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Fujairah New Silk Road
WEEKLY NEWSLETTER

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AN EXCLUSIVE GULF INTELLIGENCE INTERVIEW

"IRANIAN FUEL CARGOES WON'T SOLVE LEBANON'S POWER CRISIS!"

Laury Haytayan, MENA Director, Natural Resource Governance Institute

Lebanon's current fuel crisis is a consequence of the mismanagement by the country's political class for decades. The current absence of gasoline, diesel and fuel for electricity generation in Lebanon is due to a shortage of available US dollars to purchase the necessary cargoes on the international markets – the political elite have embezzled government coffers for years to the point where they are now practically empty. The country is now waiting for handouts from Iran, which is sending fuel shipments to Lebanon through its affiliate in Beirut, Hezbollah. They are supposedly coming to rescue the country from the brink of collapse, yet we still don't know how this product will be used or what the price it will be sold at. In any case, the Iranian shipments will simply deliver a temporary solution for the country. It is clear that special business interests are at play, which is why they're able to bring the fuel in to the country without going through the oversight and financial facilities of the Lebanese central bank – Banque du Liban.

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Fujairah Weekly Oil Inventory Data

5,762,000 bbl	3,675,000 bbl	8,245,000 bbl
Light Distillates	Middle Distillates	Heavy Distillates & Residues

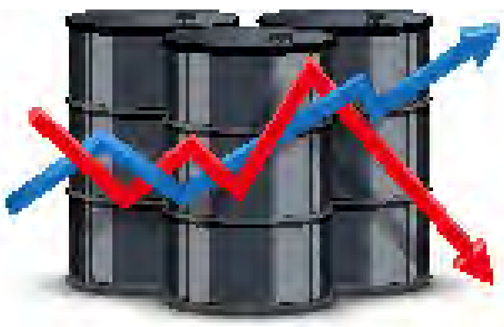
Source: FEDCom & S&P Global Platts

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:	$71.74/bl
WTI Crude:	$68.69/bl
DME Oman:	$70.42/bl
Murban:	$70.65/bl

*Time Period: Week 1, September 2021
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

	VLSFO	MGO	IFO380
High	$533.50/mt	$657.50/mt	$448.50/mt
Low	$513.00/mt	$639.50/mt	$406.50/mt
Average	$527.00/mt	$650.50/mt	$428.50/mt
Spread	$20.50/mt	$18.00/mt	$42.00/mt

*Source: Ship and Bunker, *Time Period: August 25 - September 1*

Fujairah Bunker Sales Volume (m^3)

1,746 180cst Low Sulfur Fuel Oil	**534,357** 380cst Low Sulfur Fuel Oil	**119,732** 380cst Marine Fuel Oil
1,422 Marine Gasoil	**28,153** Low Sulfur Marine Gasoil	**4,929** Lubricants

Source: FEDCom & S&P Global Platts

Laury Haytayan, MENA Director, Natural Resource Governance

CONTINUED FROM PAGE 1

What is the view of the Central Bank?
Laury Haytayan: Central Bank governor Riad Salameh said last week that Lebanon lacked sufficient foreign reserves to release dollars to buy imported fuel at anything other than the severely depleted exchange rate, which has seen the Lebanese pound lose 90 percent of its value in under two years. With a moribund loss-making government-owned electricity supplier, hospitals, business and homes rely on small generators run on imported diesel.

Is this legal under international law?
Laury Haytayan: The announcement alone puts Lebanon in danger. The ship is carrying a product that is under US sanctions. Anyone who engages with that product could be sanctioned. Is Hezbollah really willing to put the Lebanese government at risk? Importing oil from Iran is not a solution to the fuel crisis. This is a political move.

How would the Iranian fuel get into Lebanon?
Laury Haytayan: There are two main routes for the Iranian shipment to reach Lebanon: the ship could dock in Baniyas, Syria, and offload the fuel for delivery by land, or it could sail to a Lebanese port, presenting officials with the decision of whether to receive it and risk US sanctions. The Lebanese government could ask for a waiver of the sanctions, such as the ones granted to Iraq for Iranian gas imports.

Why is the international community not coming forward more to help?
Laury Haytayan: They are simply not willing anymore to give money to a political class which is unwilling to make reforms that have been requested for years, including a refusal to have any financial aid given to be monitored. A World Bank report has labelled the regime as taking ‘deliberate inaction’ on any kind of reform.

Politicians refused to implement a Capital Control Law in parliament when money was going out and other people were not able to cash in their money in the banking system. They are refusing to do the forensic audit that is required. They are refusing to take any action that would help put us on the road to reform, sabotaging every solution that is possible.

