Fujairah New Silk Road
WEEKLY NEWSLETTER

NOV 4th 2021
VOL. 96

Supported By:
FOIZ منطقة الفجيرة للصناعة البترولية Fujairah Oil Industry Zone
Port of Fujairah ميناء الفجيرة Port of Fujairah United Arab Emirates

EXCLUSIVE INSIGHTS /// ACTIONABLE INTELLIGENCE /// DATA TRENDS /// LATEST NEWS

AN EXCLUSIVE GULF INTELLIGENCE INTERVIEW

TACKLING CLIMATE CHANGE REQUIRES DRASTIC MEASURES – I'M NOT HOPEFUL!

Mehmet Öğütçü
Chairman, The London Energy Club

The gravity of climate change risks that we face is very strong and requires drastic measures, not the half-cooked commitments likely to emerge from COP 26. I don't have much hope. At their meeting last week, G20 leaders unfortunately did not agree to any commitment on cutting carbon emissions by 2050. India was talking about 2070, China 2060 and the European Union a little earlier. All we saw was lots of rhetoric and that's been the fate of most of these multilateral declarations and meetings. The international energy system and multilateral world order is not at a mature level where we can take these radical measures and implement them. A parallel challenge we face while we try to green our energy system, is the lack of investment in conventional fossil fuels. Two thirds of total energy investment last year went to renewables, and the result has been the energy supply crunch we see ourselves in today, which could get worse. Still, I don't believe fossil fuels will be replaced by renewables in any transformative way in the foreseeable future. Look at China, where 80% of electrical power generation still comes from coal. Similarly with Russia, the US and India. The transition is going to take time but if we leave it to market forces, this is the disruption that we are going to have. IOCs today are not making decisions on future investments on the basis of commercial feasibility only; their concern is what shareholders will say, and that is, that oil and gas companies should divest out of fossil fuels and move into renewables, hydrogen and biomass. However, that's not going to be easy.

CONTINUED ON PAGE 3

Fujairah Average Oil Tank Storage Leasing Rates*

BLACK OIL PRODUCTS

Average Range
$3.54 - 4.38/m³

↑ **Highest: $4.50/m³**
↓ **Lowest: $3.40/m³**

Fujairah Weekly Oil Inventory Data

4,918,000 bbl	3,280,000 bbl	7,386,000 bbl
Light Distillates	Middle Distillates	Heavy Distillates & Residues

Source: FEDCom & S&P Global Platts

GI Consultancy Intelligence Publishing

THE WEEK In Numbers

Weekly Average Oil Prices

Brent Crude:	$83.74/bl
WTI Crude:	$82.95/bl
DME Oman:	$82.09/bl
Murban:	$83.65/bl

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

Fujairah Weekly Bunker Prices

VLSFO

High = $637.50/mt
Low = $625.00/mt
Average = $633.50/mt
Spread = $12.50/mt

MGO

High = $813.50/mt
Low = $778.50/mt
Average = $778.50/mt
Spread = $35.00/mt

IFO380

High = $514.00/mt
Low = $493.50/mt
Average = $506.50/mt
Spread = $20.50/mt

*Source: Ship and Bunker, *Time Period: October 27 - November 3*

Fujairah Bunker Sales Volume (m^3)

1,752 180cst Low Sulfur Fuel Oil	487,612 380cst Low Sulfur Fuel Oil	118,791 380cst Marine Fuel Oil
2,038 Marine Gasoil	27,312 Low Sulfur Marine Gasoil	4,274 Lubricants

Source: FEDCom & S&P Global Platts

GI Consultancy Intelligence Publishing

Mehmet Öğütçü
Chairman, The London Energy Club

CONTINUED FROM PAGE 1

Would it better to focus green measures at the national level?

Mehmet Öğütçü: That's happening already in many countries, including Turkey, which has taken several steps to green its energy, upgrade efficiency and cut emissions. The same with the US, and in China with its green growth strategy. The EU has done a better job than others. Under its Green Deal, if countries don't comply with 2050 decarbonization requirements, there are punitive actions, such as no access to its trading market and financial facilities like the European Investment Bank or EBRD. That's the way to go. Nations are taking their own measures without committing to an international instrument. The issue is whether we can turn those measures into a global framework.

Can we achieve a balance between these national and global initiatives?

Mehmet Öğütçü: Global action depends on the global balance of power and there's a recalibration in that regard. China, the US and the EU are all important powers to reckon with in the climate change discussion. If we don't involve them and others like India and Russia, then any action taken by the remaining countries will be useless. We need cooperation on all three levels - national, regional, and international.

What does the new Turkey-Egypt rapprochement mean for the region?

Mehmet Öğütçü: It was a great mistake for Ankara and Cairo to go their separate ways eight years ago after the Morsi administration was ousted. Turkey found an opportunity to emerge as a hegemonic power in the Middle East and North Africa and there was then a polarization between the quartet of Arab nations, Iran and Turkey. It didn't serve anyone's purpose. Today, we're seeing a readjustment of Turkish foreign policy and one result has been the dialogue with Egypt, and also with Israel.

"THE ADDITION OF RUSSIA TO THE OPEC+ GROUP HAS BEEN CONSTRUCTIVE. OPEC HAD LOST ITS CLOUT AND DECISIVE POWER IN THE INTERNATIONAL ENERGY MARKETS AND WAS AT RISK OF DISARRAY."

How is China's role emerging as a geopolitical actor in the Middle East?

Mehmet Öğütçü: China has been a free rider under the US security umbrella, but things are changing. One is that the US is calling on China to share in some of the burden of regional security, such as monitoring piracy on the Somalian coastline. China also depends on the energy from the Gulf states, Iran and Iraq much more than the US. Meanwhile, the US is disengaging gradually, wanting to focus on the Asia-Pacific region where the real growth is coming from.

Is Russia's alliance with OPEC proving to be a source of stability in the region?

