

ENERGY MARKETS FORUM DAILY BULLETIN



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THURSDAY /// NOV 4th /// 2021

TOP 10 DAILY NEWS DIGEST

1. OIL SLIPS FURTHER AS IRAN NUCLEAR TALKS SET TO RESUME
2. OIL TRADING CHOPPY AS DOUBT INTENSIFIES OVER OPEC BOOSTING OUTPUT
3. IRAN TALKS TO CONVENE ON 29TH NOV IN VIENNA
4. OIL MARKET TRADING PATTERNS SIGNAL POSSIBLE TOP IN MARKET
5. LIBYA'S ZAWIYA OPERATIONS UNAFFECTED BY DAMAGE
6. US SHALE PRODUCERS SIGNAL MORE OIL COMING
7. INDIA CUTS CENTRAL TAX ON MOTOR FUELS TO BOOST DEMAND
8. FED TAPERS ITS SUPPORT FOR BOND MARKETS & THE ECONOMY
9. US STOCK MARKETS RISE AS FED TAPERS WITHOUT THE TANTRUM
10. PUTIN PLANS NO CONTACTS ON OPEC+ ISSUE SO FAR

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RECOMMENDED VIDEOS & REPORTS

- EIA REPORTS A BIGGER-THAN-EXPECTED WEEKLY CLIMB IN US CRUDE SUPPLIES
- ROBIN MILLS, QAMAR ENERGY: COP26 CLIMATE CONFERENCE IS EXCEEDING EXPECTATIONS
- SAUDI & UAE COULD BE SLOWLY 'DE-ANCHORING' FROM OIL PRICE MOVEMENTS
- CHINA'S LATEST DELTA OUTBREAK ITS MOST WIDESPREAD SINCE WUHAN
- "MIDEAST STATES HAVE GROWING FEAR OF BEING ABANDONED BY US"

DAILY ENERGY MARKETS FORUM NEW SILK ROAD

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PODCAST



Robin Mills
Chief Executive Officer
Qamar Energy



Dr. Carole Nakhle
Chief Executive Officer
Crystal Energy



Henning Gloystein
Director - Energy, Climate & Resources
Eurasia Group

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TOP 3

THURSDAY /// NOV 4th

TAKEAWAYS

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Once again, to all those enjoying Diwali, I hope you have a very nice time with your family and friends. Brent is trading this morning at \$81.77/bl down 0.22 and WTI is trading down 0.50 at \$80.36/bl. Right, like the dessert course at Weight Watchers, let's keep it brief. Now thennnnn, all change it seems. Well, not really. This time last year Brent was trading at half the value it is now so I hardly think Brent closing down 2.08 per barrel is hardly a reason to press the panic button Captain Mainwaring (anyone not from the UK



BY MATT STANLEY
DIRECTOR
STAR FUELS

or under the age of 40 will need to google who Captain Mainwaring is. Just FYI). Why the dip yesterday? As I mentioned yesterday, crude and product builds in

the USA didn't please the bulls particularly and once confirmed by the EIA down we went, down to \$81.07/bl at one stage and WTI was trading below \$80/bl. To be fair we were down similar levels throughout the day but once Powell started to speak confirming the end to free money we went down even further. We are down this morning but marginally better than early trade. All this price pressure certainly makes OPEC+'s job easier though, doesn't it? Arguably only closer to the dreaded \$100 oil per barrel would OPEC+ have really

been under any proper strain to rethink how much production to bring back, but just above \$80/bl? No issues at all. Business as normal and I'd make a market that the meeting will last between 20 - 25 minutes. The market has largely priced no change from the group me thinks so everyone will be looking to see what a minister or two says about plans going forward. All may all be a bit hush hush though. What is your name? Don't tell him Pike. Classic. Good day to all.

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ENERGY MARKETS FORUM Consultancy Intelligence Publishing **Mashreq 60-SECOND SOUNDBITE**

Dr. Carole Nakhle
Chief Executive Officer
Crysol Energy

**"FED introduced a new
word around inflation
- 'EXPECTED' to be
transitory"**

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ENERGY MARKETS FORUM Consultancy Intelligence Publishing **Mashreq 60-SECOND SOUNDBITE**

Henning Gloystein
Director - Energy, Climate
& Resources, Eurasia Group

**"China appears
to have a Covid
Outbreak that they
can't crush to Zero!"**

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Randall Mohammed
Managing Director
PetroIndustrial USA



Is shale finally getting renewed impetus at these prices?

I was surprised with the announcement by BP that it's coming back into the shale play in the US when we've had a few of the super majors, like Shell, exiting out of most of their assets in the Permian. Still, like Middle East producers, those in the US are certainly enjoying these higher prices. Having said that, if this was a couple of years ago, we would have seen shale come back a lot quicker but now we have the headwinds and pressure of decarbonization playing a stronger role. It's not 'drill baby drill' anymore. The emphasis will still be more on drawing down on that inventory of drilled but uncompleted wells and that trend will continue into this last quarter and probably into Q1.

Have oil markets adjusted to global supply chain issues?

That's the part of the transitory inflation that the Fed has been speaking about and it could take eight to twelve months for the supply chain disruption to ease. But only part of the inflation narrative is supply constraints. The other has to do with liquidity in the system and that's what the purpose of the expected tapering will be, as a first step. The Fed will only consider interest rate hikes once they've digested the effect of the tapering process and I would say no sooner than 2023.

Is Biden's hardline stance on US oil companies softening?

His long-term green policy will stand but in the short term, we should remember that the US consumes around 420 billion gallons of fuel a year. Gas prices today are around \$3.4 a gallon nationally, versus \$2 last year. With the Thanksgiving weekend coming up, we will see refineries drawing down on inventories and even ahead of that, the US opens its borders to non-essential travel on November 8th. We're likely to see a flood of Canadian visitors, which will only increase the demand on gasoline. ■

**Paraphrased comments*

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