What is the daily consequence of this mismanagement by the political class?
Laury Haytayan: It takes five hours to queue for fuel and even working from home on the internet has become a challenge because without diesel, the private generators that provide back-up electricity, cannot function. Imagine that in 2021, we are living in a city where you don’t have electricity! Hospitals are also being challenged by the power problem, in addition to their serious medicine shortages. And even there, we’re seeing corruption where businessmen have bought medicines in advance at subsidized prices, waiting to sell once these are removed. Every day is a survival day in Lebanon.

What’s happened to the remittances that are so critical to Lebanon’s economy?
Laury Haytayan: Expatriates are sending relatives money directly through outfits like Western Union, and not through the banks. Without these remittances, we would have been in an even worse state because the Lebanese Lira has lost 95% of its value.

Is there any light at the end of this very dark tunnel?
Laury Haytayan: History is repeating itself and the country is once again witnessing a ‘brain drain’. Employees in the health, banking and education sectors are grabbing opportunities abroad. Current estimates say any recovery might take 10 to 12 years. But the question is, when are we even going to start with the recovery? GDP dropped from $55 billion to $33 billion in 2020 and this year, it’s even worse. The political class is doing nothing about it. On the contrary, they are using it in their favor and to impose a new political system. They see this crisis as an opportunity to survive and as long as they’re in power, there’s no hope for the country.

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Abu Dhabi National Oil Company

ENERGY MARKETS VIEWS YOU CAN USE

Richard Redoglia
Chief Executive Officer
Matrix Global Holdings

INDICATIONS FROM THE US FED APPEAR TO BE BULLISH FOR OIL?

The Fed is remaining as accommodative as possible - tightening things up is not on the cards. And for oil markets, the only pressure that might come is if there's a recession and oil will be a subset of the weakness that comes from that. Covid could of course still affect demand as well as the arguments around climate change and what we're going to do about that. But fundamentally, OPEC now has the ability to adjust supply against demand at any point and keep the market supported. The EIA has demand for oil up six million bd from July of 2020 and demand is still down 3.4 million bd from 2019. The 6-18 month Brent spread is showing that the market is in backwardation - never in history has demand been down year on year with the market remaining in structural backwardation, but we're there now and it's not going away.

SHOULD WE EXPECT US OIL SUPPLY TO WEIGH ON THE MARKET ANYTIME SOON?

There's something very illogical about President Biden asking OPEC to increase oil production after shutting down the Keystone pipeline and stopping drilling on federal lands. Refinery closures in the US are also accelerating. The problem is demand at one point is going to reach new highs and yet we've handed the keys of the kingdom to OPEC. The other shift is that the Permian is now controlled by the majors. They will ramp up that production in an orderly fashion to supply their refinery systems but that is different from what we saw during the 2012 to 2015 period, when free money allowed MLPs to produce as much oil as they wanted. We've now lost that marginal barrel which used to put pressure on OPEC.

Christof Rühl
Senior Research Scholar - Center on Global Energy Policy
Columbia University

WHAT'S YOUR TAKE ON LAST WEEK'S OIL PRICE SURGE AND EQUITIES HITTING NEW HIGHS?

Unlike 2008, when it was good for the market for the Fed to pump money for longer, now the market reaction is all over the place. It's not clear if, when the Fed does actually start tapering, whether the market expects bond yields to go up or down. It's not clear if bond yields will fall when equity prices go up or down. And even if equity prices go down, it's not clear at what point this leads to deleveraging and problems in the financial sector or when that would feed back to economic growth and oil prices. What is clear is that the common perception now is that no matter what happens on the virus front, it's going to be increasingly a problem of the non-vaccinated and that it's unlikely there will be another full-scale global lock down.

DO WE EXPECT MORE CLARITY ON THE DIRECTION OF INTEREST RATES ANYTIME SOON?

Inflation numbers in the US have been going up but the Fed is still saying not to worry and that it's a temporary blip. But other indicators outside the consumer basket, such as house prices, are very high. If inflation goes up, there will be an interest rate reaction that will hurt economic growth going forward. We also still have a system full of bottlenecks with material shortages all over the place and it's not just containers stuck in China or semiconductors. It's plastic, paper etc., so all those will drive prices up. If by chance lockdowns do come back to OECD countries, from an economic point of view the interest rate discussion could be deferred a little bit. I think the first half of 2022 will be the decisive period for rates because it will be after the winter, and we will either be fine or growth numbers will be coming in lower than expected on the back of economic inactivity. As far as oil prices go, supply will have also increased by the start of 2022 and prices could come under pressure if growth expectations are muted at that point.

EXPECTATIONS FOR THE OPEC MEETING THIS WEEK?

OPEC is unlikely to change tack. They will continue to monitor the situation. We don't yet have the full demand which we had expected by now so they will produce as much as is needed. And Saudi Arabia, with the flexibility of supply that it has made on its quota, can continue to fine tune if required.