Mehmet Öğütçü: It's playing a dual role - one as a stabilizer to counterbalance others and the other within the energy field. The addition of Russia to the OPEC+ group has been constructive. OPEC had lost its clout and decisive power in the international energy markets and was at risk of disarray, but it has now regained some influence. The international oil market is also not what it was ten years ago.

What's your outlook for Iran's rapprochement with Saudi Arabia and the US?

Mehmet Öğütçü: If we want to have peace, prosperity and security in the region, some sort of accommodation with Iran is essential. But it takes two to tango. Biden is quite disposed to having a constructive engagement with Iran if they respect and comply with international commitments. Saudi Arabia also sees the benefit of somehow neutralizing Iran, rather than have hostility, which has not worked in Yemen and elsewhere. It also sees that Biden is not backing it up as strongly as Trump did, so it doesn't necessarily want to burn its bridges with Iran. Iran could also be an important stabilizing factor in Afghanistan. So, perhaps we will see a new reconfiguration in the Middle East - it would be supported by the EU, the US and China to a great extent.

WATCH FULL INTERVIEW HERE

ENERGY MARKETS VIEWS YOU CAN USE

Vandana Hari
Founder & CEO
Vanda Insights

WHY HAVE OIL PRICES RETREATED AGAIN THIS WEEK?

It seems to be an immediate reaction to the API data released on Tuesday, which possibly showed an unexpected rise in overall US crude inventories, following declines in the past few weeks. Distillate stocks were also up.

WHAT ABOUT THE RENEWED PRESSURE ON OPEC TO TEMPER PRICES WITH SUPPLY?

The energy crisis rally in crude is more than six weeks old, and throughout there has been pressure bearing down on OPEC+ from, most prominently, the US, Japan and India. But equally, we've seen vocal and public rebuttals from Saudi Arabia and in recent days Kuwait, Iraq, Algeria and Nigeria have also thrown their lot behind the narrative that the world doesn't really need more oil and that the problem is gas and coal shortages.

HOW ARE DEMAND OUTLOOKS PLAYING OUT FOR THIS QUARTER AND NEXT?

There's been quite a disparity on demand forecasts between analysts, including OPECs own technical committee on what shortfalls it expects to see in supply going forward. Oil market participants and observers are still struggling to understand exactly how much demand is being caused by coal and gas shortages and how much is being generated by the world returning to normalcy. The latter is clearer with Covid now in general decline. But overall, the narrative is that Q4 is shaping up to be very strong and if OPEC+ maintains its planned volumes, there will be a shortfall. How much of a shortfall will depend on how severe the winter turns out to be.

HOW DO YOU SEE OIL PRICES RESPONDING TO FED ANNOUNCEMENTS THIS WEEK?

Until this energy crisis started, we were seeing quite a close correlation between macroeconomic policy and crude but the crude complex now doesn't seem to be too worried about what's going on in financial market sentiment. It even seems to have decoupled from what's happening with coal and gas prices. Gas contracts have pulled back tremendously from their recent highs, but crude has gone in the opposite direction. Oil markets are more likely to keep an eye on what EIA data shows and what OPEC does.

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

ARE WE LIKELY TO SEE OIL PRICES RISING AGAIN?

Concern is increasing that global growth (and therefore demand) may not stabilize at the high levels that we have seen this year and that long term growth could even be at below the pre-pandemic trendline. At the same time, we're also seeing improvement in oil supply from places like Brazil and potentially Venezuela, so the price outlook has become a bit more moderate. $85 might be unsustainable going into the spring. I think we will drop back $10-$15 and then possibly see renewed excitement again.

DOES THE MARKET BELIEVE RUSSIA WILL SUPPLY MORE GAS?

The markets took that message from Putin very seriously – that the Russian government is still able and willing to force its companies to redirect gas to where it's not necessarily the most profitable, even if at the expense of domestic storage. The recent gas price surge has happened because of immediate demand, supply factors but there are also two structural changes taking place. One is the whole impetus of climate change, which increases demand for gas while coal use drops. And secondly, gas has really become a globalized fuel – it's an LNG game now with places like China and Europe increasing their imports. Last year was the first time inter-regional LNG trade exceeded point to point pipeline trade. This kind of liberalization and flexibility is more sensitive to fluctuations, if not contained by policy.

SHOULD WE EXPECT MORE IRANIAN OIL ON THE MARKET BY YEAR END?

We will see renewed emphasis on the talks. The Biden administration needs to show success urgently with things slipping domestically and Europe has always been in favor of settling the situation with Iran. Iran on its part, realizes that the clock is ticking with a growing regional alliance pointing against it. But on the oil front, I'm less sanguine because a lot is already being sold to China and India, so the sanctions are biting less. And even if more oil is allowed, it won't be a big chunk and probably only come around the summer.

WHAT WOULD BE ON YOUR WISH LIST TO BE ACHIEVED AT COP 26?

It's a mistake to think fossil fuels can just disappear or to make them as expensive as possible to encourage more use of renewables. In fact, without plenty of fossil fuels, there will be no transition because companies need that revenue to afford to invest in cleaner solutions. We also need a global carbon price. So far, we only have serious carbon prices in Europe and California, and I don't expect this to change fast. Lastly, we need to realise that the decarbonization pledges made by more than 100 companies cannot be realized without offsets, and this promises to be the biggest and most fraudulent market that ever existed. There are many different interests at work, and it won't be easy to come up with a quick fix for regulation.

ENERGY MARKETS VIEWS YOU CAN USE

Omar Al-Ubaydli
Director of Researc
Bahrain Center for Strategic International & Energy Studies (DERASAT)

WHAT'S YOUR VIEW ON BIDEN'S CALL ON OPEC TO INCREASE OIL SUPPLIES?

The US has surrendered leverage over these types of organizations through 20 years of disparaging comments and gradual withdrawal and they've pretty much hung Saudi Arabia out to dry in the last 24 months. The quid pro quo in the region has also changed. It used to be US security on a much larger scale in exchange for keeping excess capacity to avoid oil price spikes. But since Obama and the advent of shale oil, there's been a decrease in the US need for that and I think that will be the long-term trajectory. The oil price rise is a temporary state of affairs. Biden is speaking more to the electorate and OPEC doesn't really care if it gets negative flak.

