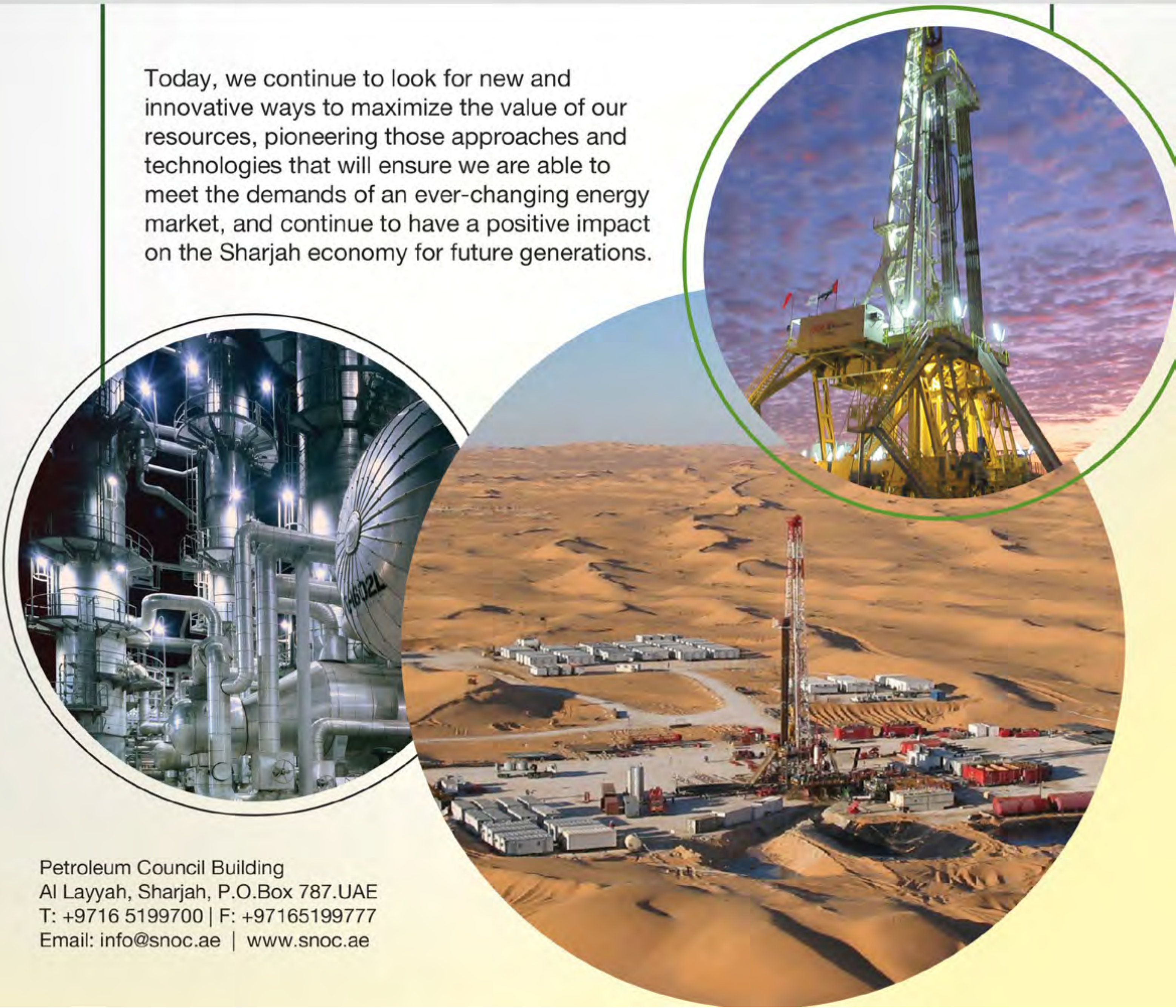
Today, we continue to look for new and innovative ways to maximize the value of our resources, pioneering those approaches and technologies that will ensure we are able to meet the demands of an ever-changing energy market, and continue to have a positive impact on the Sharjah economy for future generations.



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Energy Markets Views You can Use

Clyde Russell
Asia Commodities & Energy Columnist
Thomson Reuters

China's reopening isn't giving much wind to the sails of oil markets yet?

