

# ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy  
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WEDNESDAY /// JUNE 2<sup>nd</sup> /// 2021

## TOP 10 DAILY NEWS DIGEST

1. OIL PRICES RISE ON OPEC+ DISCIPLINE, STRONG DEMAND OUTLOOK
2. US OIL PRICES HIT 2-YEAR HIGH
3. OPEC+ COMMITS TO JULY OIL OUTPUT RISE, KEEPS OPTIONS OPEN AFTER
4. RUSSIAN CABINET SEES POSITIVE SIGNALS FOR OIL MARKET
5. IRAQ'S MAY OIL EXPORTS AVERAGED ABOUT 2.9MN BPD
6. DOLLAR EDGES UP ON MANUFACTURING DATA AFTER INITIAL SOFTNESS
7. GERMAN, US OFFICIALS TO DISCUSS NORD STREAM 2 PROJECT
8. IRAN NUCLEAR TALKS EXTENDED AS WORLD POWERS TRY TO BRIDGE RIFTS
9. MAJOR RULINGS INCLUDING OBAMACARE LOOM FOR US SUPREME COURT
10. WORLD'S LARGEST MEAT SUPPLIER HIT BY CYBER-ATTACK

### RECOMMENDED VIDEOS & REPORTS

- 17TH OPEC AND NON-OPEC MINISTERIAL MEETING CONCLUDES
- BOE'S BAILEY SAYS DISORDERLY GREEN SHIFT COULD SPARK INFLATION
- CHINA'S SINO VACCINE GETS WHO EMERGENCY APPROVAL
- CHINA'S XI CALLS FOR GREATER GLOBAL MEDIA REACH
- US-IRAN UNLIKELY TO REACH DEAL BEFORE IRANIAN ELECTION!

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



**Tony Quinn**  
Operating Partner, Prostar Capital  
CEO, Tankbank International



**Chris Wood**  
Chief Executive Officer  
Savanara DMCC



**Vladimir Langhamer**  
Managing Director, Supply &  
Trading  
OMV

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

# TOP 3

WEDNESDAY /// JUNE 2<sup>nd</sup>

# TAKEAWAYS

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## DAILY OIL COMMENTARY

### FX

The US dollar showed no real change overnight with the DXY index holding around 89.83. Despite a strong print from the ISM markets are likely waiting for a clearer catalyst from the NFP at the end of the week before moving higher or lower. EURUSD was generally lower by around 0.1%, slipping to 1.2213 while GBPUSD was the substantial mover on the day, slipping from its highest level since 2018 as concerns grow that as the UK economy opens, more Covid-19 variants will be able to spread easily. AUD was the standout among commodity currencies even as the Reserve Bank there kept policy on hold and pushed back against any near-term expectations for rates to go higher. AUD rose 0.26% to 0.7754 while both CAD and NZD were lower.

### Equities

The positive manufacturing data released yesterday was largely positive for European equities, although in the US it had more mixed results. The composite European index, the STOXX 600 climbed 0.8% to close at a new record high, with the DAX leading the pack with a 1.0% gain. Italy's FTSE MIB (0.6%), France's CAC (0.7%) and the UK's FTSE 100 (0.8%) all also posted solid gains. In the US it was only the Dow Jones of the three major benchmark indices which ended the day higher yesterday, nudging up by 0.1%. The S&P 500 and the NASDAQ both ended the day down -0.1%. The strong data releases there are being tempered by persistent inflation concerns. Most regional equity markets closed the day higher, with the Tadawul up 0.4%, the ADX 0.8% and the DFM 1.4%. In Egypt, the EGX 30 closed down -0.7% and is now down -5.6% ytd.

### Commodities

Oil prices pushed higher in response to the OPEC+ meeting where the producers' bloc rolled over their plan to increase output by 2mn b/d between May and July but stayed quiet on their plans for the rest of the year. Brent futures did pop to \$71.38/bl at one point, near their year-to-date high, before retrenching and closing at \$70.25/bl, still a gain of 1.3%. WTI added 2.1% and settled a \$67.72/bl after hitting an intraday high of \$68.87/bl. OPEC+ officially gave no comment on the outlook for Iran to return to the oil market. Negotiations may have hit a stumble thanks to a release from the IAEA, the UN's nuclear monitoring agency, that Iran has not been forthcoming about historic nuclear activity. A spokesperson for the government of Iran said that negotiators expected a deal to be reached only by August, pushing the timeline for a return of Iranian oil out further.