ENERGY MARKETS VIEWS YOU CAN USE

Bora Bariman
Managing Partner
Hormuz Straits Partnership

ARE MARKETS CAUGHT IN THE US FED VORTEX OF FREE MONEY AND ASSET INFLATION?

Putting actual policy aside, Jay Powell has done a superb job in his role as a figurehead. He has said there's no substitute for focusing on incoming data and evolving risks. He also hasn't really been talking about inflation, as it unnecessarily slows hiring and other economic activity and pushes inflation lower than desired. He has also emphasized the continued Delta variant risk, wary of making any ill-timed policy moves. He has basically not changed his view all along and the markets recognize that. Once the war on Covid is over, the debt build up will need to be eroded through periods of inflation. I interpret the actions of the Federal Reserve as very rational, and they've been very effective in nurturing the environment that we're living in today.

WILL OPEC ACT IN RESPONSE TO THE AUGUST OIL PRICE VOLATILITY AT ITS MEETING?

Volatility is something that we're going to be experiencing for some time. OPEC is seeking to raise production in an orderly manner and pacify the most important segment of their customer base, which is emerging Asia. That includes India, which will not be happy with this commodity inflation. However, I don't think OPEC will necessarily respond to these desperate calls in the night from various presidents, but they will say that it's part of the overall program to expand production. The other point is that not many OPEC members can increase supply. Other than Saudi Arabia and the UAE, access to capital is not available for many of the sub investment grade NOCs.

Andy Laven
Chief Operating Officer
Sahara Energy Resources

LIKELY OPEC MTG OUTCOME WITH AN OIL MARKET IN STRONG UPWARD MOMENTUM?

If one looks at the short to medium term, there are a lot of positive signs to encourage us in terms of oil demand. The world is coming to terms with Covid, albeit unevenly geographically, but things are getting back on track. I think you'll see OPEC act accordingly. I don't see them going back on their plans. Everything is looking relatively positive for the group. And unlike the oil majors who are worried about the low carbon future, the reality for OPEC producers is that oil is their future, and they will make hay while they can. We are also starting to see some odd behaviors like in the US where President Biden seems to be pushing down on domestic production and yet encouraging OPEC. So, some paradoxes will be formed in the future, but I don't see it as anything negative for OPEC.

ATC'S PLANS TO USE THE PLATTS WINDOW FOR PRICING CRUDE INTO ASIA A BIG DEAL?

It was always inevitable. You either trade in full or you don't trade at all. So inevitably, Aramco Trading have to get comfortable with trading crude as well as products and over the longer term, I think you'll see them becoming much more of a normal trading participant, and not just into Asia, but all markets. Most market participants are very comfortable with the Platts window so that's certainly where one would start. The interesting issue is if you follow that path through, how can you then reconcile effectively announcing OSPs while also participating in trade. Ultimately, at some point, this path leads them down to the position where OSPs are no longer and even Saudi crude will have to be priced in the market, but that may be ten years away.

OIL MARKETS HAVE BEEN RELATIVELY UNINTERESTED IN THE AFGHANISTAN TURMOIL?

The reality is they already knew that the US was probably going to be less strong in the international political framework and so had baked that into prices now and in the future. Afghanistan is not a major player in the oil market. Traders are more concerned about what's going on in the Gulf and about the general move globally to a low carbon future. China is much more of a question for the oil market. It's not managing its economy in the same way as the West but I would say it's still probably the best managed economy in the world and it will continue to be that way for the long term.

Fujariah Weekly Oil Inventory Data

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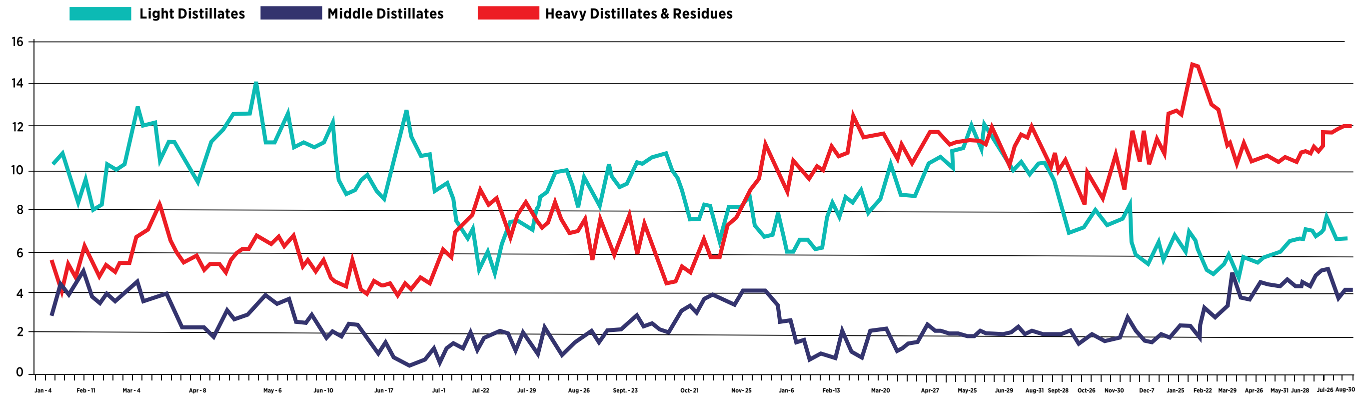
bbl (million)