Expectations have been leading the market rather than the reality of what's going on. Chinese oil imports in January look like they will be similar to December. Also, physical flows always lag by several months, so oil arriving in February was bought back in November or even October. This reopening will take a few months to filter through to actual physical flows; still, I haven't heard from anyone that there's a huge uptick in Chinese imports from March onwards; expectations are between 11mbd to 12mbd. And if prices rise above $110 a barrel, China will most likely try to reduce their imports back to the 10mbd level to take some heat out of the pricing. That's what they've done in the past. Most of their storage tanks are full at the moment so they've got the ability to draw down on that.

Outlook for China oil products exports?

Diesel especially, but also some gasoline and jet fuel, have been rising since Q4 2022. It was a cheap and easy way to stimulate the economy - buying cheap crude and selling higher value products. Asian refining margins were massive at the time with record highs for diesel. Those have come off now with the entry of China back into the market in force. China could continue to act as a swing refinery for the world if the margins remain in their favor. India is also a major exporter of refined fuels. Both countries are buying discounted Russian oil. Russian exports into Asia hit another record high in January, about 700,000 bd more than what they were in December, which was the previous record high.

Should OPEC+ be looking to release more barrels as China reopens?

They will stick to where they are for now and anyway, the group fell well short of their targets in January – around 920,000 barrels according to Reuters. The world is getting by for now and OPEC would want to see if China actually demands more oil and also who they buy it from. Right now, the Chinese are sucking up every barrel of Russian crude that they can, as is India.

David Rundell
Former Chief of Mission, American Embassy in Riyadh & Author – *Vision or Mirage, Saudi Arabia at the Crossroads*

Any chance we will see the war in Europe diffused this year?

We will see greater escalation if the West is really determined not to let Ukraine be defeated or unless somebody gets smart and decides it's time to negotiate. People should also focus on what's going on in Azerbaijan, and the Nagorno-Karabakh corridor, which is basically run by the Armenians and which the Azeris are thinking about taking. The Azeris might be looking at Russia as preoccupied in Ukraine, but the Russians would probably get involved because they want this road access to Iran. Iran might also get involved because there are more Azeris living in Iran than there are in Azerbaijan. So, that's a real powder keg that also affects oil because of the Baku fields.

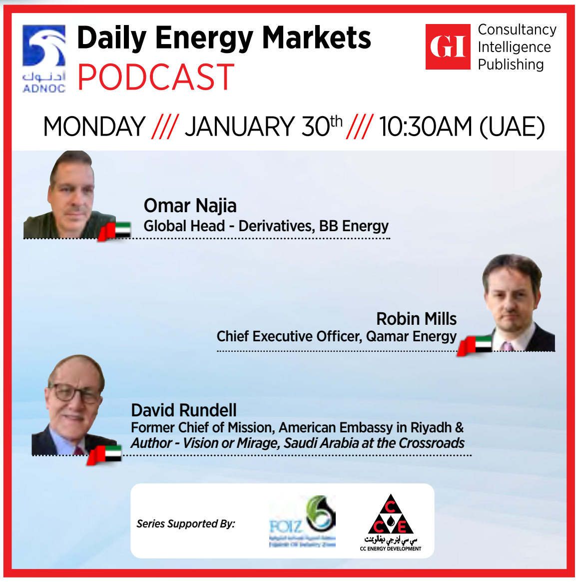
Gulf states position with Iran on recent regional tensions?

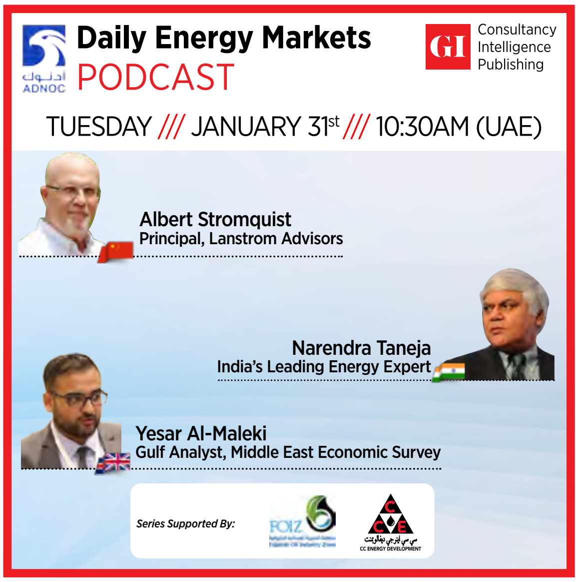
The Gulf states don't have a great deal of influence on how events pan out between Iran and Israel. They're caught in the middle. They will be supportive of any idea that can diffuse this thing and don't want to antagonize either side, but I don't see them as a central player in how it evolves, except perhaps as a victim of collateral damage, which is a very unfortunate position to be in. It's the same as their neutral position on NATO's proxy war with Russia. Same with China. For economic and political reasons, the Gulf states need good relations with both China and Russia.