DOES IT MATTER THAT THE FED WILL ANNOUNCE ITS DECISION TO TAPER THIS WEEK?

The short-term impact is not going to be big. What people are trying to get a read on is what is going to be the future of monetary policy. The Fed has effectively taken charge of the entire economy, at least in terms of its official goals, and that's very unproductive because it should just be focusing on controlling inflation. The question is, will it do that in the next few weeks? There's enough data on inflation now to realize that it's not transient and there's a desire by the markets and economists that action be taken. Will the Fed have the guts to do it?

WHAT DOES THE SAUDI BUDGET SURPLUS IN Q3 MEAN FOR REGIONAL ECONOMIES?

It's definitely a positive step, particularly as it's mostly driven by non-oil growth in the economy, increased tax revenue and decreased subsidies. I would imagine that other Gulf countries will follow and impose similar reforms if the ones in Saudi Arabia continue to prove fruitful. The question is, how much the Saudi non-oil sector will be growing in three or four years from now and one factor that will determine that is the success of the government to create a positive entrepreneurial environment.

ARE WE GOING TO SEE A RENEWED IRAN NUCLEAR DEAL?

It's dead in the water. The reality is that the Saudi-Iranian rapprochement is at an impasse because Iran is not able or willing to give Saudi Arabia the assurances it's looking for, i.e. non-interference in other countries in the region. It will take both sides more time to get used to the new status quo in the region without the US, before they can come back to the table and reach an agreement on anything of substance. That includes the issue of Yemen and I don't think that's going to be resolved anytime soon, with or without the mediation of the Iranians.

Bora Bariman
Managing Partner
Hormuz Straits Partnership

HAS THE US FED LOST CONTROL WITH THESE INFLATIONARY PRESSURES?

This inflationary phenomenon is in line with the Fed's objective, which has been to avoid deflation and they have achieved that. They will modestly and incrementally execute their strategy of tapering the extraordinary measure of quantitative easing which has become almost business as usual. The purchase of a trillion dollars a year of US Treasury bonds cannot be sustained forever. We will see how the markets handle the tapering – so far, they're in control.

HOW WOULD THE MARKET REACT IF THE FED DOES NOT PROCEED?

I would be very surprised if they don't. They have to dip their toe in the water to maintain some credibility. At the same time, we do see the US economy slowing after the bounce back out of lockdown. The question will be if we get into that deflationary threat territory and more importantly for the Fed, it will be watching demand, jobs and the stock market also. Asset management has become so important to the Western world; it's the only gig in town and really upholds the primacy of the US dollar in world markets. So, they can't let that bubble pop but there will be a limited freedom of movement for the Fed to do modest incremental tapering.

WHERE ARE WE EXACTLY IN THIS ECONOMIC CYCLE?

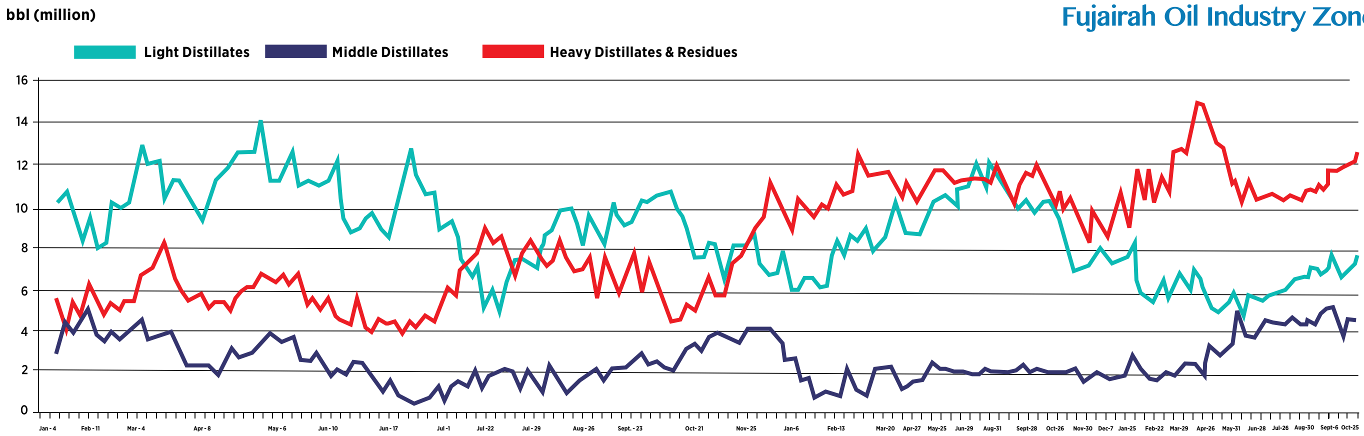
We are in the middle of an inflationary wave and at some point, other measures will be taken to dampen down that effect. In the UK, the Bank of England is certainly a bit more hawkish and so is the Bank of Canada. They're both import dependent economies which would be hit by a weakening of their currencies against the dollar.

SHOULD OPEC+ BE REAPING MORE REWARDS AT THESE PRICES BY ADDING MORE OIL?

Clearly, certain regulations and policy frameworks are being put into place that are to the disadvantage of oil and gas producers. If OPEC countries are to make additional investments to assuage a temporary market blip of high oil prices today, they need some comfort that they won't be left high and dry in the future. The message so far this week to oil and gas companies at COP 26 by certain parties, has been, do not invest in conventional fuels and do bear all and any costs necessary to combat climate change. And the same message is being hammered into the financial community.

Fujariah Weekly Oil Inventory Data

FOIZ
منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 15.584mn barrels. Total stocks fell 126,000 barrels with overall stocks down 0.8% week-on-week. This is a continuation of last week's draw. The total stock draw was driven by decreasing stocks of light distillates and heavy residues while middle distillates posted a build.