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 17.682mn barrels. Total stocks fell by 596,000mn barrels with overall stocks falling 3.3% week-on-week. This is the first time they have fallen below 18mn barrels since March this year. The drawdown is a continuation of last week's draw of 1.138mn barrels. The total stock draw was driven by falling stocks of middle distillates and heavy residues, while light distillates recorded a net rise.
- Stocks of light distillates, including gasoline and naphtha, rose by 131,000 barrels or 2.3% on the week to 5.762mn barrels. This is a continuation of last week's gain when they rose by 29,000 barrels to 5.631mn barrels. The build came as around 2.2mn b/d refining capacity went offline in the US following Hurricane Ida. The Asian gasoline market remained firm as traders took stock and assessed the full impact of Hurricane Ida on refineries and surrounding infrastructure around the city of New Orleans, Louisiana. Nearly 75% of Louisiana refining capacity was offline as of Aug. 30 including ExxonMobil's 520,000 b/d Baton Rouge plant and Marathon's 578,000 b/d Garyville refinery.
- Stocks of middle distillates, including diesel and jet fuel, fell by 285,000 barrels or 7.2% on the week to 3.675mn barrels. This is a continuation of last week's loss of 85,000 barrels. Favorable arbitrage economics have led to more Asian gasoil barrels flowing to the West as the September Exchange of Future for Swaps or EFS widened further into negative terrain. This has also had an impact on Arab Gulf and Indian barrels flowing to the West, a trader noted. Meanwhile, wildfires in the US West Coast have led to a surge in demand for jet fuel, which is used to fuel fire-fighting aircrafts. This has made arbitrage economics viable to ship jet fuel from Singapore to the West, a Singapore-based refining source said.
- Stocks of heavy residues fell by 442,000 barrels or 5.1% on the week to 8.245mn barrels. This is a continuation of last week's draw of 1.082 million barrels. In the Port of Fujairah, healthy bunker demand was heard. Premiums of delivered 380 CST HSFO at Fujairah remained supported amid tightening barge availability and a decline in HSFO bunker inventories, said a Fujairah-based bunker supplier. Fujairah-delivered marine fuel maximum 0.5% sulfur was assessed $526/mt on August. 31. The price in Fujairah is a $4/mt discount to Singapore which saw its delivered bunkers on August. 31 on the same basis assessed at $530/mt.

Source: S&P Global Platts

BY MATT STANLEY
SENIOR BROKER
STAR FUELS

Welcome to the day after the night before's OPEC meeting. I mean if you can call it a meeting. 20 minutes I think, honestly, I've had a pint of Dublin's finest take longer to settle than that. Anyway, we shall talk about what happened, or what didn't in but a moment. Brent? Where are you? Ah yes, there you are, around $70/bl. Brent is trading this morning at $71.52/bl, down 0.07/bl. WTI is trading down 0.14/bl, at $68.45/bl. So, "kell seprees" as Del Boy would say, OPEC maintained course and kept their promise of returning 400,000 bpd of production next month. Grandpa Joe was "glad" at this. I'm sure OPEC are very happy POTUS is glad (insert roll eye emoji). It wasn't particularly difficult to see this decision coming, things have been fairly stable in the oil market over the last few months, and this is reflected in the range bound market Brent has been in since April, really, between $65/bl and $75/bl. The thing is, the market likes a bit of drama, doesn't it? I mean you don't tune in to EastEnders to watch Frank Butcher make beans on toast, do you? No, you watch him as he embarks on an adventure to steal money out of Dot Cotton's purse in the launderette. Some say I miss the UK. Maybe. Anywayyy back to non-drama - I mean there have been myriad stimuli to create volatility recently, a hurricane in the USGC, tensions in the Middle East, US oil production at 11.5mn b/d (the highest since May 2020), Mexican oil outage and of course, the main story that is always there but seemingly largely ignored - COVID-19. Yet the market has by and large shrugged these concerns off and this was reflected in the OPEC statement yesterday that the group sees oil demand rising in 2022. Now, I know this week I said may be of a more bullish persuasion these days but there's bullish and there's overly optimistic, yes that's about as polite as I can put that - "overly optimistic". The market reaction to the OPEC decision? Meh. I mean it was largely priced in and I don't think anyone saw a surprise coming. The next few weeks will be of high importance to the market though with economic data coming in, especially non-farm payrolls tomorrow and the significance that Labor Day in the US next week marks the end of driving season. Oil data in the US will be skewed owing to the effects of Hurricane Ida so I expect the market to stay range bound and look for general direction from the upcoming data out over the next few days. Good day.

