

WEDNESDAY /// APRIL 20th

TOP 10 DAILY NEWS DIGEST

1. OIL INVENTORIES UNEXPECTEDLY FALL BY 4.5MN BLS LAST WEEK
2. WAR DIMS GLOBAL ECONOMIC OUTLOOK AS INFLATION ACCELERATES
3. US OIL PRODUCTION CLIMBS DESPITE CAUTIOUS DRILLERS
4. RUSSIA EYES CONSTRUCTION OF OIL STORAGE, EXPORTING OUTLETS
5. EARNINGS BOOST WALL STREET, GROWTH FEARS SINK OIL
6. NORWEGIAN CRUDE EXPORTS AT SEVEN-MONTH HIGH
7. CHINA TO HELP SHANGHAI AUTO AND CHIP SECTORS RECOVER FROM LOCKDOWN
8. IRAN NEEDS \$80BN GAS INVESTMENT TO AVOID BECOMING AN IMPORTER
9. ECONOMIC FALLOUT OF PAKISTAN'S POLITICAL CRISIS
10. CHINA'S CENTRAL BANK ANNOUNCES SUPPORT MEASURES FOR COVID-HIT BUSINESSES

RECOMMENDED REPORTS

- WORLD ECONOMIC OUTLOOK, APRIL 2022: WAR SETS BACK THE GLOBAL RECOVERY
- BABY BUST: PANDEMIC ACCELERATES FALL IN CHINA'S BIRTH RATE
- OIL FROM US STRATEGIC RESERVE HEADS FOR EU AMID GLOBAL SUPPLY CRUNCH
- BIDEN GREEN LIGHT TO INCREASE CHINESE OIL IMPORTS FROM IRAN
- KAZAKHSTAN TO INCREASE OIL EXPORTS TO RUSSIA, CHINA IN APRIL DUE TO CPC SITUATION
- BIG OIL'S WINDFALL CREATES A QUANDARY FOR THE INDUSTRY
- BIDEN LAUNCHES \$6B EFFORT TO SAVE DISTRESSED NUCLEAR PLANTS
- CHINA SIGNS SECURITY PACT WITH SOLOMON ISLANDS



Daily Energy Markets PODCAST

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Senior Editor
JLC Network Technology



Frank Kane
Guest Host

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Daily Energy Markets TOP 3 TAKEAWAYS

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TOP 3

WEDNESDAY /// APRIL 20th

TAKEAWAYS

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COMMENTARY

FX

The dollar continues to push higher as yields rise and the broader economic outlook becomes more and more uncertain. The DXY index added 0.18% to 100.961 overnight though EURUSD for a change didn't provide much of the gains. The single currency managed a modest appreciation to close at 1.0788. Rather it was the still climbing yen that is helping to push the dollar index higher at the moment, with USDJPY adding more than 1.5% overnight to 128.91. Even as the currency depreciates rapidly, the BoJ is still maintaining an accommodative stance, offering this morning to buy unlimited amounts of 10yr JGBs to keep yields at 0.25%.

Equities

US markets closed higher overnight even as yields jumped considerably higher. The Dow Jones index added 1.5% while the S&P climbed 1.6% and the NASDAQ jumped more than 2%. European markets opened after the Easter break negatively with the FTSE down 0.2% and the DAX off by 0.07%. Asian markets are again mixed today with the Nikkei adding 0.5% while the Hang Seng and Chinese indexes are pushing lower as there are no imminent signs of China easing its restrictive Covid-19 measures. The DFM added 1.6% overnight while the ADX was lower, down 0.4%. The Tadawul dropped by almost 1.7%.

Commodities

Commodity prices were generally weaker, including oil, as the IMF lowered its global growth expectations and as the market grapples with China maintaining its restrictive measures to control Covid-19. Brent futures fell 5% to USD 107.25/b while WTI dropped a similar amount to USD 102.56/b. Data from the API showed a drop in US crude inventories of 4.5m bbl last week. Official numbers will be released later today with focus on whether the SPR release is starting to be felt in the market.