- Stocks of light distillates, including gasoline and naphtha, fell 150,000 barrels or 3.0% on the week to 4.918mn barrels. US gasoline stocks fell 900,000 barrels to a three-year low of 214.7mn barrels, analysts surveyed by S&P Global Platts said Nov. 1. The draw is roughly in line with seasonal norms and leaves the nationwide deficit to the five year average mostly unchanged at 3.2%. Despite the draw, refinery utilization in the US is estimated to have climbed 0.7% to 85.8% of capacity, deviating from the norm as run rates usually decline during the autumn shoulder season as refineries undergo maintenance ahead of the winter heating season. The increase leaves run rates around 1% above the five-year average. Meanwhile, in tender news, South Africa's PetroSA was seen seeking 26,000 mt of 95 RON gasoline for delivery over Nov. 29-Dec. 1, or delivery 30 days later, to Mossel Bay, according to a market source. The tender closes Nov. 3, with validity until Nov. 5.

- Stocks of middle distillates, including diesel and jet fuel, rose by 345,000 barrels or 11.8% on the week to 3.280mn barrels. This is a reversal of last week's fall of 594,000 barrels. Asian gasoil grades climbed in the week started Oct. 31, supported by a revival in regional demand amid a gradual ease back in pandemic related restrictions and a rebound in business and transportation activity. The 500 ppm sulfur gasoil grade and 0.25% sulfur gasoil have witnessed a pickup in trading pace, market participants noted. This has been reflected in strengthening cash differentials, with the 0.25% sulfur gasoil grade experiencing the sharpest jump among all assessed gasoil grades. "Yes, gasoil is still very supported," a regional trader said Nov. 2, adding that "the sentiment feels like it's going to stay tight till the January-February trading cycle." Spot demand emerged from Sri Lanka, South Africa and India. Ceypetco issued a tender seeking 280,000 barrels of 500 ppm sulfur gasoil for dual berth discharge Dec. 18-19 at Dolphin Tanker Berth and SPM Muthurajawela, Colombo. The tender closes Nov. 16, traders said. In South Africa, PetroSA was seeking gasoil and gasoline via a tender that closes Nov. 3, with validity till Nov. 5, market sources said. For the gasoil portion, PetroSA is seeking two cargoes of 50 ppm sulfur gasoil totaling 70,000 mt for delivery into Cape Town and Mossel Bay. Moving forward, India's gasoil exports may be trimmed as the monsoon season wanes, with traders and analysts expecting domestic demand to return to pre-pandemic levels before the year end, supported by an improving growth outlook.

- Stocks of heavy residues fell by 321,000 barrels or 4.2% on the week to 7.386mn barrels. Spot trading activity at major bunkering hubs of Singapore and Fujairah was subdued with sellers at both Singapore and Fujairah holding offer positions and not attempting to lower offers to attract buying interest. Meanwhile, market participants said a tight barging schedule at both ports is continuing to limit the ability of a fair number of sellers to offer products to the spot market for prompt delivery. In Singapore, few suppliers were able to offer low sulfur bunker fuel for delivery prior to Nov. 7, while in the Middle Eastern port of Fujairah, not many sellers could offer product for delivery prior to Nov. 9. Fujairah-delivered marine fuel maximum 0.5% sulfur was assessed $625/mt on Nov. 2. The price in Fujairah was assessed at a $7/mt premium to Singapore which saw its delivered bunkers on the same basis assessed at $618/mt.

Source: S&P Global Platts

OIL COMMENTARY

BY MATT STANLEY
SENIOR BROKER
STAR FUELS

Once again, to all those enjoying Diwali, I hope you have a very nice time with your family and friends. Brent is trading this morning at $81.77/bl down 0.22 and WTI is trading down 0.50 at $80.36/bl. Right, like the dessert course at Weight Watchers, let's keep it brief. Now thennnn, all change it seems. Well, not really. This time last year Brent was trading at half the value it is now so I hardly think Brent closing down 2.08 per barrel is hardly a reason to press the panic button Captain Mainwaring (anyone not from the UK or under the age of 40 will need to google who Captain Mainwaring is. Just FYI). Why the dip yesterday? As I mentioned yesterday, crude and product builds in the USA didn't please the bulls particularly and once confirmed by the EIA down we went, down to $81.07/bl at one stage and WTI was trading below $80/bl. To be fair we were down similar levels throughout the day but once Powell started to speak confirming the end to free money we went down even further. We are down this morning but marginally better than early trade. All this price pressure certainly makes OPEC+'s job easier though, doesn't it? Arguably only closer to the dreaded $100 oil per barrel would OPEC+ have really been under any proper strain to rethink how much production to bring back, but just above $80/bl? No issues at all. Business as normal and I'd make a market that the meeting will last between 20 - 25 minutes. The market has largely priced no change from the group me thinks so everyone will be looking to see what a minister or two says about plans going forward. All may all be a bit hush hush though. What is your name? Don't tell him Pike. Classic. Good day to all.

GI Consultancy Intelligence Publishing

Vitol

At the heart of the world's energy markets

Serving customers with our expertise, logistical excellence and unique opportunities.