Sept 2, 2021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ENERGY MARKETS COMMENTARY WEEK IN REVIEW

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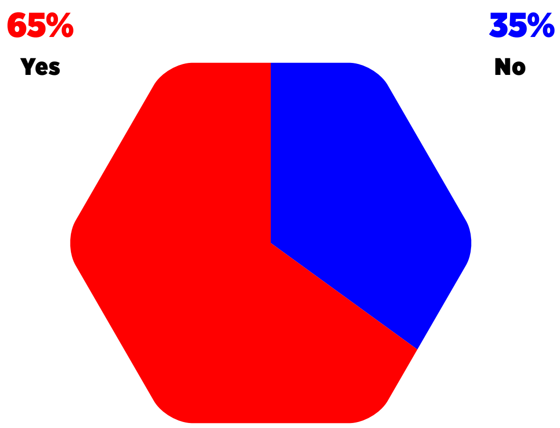
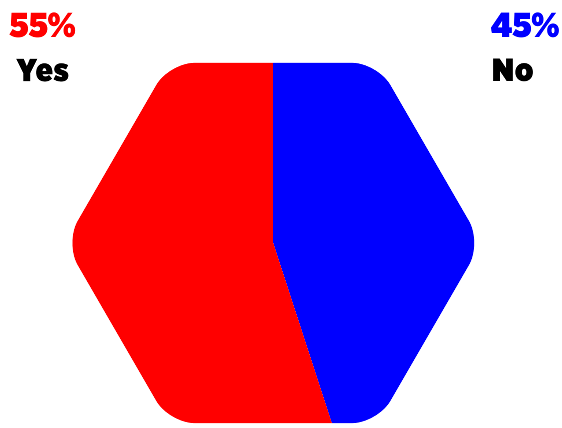
GIQ Weekly Surveys

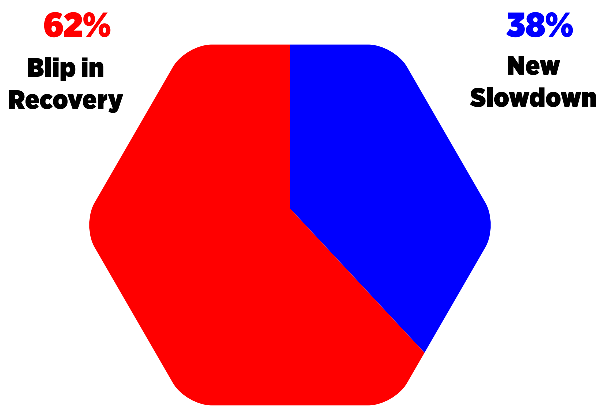
Should OPEC+ maintain its plan to raise supply by 400k bpd p/m when they meet Sept. 1?



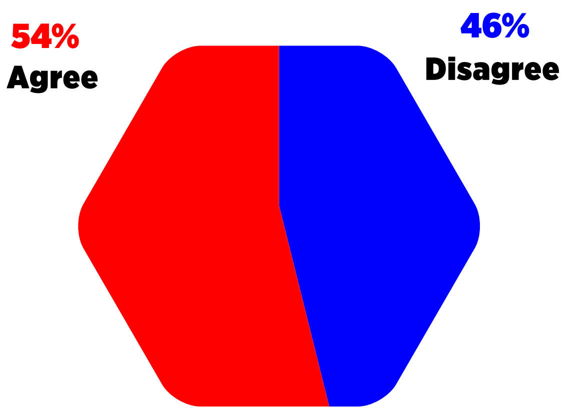
Do you expect to see $10+ swings in oil prices in Sept as we saw in August?



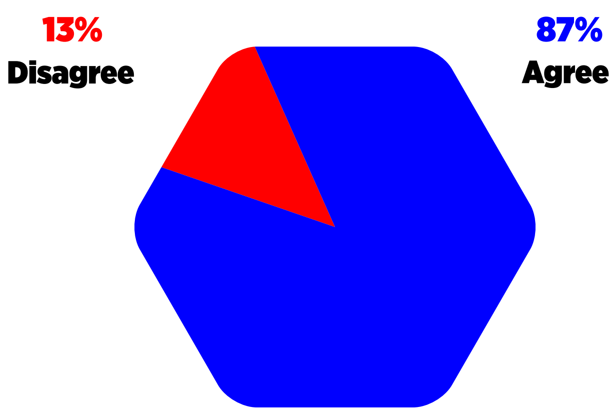
China's PMI data showed a considerable slowdown in eco activity in August - is this?