Source: Emirates NBD

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Daily Energy Markets INTERVIEW SERIES



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HALF-TIME TALK

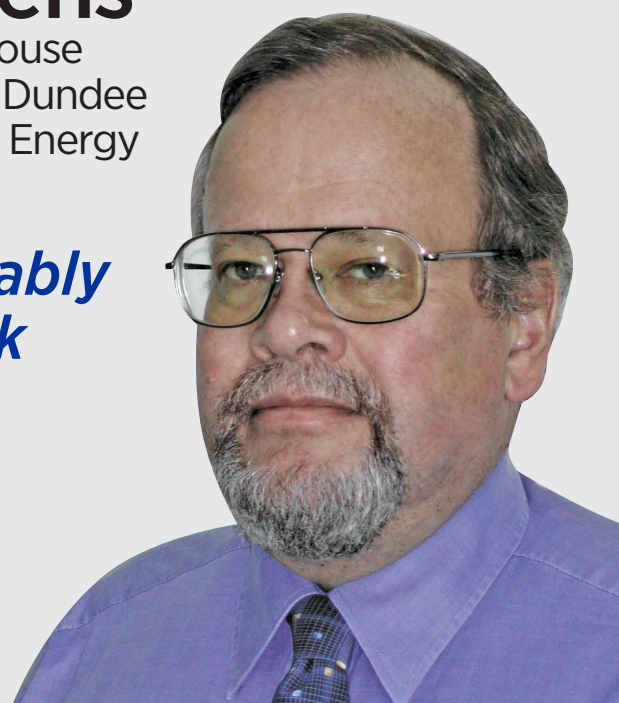
with

Prof. Paul Stevens

Associate Fellow, Chatham House
Emeritus Professor, University of Dundee
Distinguished Fellow, Institute of Energy
Economics, Japan

*“OECD & China has Probably
Already Reached Peak
Oil Demand”*

**CLICK HERE FOR
FULL INTERVIEW**



Daily Energy Markets INDUSTRY SURVEY



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66%
Agree

34%
Disagree



Source: GI Research April 2022

WEDNESDAY /// APRIL 20th

Daily Energy Markets VIEWS YOU CAN USE



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Kate Dourian, FEI

MEES Contributing Editor & Non-Resident Fellow
The Arab Gulf States Institute in Washington



Can anything now stop the strength in the oil price?

Increased supplies from SPR, IEA and OPEC have not tempered the bullishness in the market, and this is compounded by Libya field outages and OPEC+ producing under target. At the same time, the loss in Russian oil has not been as great as people thought it would be, so at some point, maybe the markets will balance. But again, we are also going into a higher demand season for gasoline. And then we also have questions on China economic growth, inflationary pressures, stagflation threats in the UK, so that will dampen demand over time. The tug of war between demand and supply will continue and despite slightly downgraded global demand forecasts, it looks like a high price scenario will remain for some time.

How can OPEC+ manage its geopolitical diplomacy around the Ukraine war?

OPEC+ policy is set by Russia and Saudi Arabia, and I can't see any of the producers going against the Saudi stance towards Moscow. So far, all we've heard is that the relationship is not at stake and that politics will be left at the door. But regardless, if you look at the market balance, the least OPEC+ could have done was replace the oil that some of its members have not been able to produce at their quotas.

Is there political appetite in Europe to support oil sanctions on Russia?

Germany is going to resist very strongly. If you pull down the German economy, you're going to pull down the whole block. One of the problems at the moment with the market, is that there isn't enough spare capacity available immediately, except maybe from two countries, the UAE and Saudi Arabia. ■

**Paraphrased Comments*

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THURSDAY /// APRIL 21st /// 10:30AM (UAE)

US



Mike McGlone

Senior Commodity Strategist
Bloomberg Intelligence

BAHRAIN



Omar Al-Ubaydli

Director of Research
Bahrain Center for Strategic International
& Energy Studies (DERASAT)

ESTONIA



Andrei Belyi, PhD

Professor, Founder & CEO
Balesene OÜ

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ANNUAL EVENTS



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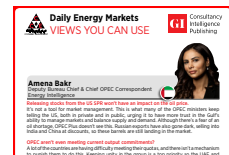
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WEEKLY NEWSLETTERS

QUARTERLY REPORTS

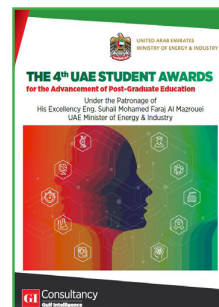
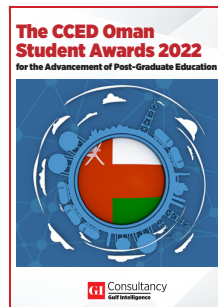
LIVE GO - DAILY ENERGY MARKETS - ONLINE



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ANNUAL AWARDS



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