

ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy
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MONDAY /// APRIL 12th /// 2021

TOP 10 DAILY NEWS DIGEST

1. OIL PRICES CLIMB ON FAVOURABLE OUTLOOK FOR US FUEL DEMAND
2. SAUDI OIL MINISTER: OPEC+ STRATEGY IS NOT SET IN STONE
3. US ECONOMY AT AN 'INFLECTION POINT'
4. GREAT PLAINS, ROCKIES OIL & GAS DRILLING TICKS HIGHER
5. ARAB COALITION INTERCEPTS HOUTHİ BALLISTIC MISSILE FIRED TOWARDS SAUDI
5. REVIVING THE IRAN NUCLEAR DEAL REQUIRES TACKLING THESE ISSUES
7. INDIA'S DAILY COVID-19 CASES RISE TO RECORD FOR FIFTH TIME THIS WEEK
8. US WARNS OF 'CONSEQUENCES' IF RUSSIA ACTS 'AGGRESSIVELY' IN UKRAINE
9. A FINAL BARGAINING CHIP FOR INTERNATIONAL PARTIES IN LIBYA
10. IRAN CALLS NATANZ ATOMIC SITE BLACKOUT 'NUCLEAR TERRORISM'

RECOMMENDED VIDEOS & REPORT

- MURBAN OIL FUTURES POST DAILY TRADING RECORD OF 14.5MN BBL
- IF NORD STREAM 2 COMPLETED, UKRAINE TO BE IRREPARABLY WEAKENED
- "COMMODITY SUPERCYCLE, ENERGY AND INFLATION"
- ERA OF OPEC+ SAUDI FORWARD GUIDANCE IS OVER

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



Omar Najia
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Natural Resource Governance
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The Oxford Institute for Energy
Studies

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

TOP 3 MONDAY /// APRIL 12th TAKEAWAYS

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DAILY OIL COMMENTARY

Morning all. Miss me? Don't get all shy, I know you did really. Brent is trading this morning at \$62.58/bl, down 0.37/bl. WTI is trading down 0.36/bl, at \$58.96/bl. First of all, I want to send my condolences to the UK Royal Family on the passing of HRH Prince Philip, Duke of Edinburgh last Friday. I know I've said this before, but they don't make them like that any longer. He lived to a ripe old age, as did my Grandfather who I lost last year. These men fought for the very freedoms that we take for granted every single day. So, when you next stroll into a café and say "What do you mean no Wi-Fi?",



BY MATT STANLEY
DIRECTOR
STAR FUELS

remember what men like HRH did for all of us. Right, oil, but first, listen, can you hear it? Listen closer. It sounds like the start of the stampede scene in The Lion King. That's right,

pub gardens in the UK open today and that noise is the kids being dropped at school and everyone running to the pub, except it won't be Uncle Scar shouting "MUFASAAAAA," it will be all my mates shouting "MORE LAGERRRRRR." Socially distanced, of course. Why am I talking about pubs though? Today will mark the comeback in community spending in the UK, people getting out and about and with it, the prospect of oil demand increasing as well. Nice. Finally. The issue is though, is that whilst domestic demand seems to be doing very nicely, take the US for example,

what about international travel and tourism? Hmm, this is the elephant room, and OPEC+ seem to think Dumbo is going to leave the room come July based on the fact they are bring more oil back in to the market, some 2mn b/d by July in fact. Listen, I genuinely hope that International travel makes a comeback by July, genuinely I do on a personal level, but do I see International tourism back to 2019 levels by the end of 2021? No, I don't. And as long as jet fuel demand remains suppressed then in my mind, the world just doesn't need more oil. Nice to be back. Have a good week.

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John Roper
CEO, Middle East
Uniper Global Commodities SE



Have LNG markets settled down following the price spikes in Q1?

The demand and supply structure is coming into what analysts would reasonably expect at this time of the year. If we look at countries where significant disruption took place earlier in the year, for instance Japan, METI has published average prices in March at around \$6.50 per million BTU whereas in January they were around \$18.50 per million BTU.

Is oil demand today supporting the planned OPEC output increases?

There was a sense that there would be demand recovery, but I think there's going to be volatility for a good while yet. There are significant volumes coming into the market and yet prices are not quite sure where to go – that reflects demand uncertainty. The OPEC monthly meetings will be an opportunity to address that. If volumes are changed on a rolling basis, that's the type of guidance that markets can start to get to grips with.

What could lift prices out of their current stagnant low \$60s range?

Only a significant increase in demand but I struggle to see where that will come from. US gasoline prices are rising indicating more demand, but we also need the aviation industry to come back and lift jet fuel demand, both of which are examples of a rise in demand for transport and a healthier global economy. Many things have to come together rather than one single item. ■

**Paraphrased comments*

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