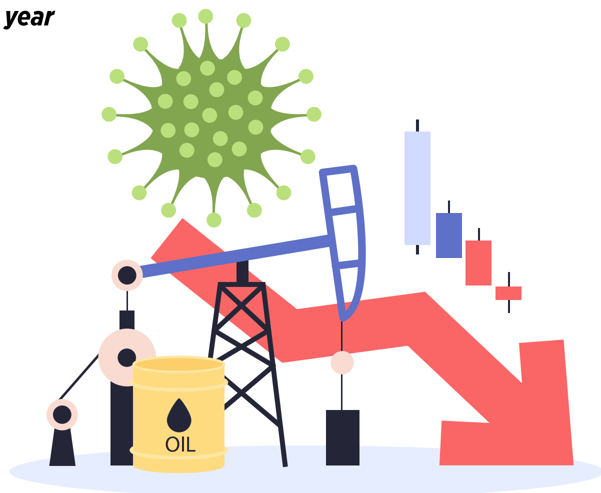


The Covid Delta variant has now passed by as far as being a real threat to demand destruction and oil prices?



Global oil inventories will continue to fall through the rest of the year even with OPEC Supply boost?





Source: GIQ

GI Consultancy Intelligence Publishing

ENERGY MARKETS VIEWS YOU CAN USE

Vandana Hari
Founder & CEO
Vanda Insights

CHINESE OIL DEMAND APPEARS TO BE TURNING A POSITIVE CORNER?

It does seem that the Chinese appetite is recovering. They managed to squash rather miraculously, some would think, the virus outbreaks that began around mid-July, which resulted in severe sweeping curbs on domestic mobility. Chinese oil consumption refining rates pulled back quite a bit throughout August but now, refiners are getting ready to buy again for October and even November. The regulation on import quotas in the first half of year on China's independent refiners, also seems to be easing. Still, bigger picture, the macroeconomic data is not looking so good, both for the manufacturing and services sectors. China is recovering but we shouldn't expect the runaway growth rates we saw in the second half of 2020.

WHAT ABOUT THE REST OF ASIA AND THE OUTLOOK FOR DEMAND GROWTH THERE?

India is back on the recovery track - oil demand bounced back in June and continued in July and August. It's now at about 95% of 2019 levels. Japan and Korea, the third and fourth largest oil consumers in this region, have not emerged completely out of Covid. And the picture in Southeast Asia, in countries like Indonesia and Malaysia, is mixed, but better than it was in June and July when it was at its worst. So, Asia is back on track but don't expect a rebound like what we saw in the US or even Europe this summer.

IS THE DELTA VARIANT NOW BEING CONSIDERED A THREAT OF THE PAST BY MARKETS?

The data shows that it is very much behind us. The US is perhaps the exception because we still see a very steep upward track of cases. For oil market watchers, one main worry has been the US Fed taper. The other main concern has been that the world's two largest oil consumers, the US and China, would be hit by the Delta wave at the same time. The only question now is whether there will be new waves and new variants.

Ahmed Mehdi
Research Associate
The Oxford Institute for Energy Studies

MAIN QUESTIONS OPEC FACES AS THEY DECIDE WHAT TO DO NEXT?

Many banks and credit agencies have been revising demand estimates downwards but I think fundamentally, OPEC will continue with their planned 400,000 bd increase. We have had a lot of pressure on spot premiums for Middle East crudes appearing in the last trading cycle entering China, particularly crude purchased by the independent refiners because they were very much sidelined from the spot market. However, it's important to remember India has very much come back since earlier this year, and Japan as well, so the Asian spot market is gearing up for another healthy cycle. Inventories are also continuing to draw in the US, where we have a production rate which is still two million barrels a day lower than pre-Covid. But the real question for OPEC strategy today is more to do with 2022. On quotas, most of its members with spare capacity have now been accommodated for since the last meeting – and we have to remember that some countries in the group aren't able to achieve their quotas.

IRAN NUCLEAR TALKS NO LONGER APPEAR TO BE A BIG FACTOR FOR THE OIL MARKETS?

The new Iranian negotiating team, though quite inexperienced, is more aligned with the supreme leader, so one could argue that it's more likely a deal will be reached, particularly given the mounting economic challenges the country is facing. From its energy sector perspective, the issue is more to do with the fact that the condensate balance in Iran has to be managed, for it to keep all parts of the system running and to avoid fuel switching in the power sector, as well as maintain product exports. They have a problem with condensate storage at the moment in terms of where that limit is going to be reached.

20th OPEC and non-OPEC Ministerial Meeting Concludes

In view of current oil market fundamentals and the consensus on its outlook, the Meeting resolved to:

- Reaffirm the decision of the 10th OPEC and non-OPEC Ministerial meeting on April 12, 2020 and further endorsed in subsequent meetings, including the 19th ONOMM on July 18, 2021.

- Reconfirm the production adjustment plan and the monthly production adjustment mechanism approved at the 19th ONOMM and the decision to adjust upward the monthly overall production by 0.4 mb/d for the month of October 2021.