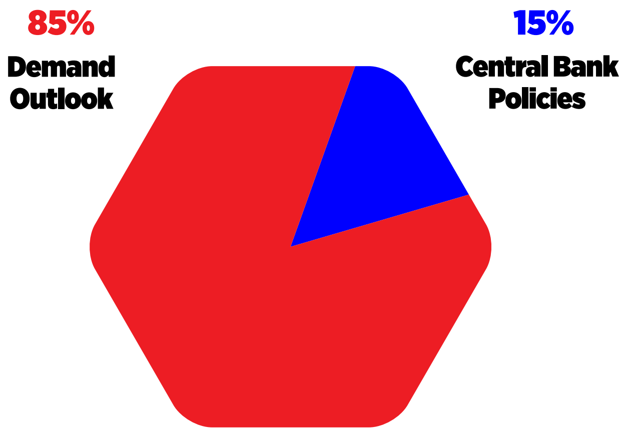
vitol.com

ENERGY MARKETS COMMENTARY WEEK IN REVIEW

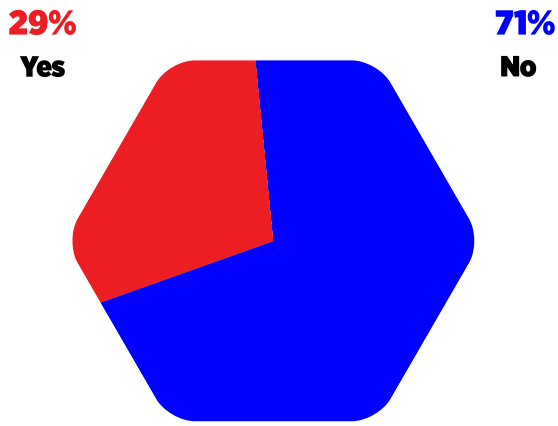
CLICK HERE TO LISTEN

GIQ Weekly Surveys

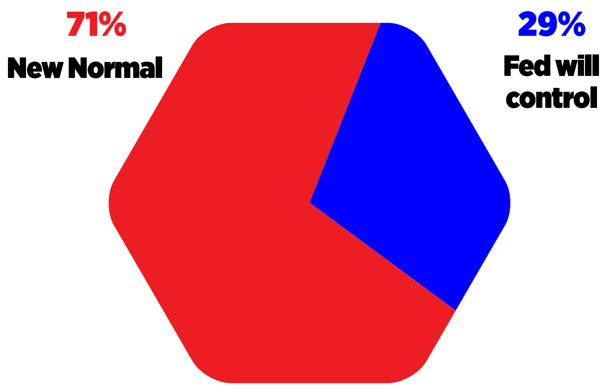
What will have a stronger impact on future oil price direction?



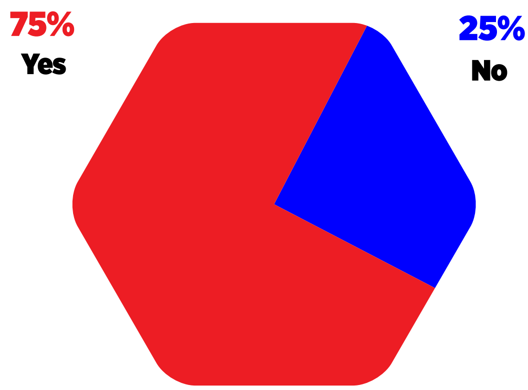
Should oil market bulls worry about a FED announcement on Tapering?



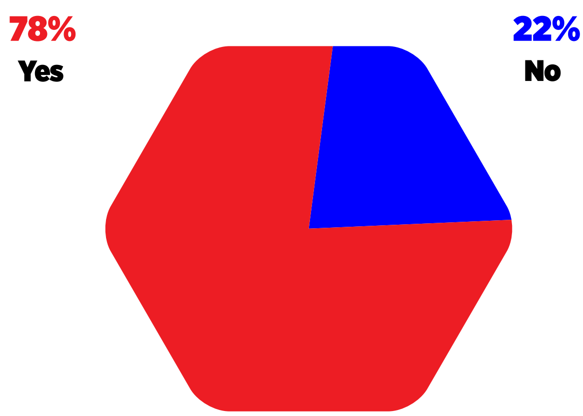
Price and wage increases are running at multi-decade highs - is this the new normal or do you believe FED will get it under control?

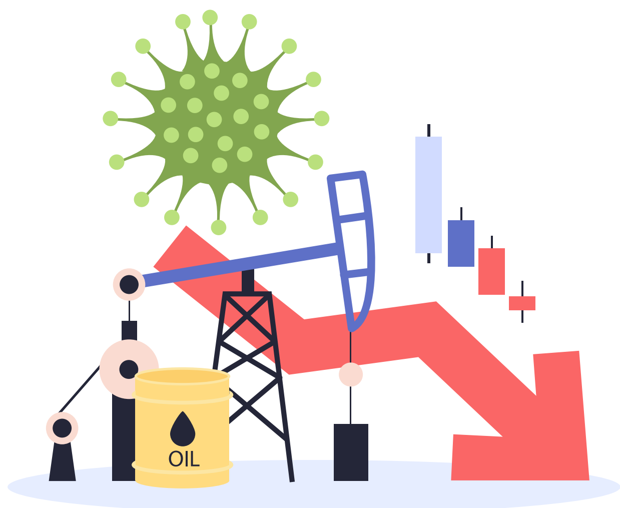


Will the US Fed try to convince the markets that tapering and rate hike can be decoupled?



Stock Markets rise as Fed tapers without the tantrum - will the Tantrum still come in time as inflation soaring?





Source: GIQ

GI Consultancy Intelligence Publishing

ENERGY MARKETS VIEWS YOU CAN USE

Mike McGlone
Senior Commodity Strategist
Bloomberg Intelligence

WE WILL SEE SUBSTANTIAL OIL SUPPLY ELASTICITY AND DEMAND DESTRUCTION IN THE US.

The key thing to look at is the inability of the December 2022 contract to get above $72, despite the front contract pushing up above $85 for WTI. I don't have any reason to dispute that curve. Moreover, big picture, there are 100,000 Teslas coming in next year and we're not using as much liquid fuel as we have done in the past. The Biden administration is really accelerating that transition and we also have an election one year away so having high crude prices won't be good. If prices are by chance still at these levels a year from now, it means the old forces of supply and demand elasticity have changed and that ESG is not kicking in. That's very unlikely.

WILL THE SWITCH FROM GAS TO OIL FOR POWER CONTINUE TO SUPPORT CRUDE PRICES IN Q4?

It's very unlikely. Gas right now is priced for winter and yet we are only at the start of November. The front contract at $5 is at almost three times the average cost in the US. There's lots of supply still to come on. The forward curve a year from now is at $4. The key question we need to ask ourselves is whether the things that have pressured energy prices since the peak in 2008 have changed significantly, and the answer is no. What we're seeing is a short-term blip and it has made us realize, in a good way, how important fossil fuels are for our economy. We're getting to this new world of clean energy, but it's going to take longer than most people expected.