Source: Emirates NBD

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Amos Hochstein

Former Obama-Biden Special Envoy  
for International Energy Affairs  
US Department of State



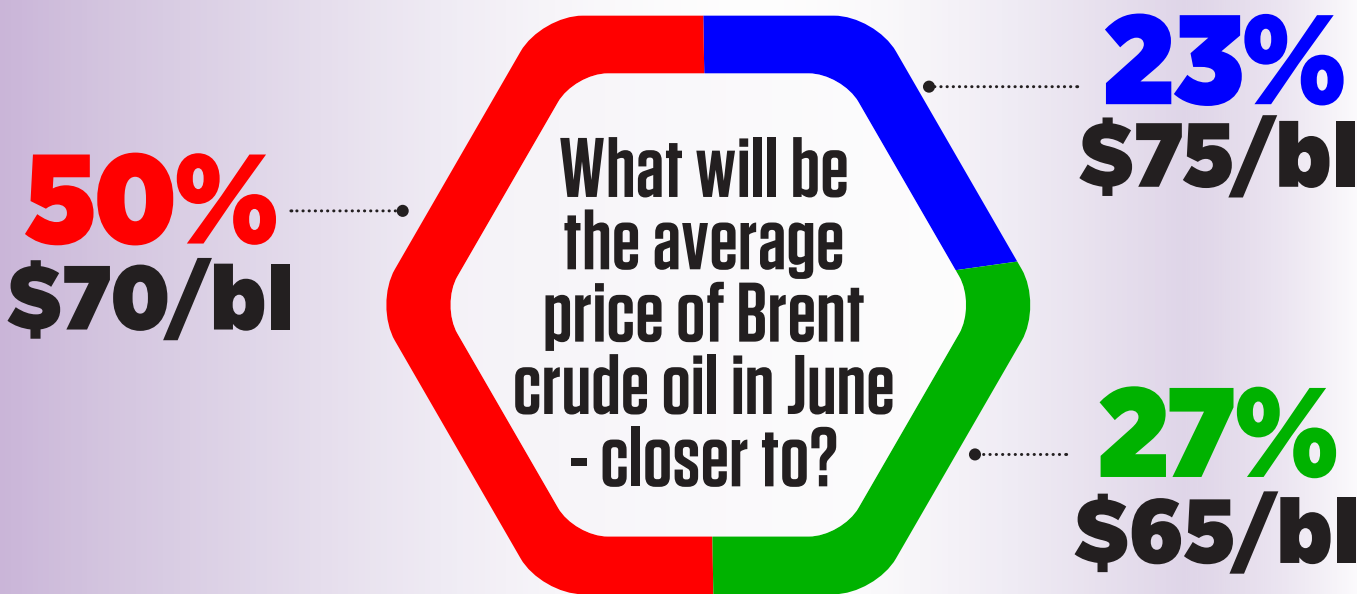
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DAILY ENERGY MARKETS FORUM  
INDUSTRY SURVEY



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Source: GI Research May 2021

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## ENERGY MARKETS FORUM Consultancy Intelligence Publishing EXCLUSIVE 60 SECOND SOUNDBITES

**Vladimir Langhamer**  
Managing Director,  
Supply & Trading  
OMV

***"OPEC+ Management of Oil  
Markets has made it More  
Investible"***

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## ENERGY MARKETS FORUM Consultancy Intelligence Publishing EXCLUSIVE 60 SECOND SOUNDBITES

**Chris Wood**  
Chief Executive Officer  
Savanara DMCC

***"Outlook for New Covid  
Waves to Derail the  
Recovery?"***

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD



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**Laury Haytayan**  
MENA Director  
Natural Resource Governance Institute



#### Where do the Iran US nuclear talks stand today?

We have two possible scenarios that could unfold. Either a deal is done before the Iranian elections on June 18 or after. It depends how much Iran wants to empower the likely president and everybody's talking about that being the conservative candidate, Al Raisi. Even if the reformist camp does a deal before the election, the conservatives could position it as Al Raisi inheriting and being empowered by it and he can then get the benefits of that while focusing on the economic recovery. The other scenario is that he strikes a deal once he is elected. Either way, I think a deal will come but when it does, Iran is not going to flood the market with oil. They need high prices as well – there might be a calculated return of barrels as that's the only way for them to get the economic benefit.

#### Will the fragile peace in Libya unravel over the summer?

The recent issues between the foreign ministries of Turkey and Libya is just a show of power for now and I don't see further escalation for the moment. There are so many connected pieces in the geopolitics of the region today and big changes are happening. One that is potentially imminent is in Israel, where Netanyahu might be ousted after 10 years in power and given his relationships with various countries in the region, it could have an important impact. Other rapprochements that are at work are part of the new Biden administration's policy but it's nothing significant when it comes to oil and gas. What is of interest to the sector is the recent IEA recommendation on the direction of future investment and what that means for the region longer-term. ■

*\*Paraphrased comments*

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