- Extend the compensation period until the end of December 2021 as requested by some underperforming countries and request that underperforming countries submit their compensation plans by September 17, 2021. Compensation plans should be submitted in accordance with the statement of the 15th ONOMM.

- Reiterate the critical importance of adhering to full conformity and to the compensation mechanism, taking advantage of the extension of the compensation period until the end of December 2021.

- Hold the 21st OPEC and non-OPEC Ministerial Meeting on October 4, 2021.

Source: OPEC

ENERGY MARKET NEWS

RECOMMENDED READING

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2. OPEC+ STICKS TO PLAN TO RAISE CRUDE OUTPUT IN OCTOBER
3. THE US OIL INDUSTRY IS FACING A TALENT CRUNCH
4. IRAN DETERMINED TO INCREASE ITS OIL EXPORTS DESPITE US SANCTIONS
5. IRAQ GEARS UP FOR HIGHER BASRAH MEDIUM SALES
6. POWER OUTAGES CONTINUE TO PLAGUE US GULF REFINERS
7. UNCERTAINTY ABOUT BUSINESS TRAVEL COULD KEEP JET FUEL DOWN
8. INDIA ASKS UTILITIES TO IMPORT COAL AMID SHORT SUPPLY AS DEMAND SPIKES
9. DISAPPOINTING ADP JOBS REPORT SHOWS ECONOMY NOT IN FULL SWING
10. US MANUFACTURING ACTIVITY RISES; SHORTAGES LINGER

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- OIL-PRODUCING COUNTRIES NEED SUPPORT IN NET-ZERO SCENARIO
- WHO SAYS IT IS MONITORING A NEW COVID VARIANT CALLED 'MU'
- OPEC PRESS RELEASE : GLOBAL OIL INVENTORIES TO KEEP FALLING
- POLLS SHOW NEWSOM RECALL ELECTION SURVIVAL TOO CLOSE FOR DEMOCRATS' COMFORT
- EMIRATES TO RECEIVE FINAL A380 IN NOVEMBER

Fujairah Spotlight

Expecting Oil Trade Boom, Fujairah Oil Terminal Invests in VLCC Project

The Fujairah Oil Terminal is investing an estimated $45 million to upgrade the infrastructure at its storage facilities, betting on a surge in crude trading and storage demand at the United Arab Emirates oil hub, the company's chairman told Reuters. FOT's expansion, financed by a new $280 million debt facility, will connect its terminal to the Port of Fujairah's very large crude carrier (VLCC) loading facility and the Abu Dhabi Crude Oil Pipeline (ADCOP) pipeline, said Steve Bickerton, senior managing director at Prostar Capital and chairman of FOT. "That's a game changer because it gives us access to customers who want to be moving crude oil through VLCCs and it gives our customers direct access to the ADCOP, which brings Abu Dhabi's Murban Crude into Fujairah," said Bickerton.

Source: Reuters

Fujairah Joins Advanced Trade and Logistics Platform

Maqta Gateway, the digital arm of Abu Dhabi Ports, has announced the inclusion of the Fujairah's trade and logistics ecosystem within the Advanced Trade and Logistics Platform (ATLP). The announcement follows the recent completion of the Fujairah Terminals' expansion programme, which was officially unveiled by Sheikh Mohammed bin Hamad bin Mohammed Al Sharqi, Crown Prince of Fujairah, and encompassed the introduction of several infrastructure and service enhancements.

Source: Trade Arabia

Dibba Al-Fujairah Hospital Receives JCI Accreditation

The Emirates Health Services (EHS) revealed that Dibba Al-Fujairah Hospital has been awarded the Joint Commission International (JCI) accreditation after successfully fulfilling all the accreditation requirements and standards. With this accreditation, the total number of internationally accredited EHS hospitals has risen to 16 of 17 hospitals, with a completion rate of 94 percent, enhancing the UAE's global leadership in the number of health facilities that have obtained international accreditation. This achievement is yet another testament to the efficiency and resilience of the EHS in implementing an integrated work system and balanced management of challenges including the COVID-19 crisis through proactive planning, to ensure the quality of health services, the integration of comprehensive medical care and organisational and administrative structures, which supports care protocols in the various areas of diagnosis and treatment.

Source: Emirates News Agency

Sheikh Saif bin Zayed Congratulates Fujairah Service Centre for Top Award

Residual fuel inventories at the Amsterdam-Rotterdam-Antwerp (ARA) storage hub fell 4% to a to a four-week low this week, while those in the Singapore and Fujairah hubs dropped to multi-month lows, official data showed. Fuel oil stocks in the ARA refining and storage fell 50,000 tonnes to 1.2 million tonnes in the week ended Aug. 26, data from Dutch consultancy Insights Global (IG) showed. Compared with last year, however, the ARA inventories were 9% higher and on par with the five-year seasonal average of 1.18 million tonnes. In Singapore, fuel oil inventories fell 4% to a six-month low of 21.18 million barrels, or 3.34 million tonnes, amid persistently weak net import volumes. In the Fujairah hub, fuel oil stockpiles fell 11% to a five-month low of 8.69 million barrels, or 1.37 million tonnes, and were down by 44% from the same period last year.