IS THE FED FINALLY GOING TO HARDEN ITS ACCOMMODATIVE POLICY THIS WEEK?

They're just going to keep adding liquidity. Every single time we've had a crisis, rates go lower. Now we're at zero and I don't see why we should not have negative rates. If the stock market drops just 10%, the Fed is going to come right back to massive liquidity. They're leading the world that way. The markets are used to free money and the Fed knows that.

Jose Chalhoub
Political Risk & Oil Analyst

WHAT'S THE BEST CASE SCENARIO FOR VENEZUELA'S OIL INDUSTRY IN 2022?

We haven't been able to lift from the current level of 550,000-600,000 bd. As long as Venezuela does not have a serious legal framework, we won't get the massive investment that PDVSA facilities need for a complete overhaul. And if there's no political change here in Venezuela, we are not going to have a significant recovery in our oil sector. Maduro has been trying to open up the political landscape to get some concessions from the Biden administration ahead of the election later this month, but no one has high expectations. Nothing has and nothing will change on the political scene. The government has lost total control and the opposition is in deep division. What we do have is a long-term swap contract with Iran, whereby we get much needed condensates for our local gasoline production and Iran takes our heavy oil. Interestingly, Venezuela's relationship with China and Russia has cooled off in the last two years while that with Iran and Turkey has become more important in commercial and strategic terms.

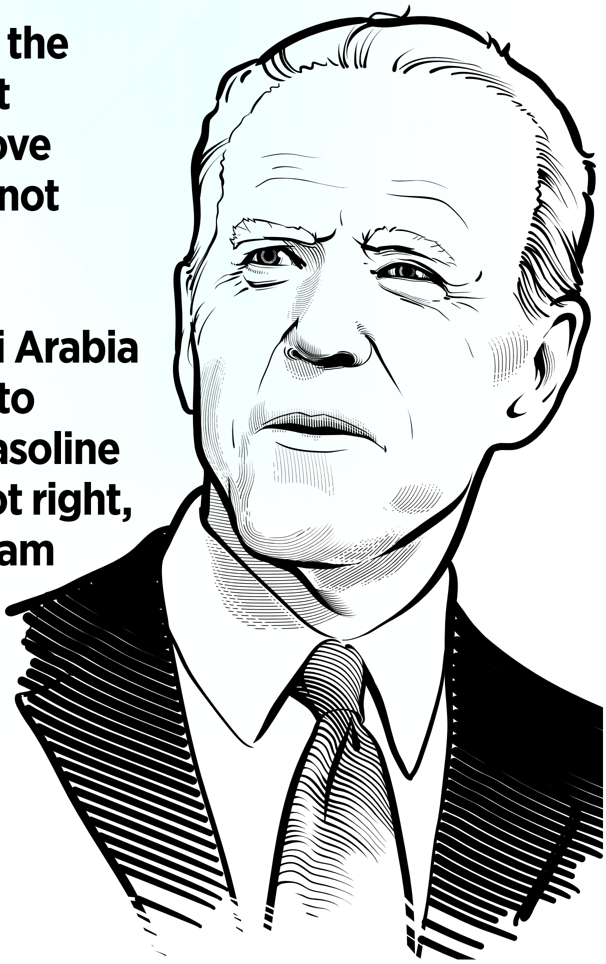
WHAT DOES BIDEN WANT FROM VENEZUELA?

Although the posture has softened somewhat since Trump, the reality on the ground is that very little progress has been made between the two countries. There are a few people connected with the Maduro government who have recently been detained and awaiting possible extradition to the US for example. Those moves by the White House are significant and don't bode well for the lifting of sanctions on Venezuelan oil.

"On the surface it seems like an irony, but the truth of the matter is everyone knows that the idea that we're going to be able to move to renewable energy overnight ... it's just not rational."

"I do think the idea that Russia, and Saudi Arabia and other major producers are not going to pump more oil so that people can have gasoline to get to and from work for example, is not right, and what we are considering doing that I am reluctant to say before I have to do it."

– Joe Biden, President
United States of America



ENERGY MARKET NEWS

RECOMMENDED READING

1. OIL SLIPS FURTHER AS IRAN NUCLEAR TALKS SET TO RESUME
2. OIL TRADING CHOPPY AS DOUBT INTENSIFIES OVER OPEC BOOSTING OUTPUT
3. IRAN TALKS TO CONVENE ON 29TH NOV IN VIENNA
4. OIL MARKET TRADING PATERNS SIGNAL POSSIBLE TOP IN MARKET
5. LIBYA'S ZAWIYA OPERATIONS UNAFFECTED BY DAMAGE
6. US SHALE PRODUCERS SIGNAL MORE OIL COMING
7. INDIA CUTS CENTRAL TAX ON MOTOR FUELS TO BOOST DEMAND
8. FED TAPERS ITS SUPPORT FOR BOND MARKETS & THE ECONOMY
9. US STOCK MARKETS RISE AS FED TAPERS WITHOUT THE TANTRUM
10. PUTIN PLANS NO CONTACTS ON OPEC+ ISSUE SO FAR

RECOMMENDED VIDEOS & REPORTS

- EIA REPORTS A BIGGER-THAN-EXPECTED WEEKLY CLIMB IN US CRUDE SUPPLIES
- ROBIN MILLS, QAMAR ENERGY: COP26 CLIMATE CONFERENCE IS EXCEEDING EXPECTATIONS
- SAUDI & UAE COULD BE SLOWLY 'DE-ANCHORING' FROM OIL PRICE MOVEMENTS
- CHINA'S LATEST DELTA OUTBREAK ITS MOST WIDESPREAD SINCE WUHAN
- "MIDEAST STATES HAVE GROWING FEAR OF BEING ABANDONED BY US"

Series Supported By:

aramco

trading

Where Trade Flourishes

Fujairah Spotlight

VTTI to Acquire India's Debt-Ridden IL&FS's Stake in Fujairah Fuel Storage JV

Infrastructure Leasing & Financial Services Ltd (IL&FS), the debt-ridden Indian infrastructure company, is set to sell off its entire equity stake in its joint venture storage unit at Fujairah, IL&FS Prime Terminals FZC (IPTF), to VTTI Fujairah, part of leading global storage provider VTTI Terminals, official sources said. India's insolvency court - the National Company Law Tribunal – on Tuesday gave the go ahead to the troubled Indian infrastructure development company for its proposed stake sale plan in the UAE venture. The stake acquisition deal is pegged at $90 million.

