# Daily Energy Markets BULLETIN

Consultancy Intelligence Publishing

TUESDAY /// APRIL 26th

## TOP 10 DAILY NEWS DIGEST

1. OIL PRICES REBOUND FROM SHARP DROP ON CHINA DEMAND CONCERNS
2. THE THREAT OF NUCLEAR WAR SHOULD NOT BE 'UNDERESTIMATED,' KREMLIN SAYS
3. GERMAN BUSINESS CONFIDENCE PICKS UP AFTER PLUNGING ON WAR
4. US ENERGY SECRETARY SAYS OIL, GAS OUTPUT WILL CONTINUE TO INCREASE
5. MOODY'S FORECASTS RECORD OIL AND GAS PROFITS, FREE CASH FLOW
6. RIVAL LIBYA GOVERNMENTS TRY TO END OIL BLOCKADE
7. EU COUNTRIES MULL DEAL ON EMERGENCY RULES TO FILL GAS STORAGE
8. RUSSIA'S ROSNEFT FAILS TO AWARD BIG OIL TENDER WITH BUYERS WARY
9. INDIA'S RUSSIAN OIL PURCHASES SINCE UKRAINE INVASION MORE THAN DOUBLE 2021 TOTAL
10. RUSSIAN AGGRESSION IS THREAT TO EU'S SECURITY

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**RECOMMENDED REPORTS**

- CHINESE SHARES JUMP, TURNING AROUND FROM DECLINES AMID COVID FEARS
- WEARY OF MANY DISASTERS? UN SAYS WORSE TO COME
- "WHAT IS IN OUR INTEREST": INDIA AND THE UKRAINE WAR
- EU BUYS ABU DHABI CRUDE TO REPLACE RUSSIAN BARRELS
- RUSSIA HITS FARAWAY TARGETS; DIPLOMAT WARNS OF RISK OF WWIII
- OIL PRICES PARALYSED BETWEEN RUSSIA SANCTIONS AND CHINA LOCKDOWNS
- CAN A 'NATO OF THE SEAS' ENSURE STABILITY IN THE TRADE CORRIDORS OF THE INDIAN OCEAN?

## Daily Energy Markets PODCAST

Consultancy Intelligence Publishing

**Richard Redoglia**
Chief Executive Officer
Matrix Global Holdings

**Amena Bakr**
Deputy Bureau Chief &
Chief OPEC Correspondent
Energy Intelligence

**Clyde Russell**
Asia Commodities &
Energy Columnist
Thomson Reuters

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## Daily Energy Markets TOP 3 TAKEAWAYS

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TOP 3

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TAKEAWAYS

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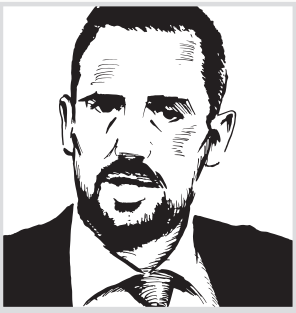
## COMMENTARY



BY MATT STANLEY
DIRECTOR
STAR FUELS

Brent is trading this morning at $102.92 up 0.60 and WTI is trading up 0.41 at $98.95. I find it amazing that whilst the world is still in the middle of a pandemic - evidenced by stories that Beijing may now also go into lockdown as well as several other major Chinese cities, including the financial hub of Shanghai - whilst Europe and indeed the rest of the world is struggling to come to terms with the fact that Russia has invaded Ukraine, and whilst the world is facing inflationary pressures, what's the leading story today? "Will Trump return to Twitter after Musk takeover?" I would safely say that the world has bigger questions to ask itself right now. Here's the thing though - the market is simply caught in that weird space of limbo. What, if anything, will come out of the EU vis-à-vis energy sanctions on Russia? Will the world face an energy supply crisis if things continue the way they are? What does China lockdown do for the demand outlook? What does an oil price above $100 per barrel do for demand? Will a hawkish Fed be enough to calm inflationary pressures and end the threat of a global recession, or is it too little too late? All these questions are very ambiguous. Arguably a firm answer on any of them could easily be worth 5-10 bucks per barrel. Seemingly though, right now the answers to all questions are looking further away, and on that basis, I think oil could dance around $100 per barrel for the foreseeable future. A price, arguably, that isn't bad for any oil producer, and from a moral point of view, I'd argue that this is the question that should be answered first.

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# Daily Energy Markets
## VIEWS YOU CAN USE

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**Andy Laven**
Chief Operating Officer
Sahara Energy Resources

**How do you explain the narrowing backwardation in the market?**
The view is that sanctions on Russian oil and gas are coming and will probably last quite a long time, so the market won't be as weak in the future as had been expected. The market also sees no problem with supply and demand today and that prices are being fundamentally impacted by geopolitics. But the situation is also very complicated – everything is moving in very different timeframes. We have short term concerns like inflation and the longer-term strategy of Europe wanting to change its reliance on Russian energy. The biggest problem is the inflation driven by the lack of basic commodities, like wheat coming out from Russia and Ukraine. We aren't really seeing the impact of that yet and unlike oil, you can't simply increase food supply overnight – it needs years to grow.

**How extensive will Chinese demand destruction be this year?**
It's probably going to take China most of this year to figure out a new Covid policy path, so we will see some reduction in oil demand, but that will be more of a blip. China is one of the best managed economies in the world and I think we'll see them bringing things that had loosened too much - like the construction sector - back under their control. Fundamentally, they know where they're going.

**How quickly can the majors withdraw from Russia and any long-term impact?**
It will be very dependent on the contracts and how willing people are to just walk away and get nothing for them. Longer term, international oil companies are likely to rethink how they assess country risk. The majors always saw that there was some risk in going into Russia, but when they made their investments, I don't think any of them saw themselves being forced to pull out because Russia was going to invade Ukraine. ■

**Paraphrased Comments*

### Daily Energy Markets
### Mashreq 60-SECOND SOUNDBITE

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**Amena Bakr**
Deputy Bureau Chief &
Chief OPEC Correspondent
Energy Intelligence

*"OPEC+ may need to redistribute quotas when current agreement expires in Sept. in order to maintain credibility"*

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### Daily Energy Markets
### Mashreq 60-SECOND SOUNDBITE

Consultancy Intelligence Publishing

**Richard Redoglia**
Chief Executive Officer
Matrix Global Holdings

*"Oil Market isn't worried about today, it is worried about tomorrow!"*

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## Daily Energy Markets INDUSTRY SURVEY

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**Source: GI Research April 2022**

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Consultancy Intelligence Publishing

WEDNESDAY /// APRIL 27th /// 10:30AM (UAE)

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**Dr. Raad Alkadiri**
Managing Director
Energy, Climate & Resources
Eurasia Group

UK

**Maleeha Bengali**
Founder
MB Commodity Corner

CYPRUS

**Rafiq Latta**
Senior Correspondent
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