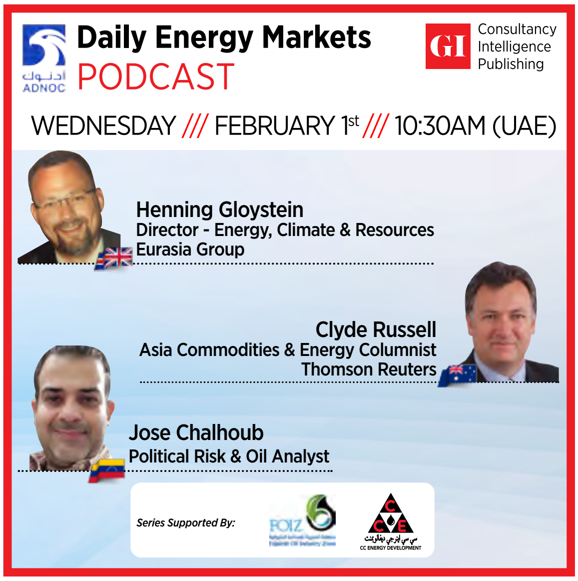
Is the Yemen conflict in jeopardy of heating up again?

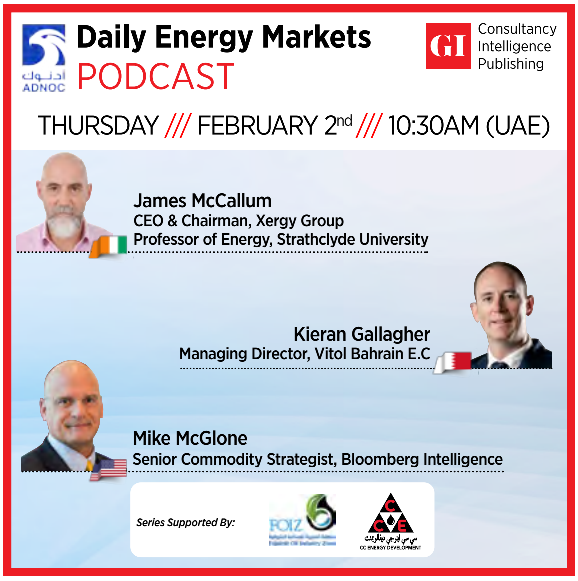
Yemen is a complicated issue and not entirely in the hands of the Iranians. One question is whether the Iranians use it now to provoke greater instability in the world, but they do not completely control the Houthis who have their own agenda. The Saudis more than anybody, would like this war to end and have tried to end it repeatedly.

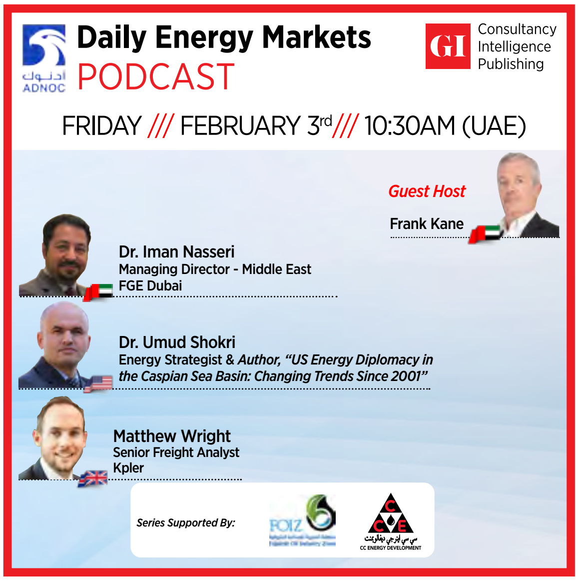
Energy Markets COMMENTARY WEEK IN REVIEW











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Energy Markets Views You can Use

Robin Mills
Chief Executive Officer
Qamar Energy

Have markets been overplaying the 'soft landing' idea?

