

SUNDAY /// MARCH 27th



“Central Asian States Bracing Themselves for a Belligerent Russian Bear!”

Rauf Mammadov, a former Managing Director with the State Oil Company of Azerbaijan

Any escalation of tensions between Russia and the West puts Central Asian nations under huge stress. Most of these countries have lived under the dominance of Russia for over 200

years. Russia is not just an ambitious state with goals of becoming a global player – it's also the largest competitor for countries in Central Asia. One challenge that is often underestimated is the logistics around supplying our resources to global markets, a situation further exacerbated by the fact that most Central Asian countries are landlocked. Most of Kazakhstan's oil and gas only has direct access to global markets through Russia. The war in Ukraine has not

had any direct impact on those exports so far, with the exception of the effect on price, as Kazak oil is blended with Russian oil and so subject to some of the discount that we're seeing applied to Russian oil today. Azerbaijan has smartly always been prudent to diversify its export outlets away from Russia. Still, if you're sitting in the capitals of any of these countries, you should be worried about the unprecedented behavior of Russia. Right now, Russia

is imposing its strength on neighboring Ukraine, but the threat is there for all of us. There are some mechanisms and policies in place to try and counterbalance these risks. In Kazakhstan's case, it has positioned itself with Russia and China and other superpowers. Azerbaijan regionally has a treaty with Turkey, which stipulates that in the case of intervention or invasion of its sovereignty, Turkey can intervene.

[CLICK HERE FOR FULL INTERVIEW](#)



Daily Energy Markets PODCAST



Consultancy
Intelligence
Publishing



Adi Imsirovic
Senior Research Fellow
The Oxford Institute for
Energy Studies



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



Sean Evers
Managing Partner
Gulf Intelligence

[CLICK HERE TO LISTEN](#)

Daily Energy Markets TOP 3 TAKEAWAYS



Consultancy
Intelligence
Publishing

TOP 3

SUNDAY /// MARCH 27th

TAKEAWAYS

[CLICK HERE TO VIEW](#)

TOP 10 DAILY NEWS DIGEST

1. EU STEPS BACK FROM IMPRACTICAL RUSSIA OIL EMBARGO
2. US OIL RIG COUNT RISES BUT PRODUCTION LAGS BEHIND
3. OPEC UNMOVED BY MOUNTING SUPPLY PRESSURES
4. MISSION IMPOSSIBLE: PREDICTING THE OIL MARKET
5. WHEN IT COMES TO OIL, THE GLOBAL ECONOMY IS STILL HOOKED
6. GERMANY FACES HUGE CHALLENGE IN WEANING ITSELF OFF RUSSIAN OIL
7. CHINA'S SINOPEC BOWS OUT OF RUSSIAN PETCHEM, GAS PROJECTS
8. KAZAKHSTAN HOPES CPC WILL RESTART TODAY
9. SAUDI ARAMCO PETROLEUM STORAGE SITE HIT BY HOUTHIS ATTACK, FIRE ERUPTS
10. WAR IN UKRAINE: CHANGE OF EMPHASIS OR ADMISSION OF FAILURE BY MOSCOW?

RECOMMENDED REPORTS

- US, EU STRIKE LNG DEAL TO HELP WEAN EU OFF RUSSIAN GAS
- AN OFFICIAL SOURCE IN THE SAUDI MINISTRY OF ENERGY
- CHINESE STUDENT PROTEST FORCES UNIVERSITY TO EASE COVID LOCKDOWN
- TRANSATLANTIC TANKER RATES SURGE AS MAJORS REPLACE RUSSIAN CRUDE WITH US BARRELS
- YEMEN'S HOUTHIS CLAIM ATTACK ON ARAMCO FACILITY AFTER REPORTS OF A HUGE FIRE IN JEDDAH

Series Supported By:



Series Supported By:



Copyright © 2022 GULF INTELLIGENCE FZ LLC. All Rights Reserved.

Registered at Dubai Creative Clusters Authority. Registered Address: DMC 9, Office 310, Dubai Media City, PO Box 502466, Dubai, UAE.