Source: Arabian Business

Brooge Energy Ltd. Appoints Lina Saheb as Deputy CEO

Brooge Energy Ltd. a midstream oil storage and service provider strategically located outside the Strait of Hormuz, in the Port of Fujairah in the UAE is pleased to announce that its Board of Directors has appointed Lina Saheb as Deputy Chief Executive Officer effective 28th October 2021. Prior to this appointment Ms. Saheb served as the Company's Chief Strategy Officer. Nicolaas L. Paardenkooper, CEO of Brooge Energy and BPGIC, stated, "We are delighted that our Board has recognized the many accomplishments and expertise that Lina has brought to the Company over the past decade. Her appointment as Deputy CEO is in recognition of this. She has been spearheading our ESG initiative and is working on the development of our ESG policy going forward, which is an important area for all of our stakeholders. I look forward to continue working with Lina in her new and expanded role as we further solidify our leading market position.

Source: Kulr News

APICORP, NBF Ink $108mln Debt Finance Facility with Hartree Maritime Partners

The Arab Petroleum Investments Corporation (APICORP) and the National Bank of Fujairah (NBF) have inked a five-year debt finance facility worth $108 million with Hartree Maritime Partners (HMP), the shipping affiliate of Hartree Partners. The facility will finance HMP's purchase of two eco-friendly crude carriers (VLCC), which are built by South Korea-based Daewoo Shipbuilding and Marine Engineering and equipped with advanced emissions technologies, according to a press release on Tuesday. The ships also feature advanced digitalisation and artificial intelligence technologies, Eco-Scrubbers, next-generation hull designs, and highly efficient engines which cut fuel consumption and emissions by 25% to 30%. APICORP, an energy-focused multilateral development financial institution, has acted as the mandated arranger and agent for the facility.

Source: Zawya

UAE Flag a Symbol of Our Union and Our Pride: Fujairah Ruler

His Highness Sheikh Hamad bin Mohammed Al Sharqi, Supreme Council Member and Ruler of Fujairah, said every day in the UAE is Labour Day and Flag Day, which are occasions to celebrate the distinguished national cohesion of the Emirati people. The UAE, under the leadership of President His Highness Sheikh Khalifa bin Zayed Al Nahyan, is advancing steadily towards the future and living its most prosperous era, due to the wisdom of its leadership and the determination of its youth, he added. "On this precious occasion for all of us, the UAE's flag is being raised high across the nation while the national anthem is playing on this blessed land. The great people of this country are also reiterating their vows of loyalty under the flag of the UAE, crowning the ambitions of the Founding Fathers and celebrating patriotism and the cohesion between the leadership and people," Sheikh Hamad stressed.

Source: Sharjah24

GIQ EXCLUSIVE SOUNDINGS

Oil Prices Continue Push to the Upside as World Meets at COP26 to Discuss the Future of Fossil Fuels

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.

- Adi Imsirovic, Senior Research Fellow, The Oxford Institute for Energy Studies
- Omar Najia, Global Head of Derivatives, BB Energy
- Peter McGuire, Chief Executive Officer, XM Australia
- Robin Mills, Chief Executive Officer, Qamar Energy
- Randall Mohammed, Managing Director, PetroIndustrial USA
- Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy
- Andy Laven, Chief Operating Officer, Sahara Energy Resources
- Henning Gloystein, Director - Energy, Climate & Resources, Eurasia Group

Adi Imsirovic, Senior Research Fellow
The Oxford Institute for Energy Studies
"Demand in the US, especially in the transportation sector, is exceeding pre-pandemic levels. We see the same in many parts of the world."

Omar Najia, Global Head, Derivatives, BB Energy
"We still have one more push higher in oil markets. People have made their money, but I think we need one more push higher for people to actually sell. Oil always forms inverted 'V' tops. It does a very sharp up followed by a very sharp down. We haven't seen this yet."

Peter McGuire, Chief Executive Officer, XM Australia
"The de facto leaders of this alliance, Saudi Arabia and Russia, have both expressed concerns about the demand outlook. They argue that the crisis isn't over and that pumping too much now to cool prices would risk flooding the market next year. This view has been echoed by several key players."

Robin Mills, Chief Executive Officer, Qamar Energy
"This year's COP is looking much better than previous ones. There has been genuine progress on a number of hot button issues. It's really promising."

Randall Mohammed, Managing Director
PetroIndustrial USA
"The US are certainly enjoying these higher prices. Having said that, if this was a couple of years ago, we would have seen shale come back a lot quicker but now we have the headwinds and pressure of decarbonization playing a stronger role. It's not 'drill baby drill' anymore."

Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy
"In the past, there was more confidence in the US Fed's tone when they said that inflation was 'transitory'. But now we have heard a different expression. The US Fed is calling it 'expected transitory'."

Andy Laven, Chief Operating Officer
Sahara Energy Resources
"How robust the Asia pickup is, will be very important. Everybody wants to be optimistic about recovery, but we need to be a little bit cautious because the last thing we want is to open up quickly and then for that demand to get shocked by another round of lockdowns."

Henning Gloystein, Director - Energy, Climate & Resources
Eurasia Group
"China has had a zero-tolerance Covid-19 policy since the start of the pandemic. Now, they seem to have a Delta variant outbreak that they can't push back to zero. It's across multiple provinces in China and it's going to be a pickle for Beijing."