Everybody accepts there is going to be an economic slowdown. The question is just how big and when exactly. The inflationary side is puzzling as well and economists are struggling with putting that back into their models. It's a patchy picture - China is coming out of very slow growth, the US economy is doing OK, Europe is struggling more, and India is doing extremely well. We might be facing a mild global recession overall like the one in the early 2000s, where you don't get a drop in oil demand, but rather just a bit of a slowdown. At the same time, oil markets aren't reacting much to some of these signals. We have sanctions on Russia and the price has not moved much from $86. Some supply chains in the system are overstretched, such as on diesel, so if we do get a strong economic rebound, those constraints will be hit like last year. We're driving close to the speed limit of the overall economy.

Future for Iranian oil supply to the market?

Exports have jumped significantly - clearly the effort on enforcement has gone down. That's probably deliberate, as Iranian oil is competing against Russian supply to China, and also keeping oil prices moderate. Russia is the bigger enemy at the moment, and anyway sanctions have never succeeded in toppling the Iranian regime. There's always potential however for geopolitical escalation in the region, which Iranian exports could of course get caught up in.

ENERGY MARKET NEWS

1. OIL HEADS FOR WEEKLY LOSS AWAITING CHINA RECOVERY SIGNS
2. OPEC OUTPUT SLIDES AS GROUP STICKS WITH DEAL TO BALANCE MARKET
3. US REFINERS THROTTLE BACK Q1 OUTPUT AFTER RECORD 2022 RUNS
4. ASIAN STOCKS PULL BACK, DOLLAR REGAINS FOOTING AHEAD OF US PAYROLLS DATA
5. RUSSIAN DIESEL IS EU'S NEW EMBARGO TARGET
6. GULF OIL REFINERS STRUGGLE TO BE READY AS EU BANS RUSSIAN FUELS
7. GLOBAL DIESEL SHORTAGE PUSHES OIL PRICES HIGHER
8. ASIA'S CRUDE OIL IMPORTS HIT RECORD HIGH, BUT IT'S NOT CHINA
9. POST-GAZPROM, INDIA TURNS TO US, MIDEAST LNG SUPPLY
10. EXXON PLOTS PATH TO LOFTY PERMIAN PRODUCTION TARGET

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- BP ENERGY OUTLOOK 2023 PUBLISHED
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- EU MAY INTRODUCE FULL EMBARGO ON EU IMPORTS OF FOSSIL FUELS & URANIUM
- THE FED SAYS DISINFLATION IS WELCOME. WHAT IS THAT, EXACTLY?
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GI **Soundings Week in Review**

"Oil Supply Will Meet Demand At Least Through Q2 2023!"

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**
- **Yesar Al-Maleki, Gulf Analyst, Middle East Economic Survey**
- **Henning Gloystein, Director - Energy, Climate & Resources, Eurasia Group**
- **Jose Chalhoub, Political Risk & Oil Analyst**
- **James McCallum, CEO & Chairman, Xergy Group, Professor of Energy, Strathclyde University**
- **Matthew Wright, Senior Freight Analyst, Kpler**

Omar Najia, Global Head, Derivatives, BB Energy OIL PRICES: "The market is at a crossroads. It's either going to really spike or it's going to really come off. But even with this news of the Israeli drone hitting Iran or China re-reopening, the oil industry does not do anything. Even with talk of peak interest rates or peak inflation, markets are not doing very much. That tells you that the sentiment out there doesn't believe any of these narratives."

Yesar Al-Maleki, Gulf Analyst, Middle East Economic Survey OIL SUPPLY: "There's ample supply for the first half of this year and there's consensus that OPEC is not going to change course yet. The point in time where we need to think hard in terms of supply and demand is at the end of Q2, beginning of Q3. By that point, we will see if indeed we have better economic activity, inclusive of China and other places, that would require more oil."

Henning Gloystein, Director - Energy, Climate & Resources, Eurasia Group 2023 SUPPLY: "If China's economy fully recovers and if Europe and the US escape recession, then you have the three biggest oil consumer hubs with stable or upward consumption. At the same time, OPEC seems to have limited spare capacity to react on the upside, and we expect Russian production to start declining towards the middle of this year. If that all falls into place, we'll have a tighter market in H2 2023."