SUNDAY /// MARCH 27th

Daily Energy Markets VIEWS YOU CAN USE



Consultancy
Intelligence
Publishing

Rafiq Latta

Senior Correspondent
Energy Intelligence



Europe has completely underappreciated its energy vulnerabilities.

It's simply not possible to replace Russian supply. And we have other problems throughout the market today - Qatar has two LNG trains down, there's the CPC Kazakh interruption of possibly 1mbd for a few weeks, Libya's on and off, we have West Qurna 400kbd out in Iraq and limited spare capacity in OPEC. In its defense, Europe has surprisingly taken a tough response with sanctions but on an economic level, everyone's now talking about recession.

Is Saudi Arabia making decisions based on fundamentals or geopolitics?

Fundamentals are all over the place, so the Saudi policy is purely geopolitical and long term. This is all about the energy transition. When OPEC+ was created, Riyadh realized that to effectively manage the impact of the energy transition, it needed more market clout and Russia gave it that. Saudi will resist a lot of pressure to keep Russia in this alliance. Russia also sees the value of the alliance as it's very isolated.

Will we see a significant upswing in US production in Q2?

We would have expected to already, but it's just not happening. The financial sector got spooked by poor returns before and by the energy transition. The only thing that's going to unlock investment is a clear commitment from the Biden administration and I think it's going to walk back some of its energy transition goals, at least temporarily. But there are also genuine bottlenecks in terms of rig mobilization and increasing production will require serious investment. One would think that for its own sake, the US would want to be a strong oil power as well as a geopolitical power, so it's shooting itself in the foot.

What's been the impact of IOCs withdrawing from Russia?

Psychologically, it's enormous. IOC investment in Russia was the big thing post fall of the Berlin Wall. It was the making of a lot of those companies really. How long these withdrawals last will depend on the war but our observation is that not much real action has been taken yet. I don't see any way we can have a solution to this crisis unless Putin gets reassurance that sanctions will be lifted and that there's a rollback of these investment withdrawals and that Russia can keep selling gas to Europe to a certain extent. But clearly, the trust and partnership has gone, and I don't know how you can get it back. ■

*Paraphrased comments

Daily Energy Markets



Mashreq 60-SECOND SOUNDBITE

Adi Imsirovic

Senior Research Fellow
The Oxford Institute for
Energy Studies

**"Oil market has priced-
in about 2-2.5 mbpd of
lost Russian oil"**

CLICK HERE TO VIEW

Series Supported By:

mashreq  المشرق



Daily Energy Markets



Mashreq 60-SECOND SOUNDBITE

Christof Rühl

Senior Research Scholar
Center on Global Energy Policy
Columbia University

**"Germany has just given
up two major beliefs in
place since WW2"**

CLICK HERE TO VIEW

Series Supported By:

mashreq  المشرق



Series Supported By:



Copyright © 2022 GULF INTELLIGENCE FZ LLC. All Rights Reserved.

Registered at Dubai Creative Clusters Authority. Registered Address: DMC 9, Office 310, Dubai Media City, PO Box 502466, Dubai, UAE.

SUNDAY /// MARCH 27th

JOIN US TOMORROW



Daily Energy Markets

LIVE VIDEO PODCAST

MONDAY /// MARCH 28th /// 10:30AM (UAE)



Consultancy
Intelligence
Publishing



UAE

Andy Laven
Chief Operating Officer
Sahara Energy Resources



US

Randall Mohammed
Managing Director
PetroIndustrial USA



UAE

Omar Najia
Global Head, Derivatives
BB Energy

Zoom ID: 843 8266 1096
Password: 12345

Daily Energy Markets INDUSTRY SURVEY



Consultancy
Intelligence
Publishing

52%
Yes



48%
No

Source: GI Research March 2022

Series Supported By:



Copyright © 2022 GULF INTELLIGENCE FZ LLC. All Rights Reserved.

Registered at Dubai Creative Clusters Authority. Registered Address: DMC 9, Office 310, Dubai Media City, PO Box 502466, Dubai, UAE.