GI Consultancy Intelligence Publishing

جامعة نيويورك أبوظبي

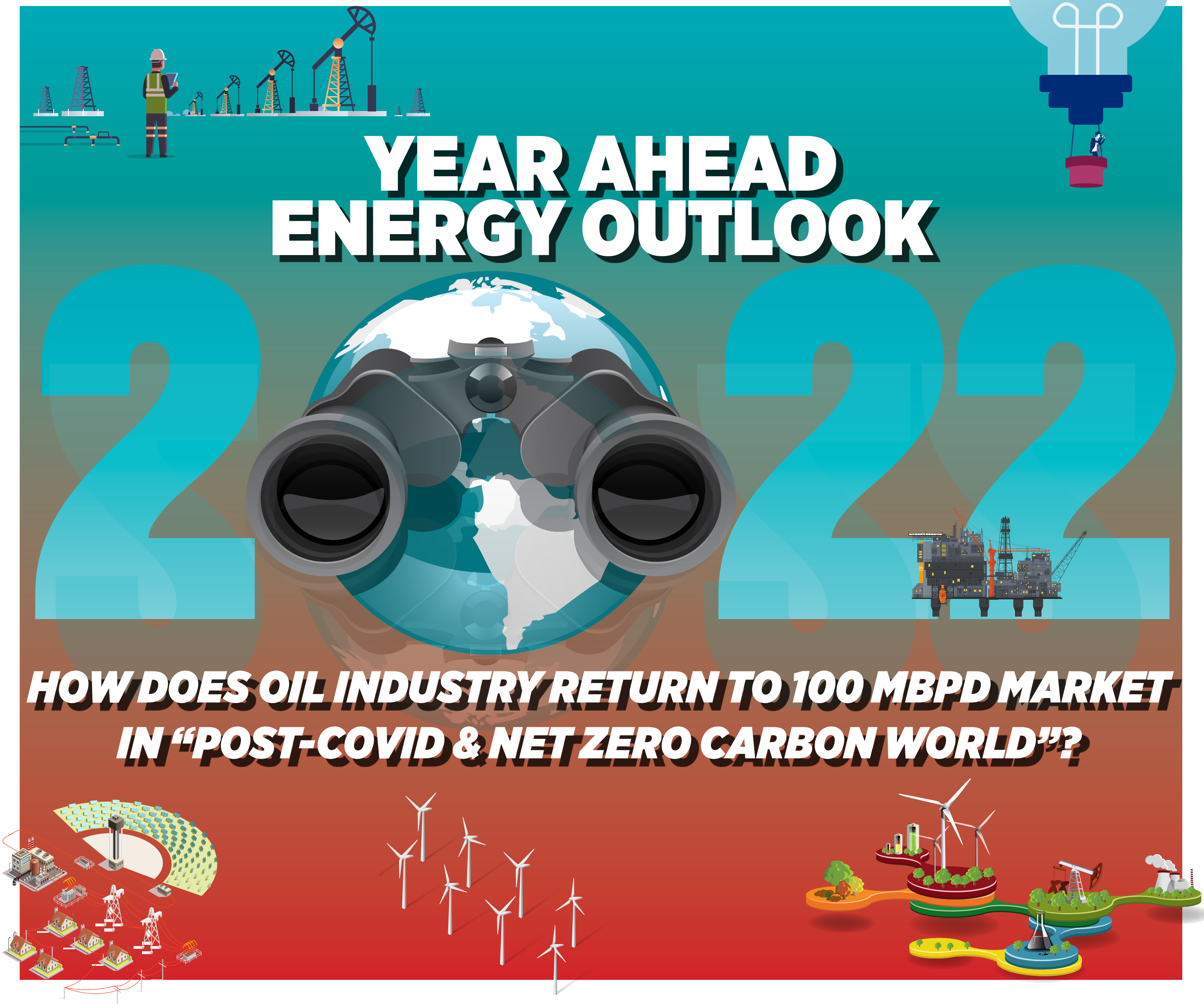
NYU | ABU DHABI

UNITED ARAB EMIRATES
MINISTRY OF ENERGY & INFRASTRUCTURE

The 12th UAE Energy Forum

Under the Patronage of His Excellency Eng. Suhail Mohamed Al Mazrouei
UAE Minister of Energy & Infrastructure

Jan. 12th, 2022 | New York University | Abu Dhabi



ExxonMobil
OMV
أدنوك ADNOC
TotalEnergies
Mubadala Petroleum
uniper
مؤسسة نفط الشارقة الوطنية SNOC
المشرق mashreq
FOIZ منطقة الفجيرة للصناعة البترولية Fujairah Oil Industry Zone
GI Consultancy Intelligence Publishing

ENERGY MARKETS FORUM NEW SILK ROAD LIVE

GI Consultancy Intelligence Publishing

TOP 10

OCT 31st - NOV 4th

MARKET OBSERVATIONS FOR THE WEEK

1. OPEC is justified in being cautious on increasing supply, with existing offline capacity seen recovering in next few months.
2. Oil price outlook is now more moderate with supply coming onstream in 2022 and downward revisions on demand growth, China GDP slowdown.
3. COP26 narrative needs to focus on reality that fossil fuels are still needed, establishing global carbon price and regulating offsets market.
4. Biden's phone calls to OPEC+ will remain unanswered as both sides have the chance to show strength without direct engagement.
5. Oil markets are unconcerned by COP26 and the FED talk of Tapering -- parallel universes.
6. What stage of the economic cycle are we in sounds like a question from another era before QE and flexible inflation rates.
7. Venezuela -- holder of the world's largest proven oil reserves -- is caught in a death spiral between domestic Marxist-Lenin government policies and US imperial capitalist geopolitics.
8. OPEC+ prioritizing revenue over market balance. Pressure from US, India and Japan to increase supply falling on deaf ears, with push back from Saudi and others that the world doesn't need more oil and that the problem is a gas and coal shortage.
9. Disparities on oil demand projections widening and becoming more fickle, but overall narrative is for a strong Q4 with extent of oil supply shortfall dependent on winter temperature severity.
10. Correlation between crude and macroeconomic and financial policy has weakened since the energy crunch crisis with oil now also moving independently of coal and gas prices.

Consultancy
Intelligence
Publishing