Source: Business Recorder

GIQ EXCLUSIVE SOUNDINGS

Oil Prices Remain Range-Bound as OPEC Stays Firm on Gradual Output Hikes

Over the last week, Gulf Intelligence has held high-level interviews with energy experts in the Middle East, Asia, Europe, and the US. This intel is harvested from the exclusive briefings.

- **Omar Najia, Global Head, Derivatives, BB Energy**
- **Victor Yang, Senior Editor, JLC Network Technology**
- **Randall Mohammed, Former VP, Energy Solutions, Ahart Solutions International**
- **Andrei Belyi, PhD, Professor, Founder & CEO, Balesene OÜ**
- **John Defterios, Former Emerging Markets Editor & Anchor, CNN & Chairman, The Agora Group**
- **Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy**
- **Dr. Charles Ellinas, Chief Executive Officer, Cyprus Natural Hydrocarbons Co.**
- **Walter Simpson, Managing Director, CCED**

Omar Najia, Global Head, Derivatives, BB Energy
"Just like you have the US Fed on equities, you have OPEC+ on oil. At the end of the day, the market is supported. OPEC+ needs higher prices and when there is a need, there is a focusing of minds. They will do whatever it takes."

Victor Yang, Senior Editor, JLC Network Technology
"In late July, there was another resurgence of the virus in China. This hit demand negatively for most of August. But now we have brought this back under control again."

Randall Mohammed, Former VP, Energy Solutions, Ahart Solutions International
"US production has moved incrementally from 11mn b/d to 11.2mn b/d and that's largely because of the reduction in drilled but uncompleted wells. My forecast is that it won't increase by as much as some analysts may expect, even with these higher prices."

Andrei Belyi, PhD, Professor, Founder & CEO, Balesene OÜ
"The withdrawal in Afghanistan has been perceived as a major defeat by proponents of the US as well as those who don't like the US. All the US allies in the region don't trust America anymore. It creates a vacuum and risk for a spillover effect."

John Defterios, Former Emerging Markets Editor & Anchor, CNN & Chairman, The Agora Group
"Nobody wants to pull the punchbowl right now. The shock may be when the Fed decides to act. The Fed is looking at three key issues right now: full employment, inflation (which for one basket of the consumer price index in July was at its highest since 1991 at above 4%), and the Delta variant."

Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy
"There were no big surprises from the OPEC+ meeting and none were expected. When you look at market fundamentals, there were no strong reasons to justify a deviation from the agreement they reached in July."

Dr. Charles Ellinas, Chief Executive Officer, Cyprus Natural Hydrocarbons Co.
"We had the manufacturing reports come out for the US and Europe; both of them showed strong rising numbers, which will carry on rising despite the Covid-19 Delta variant. It appears that the main global economies are still growing."

Walter Simpson, Managing Director, CCED
"Any business likes a bit of certainty. I'm encouraged by the fact that there were no changes from the OPEC+ agreement. The strategy is working for OPEC+ and prices are currently about right."

ENERGY MARKETS FORUM NEW SILK ROAD LIVE

GI Consultancy Intelligence Publishing

TOP 10

AUG 29th - SEPT 2nd

MARKET OBSERVATIONS FOR THE WEEK

1. OPEC+ is likely to maintain supply pact of 400,000 b/d hike p/m when they hold market review meeting on Sept. 1st.
2. The future of the financial system that has served us since end of Breton Woods in 1971 is coming down to a debate on whether current run-away inflation is temporary or not -- that's high-risk poker.
3. The botched withdrawal from Afghanistan is likely to haunt US President Biden at least through the midterm elections in Nov. 2022, if not beyond.
4. Powell's free money forever policy will continue to deliver wind into the sails of oil prices.
5. OPEC+ has no incentive to do anything other than maximize oil revenue as climate agenda takes hold everywhere.
6. The Delta variant garners a lot of headlines, but meanwhile companies are making record profits, markets are rallying and economies growing.
7. China's Economic Growth is not the Government's Top Priority This Year, punctuated by a considerable slowdown in activity in August as the country grapples with the spread of the delta variant of Covid-19.
8. Russia and China see the messy US withdrawal from Afghanistan as a major defeat for Washington, and we will all have to wait and see what the consequences of that are.
9. Covid-19 Delta variant has passed as a threat to demand destruction and oil prices.
10. China recovery into Q4 to see renewed appetite for importing oil cargoes