Jose Chalhoub, Political Risk & Oil Analyst VENEZUELA: "We're still stuck with the same problems with sanctions, despite the recent moves by Chevron to get a new license. The challenge for PDVSA will be to ramp up production. Chevron said it has lifted oil production by about 40,000 bd but we have to see if this will be sustainable in the coming five months before the license expires."

James McCallum, CEO & Chairman, Xergy Group, Professor of Energy, Strathclyde University US OIL: "There's a real bottleneck in the oil service sector's ability to provide the equipment for any massive increases in new wells. The rig count today of 600 is still well below the highs of 2014 of around 1500. Service sector companies don't believe there will be a very significant upturn anytime, and that is reflected in their share prices."

Matthew Wright, Senior Freight Analyst, Kpler RUSSIAN PRODUCTS: "Unlike on the crude side, where EU countries had significantly reduced their intake ahead of the December 5th ban, on refined products we've seen much less of that. Even last week, the EU was still taking in 700,000 bd of Russian gasoil so there is still a huge amount that both the EU needs to replace, and that Russia needs to divert."

Energy Markets Views You can Use

Narendra Taneja
India's Leading Energy Expert

Sentiment across the Indian economy is very positive.
That is the case whether you talk with government leaders, industrialists, or those in the energy sector. We are keeping an eye on China's opening and whether that results in higher crude oil prices as that would impact our fiscal deficit. We see GDP growth this year reaching close to 7%. Most companies are investing heavily, and agricultural output and growth is also very good, about 3.5%, which is tremendous for an economy like India. Some of the smaller manufacturing units are still facing challenges and hoping for continued government support. The other factor we see is that young people all over the country want to be entrepreneurs - this new culture is changing the economic landscape of India.

How will subsidies play out over the coming year as you approach elections?
The government needs to carry on with certain subsidies. What is more important are big reforms in the oil and gas sector, infrastructure sector and public sector, and those will probably have to be postponed until the elections are over.

How significant will China's reopening be for the global economy?
It might recover faster than had been projected but the point is that China today is facing a huge issue in terms of how it is perceived by the global community. Big investors don't want to put all their eggs in one basket. They are looking at other countries in Asia like India, Vietnam and Indonesia and Africa also. We are 89% dependent on China for solar equipment so India is building gigafactories to overcome that, and others are considering the same. That will have an impact on China's economy eventually.

Will India follow the US Fed lead on interest rates this year?
We have done that so far, but this time is going to be slightly different because the Indian economy is on a different trajectory than the UK, or Europe for example, which will probably still follow the Fed. I don't think the Reserve Bank of India will increase interest rates further, even though the rate rises so far have helped bring inflation down and inflation has been a big public issue across the country. It could increase rates by another 0.5% just to keep inflation under control as that is what impacts the ordinary Indian consumer, which is politically the most important constituency for the government.

Daily Energy Markets

TOP TAKEAWAYS
MARKET OBSERVATIONS FOR THE WEEK
January 30th - February 3rd

1. Why aren't oil prices getting more excited by the China re-opening narrative -- something doesn't make sense when you have all this bullish news, and the market doesn't react?

2. Geopolitical tensions rising in the Middle East with the new hard-right Israeli government stirring up the neighborhood's hornet nest – ignoring the old adage of "let sleeping dogs lie!"

3. OPEC+ meeting likely to pass this week without much fanfare as the oil exporters group is happy to sit quietly in the corner and not be dragged into the headlines.

4. China's economic recovery faces some deep-seeded challenges, most significantly the near bankruptcy of many regional municipalities which bore the financial cost of the COVID lockdowns.

5. India's economic growth likely to sustain over the year ahead as government largesse delivers ahead of 2024 elections.

6. OPEC+ likely to maintain wait and see posture on China re-opening i.e. show me the oil demand growth, don't tell me about it!

7. Oil markets are taking a wait and see approach to all the moving parts on the supply and the demand side.

8. Chinese exports of oil products may ease in 2H 2023 if domestic demand recovers with the reopening of China's economy.

9. Oil service companies are struggling to keep up with demand from producers to build new production capacity as bottlenecks appear through the supply chain.

10. With Feb 5th ban on Russian products looming, EU still needs to find replacements, particularly for gasoil, and Russia needs to secure new markets!

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