

THURSDAY /// MARCH 17<sup>th</sup>

## TOP 10 DAILY NEWS DIGEST

1. **OIL FUTURES OPEN HIGHER ON IEA SUPPLY WARNING**
2. **BIDEN ON PUTIN: 'I THINK HE IS A WAR CRIMINAL'**
3. **ENERGY TRADERS ARE BEGGING CENTRAL BANKS FOR EMERGENCY CASH**
4. **RUSSIA-LINKED OIL, FUEL CARGOES RUSH TO US BEFORE BAN STARTS**
5. **CHINA TRIES TO CALM MARKETS BY PLEDGING SUPPORT FOR ECONOMY**
6. **RUSSIAN GAS FLOWS TO EU DECLINE AS NOMINATIONS DROP**
7. **EIA: OIL PRICES WILL REMAIN ABOVE \$100 FOR MONTHS**
8. **RUSSIA TO REDUCE OIL PRODUCTION BY THREE MILLION BPD**
9. **RUSSIA'S ONSLAUGHT CONTINUES AMID OPTIMISM OVER TALKS**
10. **FED HAS AGGRESSIVE RATE-HIKING PLAN**

### RECOMMENDED VIDEOS & REPORTS

- **WHO SAYS GLOBAL RISE IN COVID CASES IS 'TIP OF THE ICEBERG'**
- **WESTERN OILFIELD SERVICES COMPANIES STAY THE COURSE IN RUSSIA**
- **COVID OUTBREAK LEAVES HONGKONG IN LIMBO**
- **TRUMP PUSHED GOP HAWKS TO THE SIDELINES**
- **TEXT OF THE FEDERAL RESERVE'S STATEMENT AFTER ITS MEETING**
- **REVISING DOWN THE RISE OF CHINA**

Series Supported By:



## Daily Energy Markets PODCAST



Consultancy  
Intelligence  
Publishing



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



**Dr. Carole Nakhle**  
Chief Executive Officer  
Crystal Energy



**Tom Walsh**  
Doctoral Research Student  
Durham University

[CLICK HERE TO LISTEN](#)

## Daily Energy Markets TOP 3 TAKEAWAYS



Consultancy  
Intelligence  
Publishing

# TOP 3

THURS /// MARCH 17<sup>th</sup>

# TAKEAWAYS

[CLICK HERE TO VIEW](#)

## COMMENTARY

Oil prices moved lower for a third day running Wednesday, down 1.9% in Brent at \$98.02/bl, while WTI fell by 1.5% to \$95.04/bl. Anxiety over the spread of Covid-19 in China is weighing on the near-term demand outlook even as there are still substantial supply risks related to the war in Ukraine. Commercial crude inventories in the US rose by 4.3m bls last week, including a 1.8m bls increase at the Cushing, OK pricing point. In the products market, there were draws across much of the barrel with gasoline stockpiles down by 3.6m bls while distillate inventories were up slightly. US oil production held steady at 11.6m bd while product supplied dipped back by 558k bd to 20.65m bd. The IEA warned of a potential energy supply crisis caused by Russia's invasion of Ukraine in its March monthly oil market report. The agency noted that only Saudi Arabia and the UAE had the ability to increase production to compensate for a drop in Russian oil production and exports but that neither country had so far committed to higher output. The IEA has cut its demand growth expectation for 2022 by 1m bd as consumers pare back on demand

thanks to high and volatile energy prices, though based on their current projections, oil market balances will show a persistent deficit for much of 2022. On foreign exchanges, the USD softened overnight as the Fed's move came in line with market projections, albeit on the hawkish side. The broad DXY index fell nearly 0.5% to 98.618 with EURUSD showing solid gains of 0.7% to settle at 1.1035. USDJPY continued to move at the expense of the yen, however, with the pair closing up 0.36% at 118.73. GBPUSD bounced strongly, up 0.8% at 1.3149 with eyes on the Bank of England later today. Commodity currencies closed up strongly. USDCAD closed at 1.2677, down 0.7% in favour of the loonie, even as oil prices encounter some difficulty holding on to recent elevated levels. AUDUSD closed up 1.3% at 0.7290 while NZDUSD closed up 1% at 0.6838. In equities, Asian markets got the day off on the front foot yesterday, after moves by the Chinese authorities to assuage investors' concerns over strengthening regulations amidst a tech crackdown boosted investor appetite.

Chinese tech stocks have performed particularly poorly over the past week, with the Covid-19 outbreak and lockdown in Shenzhen also weighing on sentiment, but shares surged following the announcement yesterday. The Shanghai Composite closed up 3.5%, while the Hang Seng, which had fallen to a six-year low, rose 2.6%. Elsewhere, the Nikkei added 1.6% while in India both the Nifty and the Sensex closed 1.9% higher. European markets opened higher later in the day and closed up at the end of the session, buoyed by falling oil prices and a glimmer of optimism with regards peace talks between Ukraine and Russia. The FTSE 100 added 1.6%, the CAC 3.7% and the DAX 3.8%. In the US, equities moved strongly higher also despite the start of the tightening cycle, likely boosted by Jerome Powell's characterisation of the economy as very strong. The Dow Jones (1.6%), the S&P 500 (2.2%) and the NASDAQ (3.8%) all closed higher.

Source: Emirates NBD

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.

THURSDAY /// MARCH 17<sup>th</sup>

## Daily Energy Markets VIEWS YOU CAN USE



Consultancy  
Intelligence  
Publishing

### Chris Wood

Chief Executive Officer  
Savanara DMCC



#### We're seeing huge demand and record draws on diesel in the US and Europe.

On the crude side however, we are seeing a bit of a pullback, notably in Asia, with the Chinese reducing energy imports. OPEC called it right. They want to see the figures on actual throughputs of crude before making any changes to planned volumes. The volatility in oil prices is also raising a new level of concern in producers' markets on the amount of working capital they need to manage and cover their positions.

#### How will China fair with rampant inflation across food and commodities?

China is a massive consumer, particularly of agri commodities, so the inflationary prices will eat into their cash reserves. But they will manage it and get their policy of common prosperity across the board. The government has always stepped in to balance their economy. On the plus side on energy, they've also invested a lot of money into their own oil refining production capacity.

#### Will tight supply and high prices see US oil return faster than expected?

US shale producers have learned from the 'drill baby drill no matter what the cost' era. We now have more mature companies that are capex conscious, who will be looking at having sustained high oil prices and somewhere they can hedge in their position with the equity funds and the banking community, rather than taking speculative positions. So, now that we are seeing even more potential for prices to go up, we will see a controlled, sustained push to increase production.

#### Have we seen the worst of high energy prices in Europe?

High gas, oil and power prices, and carbon and other taxes, are already hitting energy consumption – of individual households and industry, so that will play into the economy and drive inflation. Big energy companies in particular are going to have margin calls on their hedges and that's where we are in for a few surprises in the next couple of months as those long term positions around power stations and large off takers. ■

*\*Paraphrased comments*

### Daily Energy Markets



#### Mashreq 60-SECOND SOUNDBITE

#### Dr. Carole Nakhle

Chief Executive Officer  
Cristol Energy

*"Powell gave assurance  
to the market that US  
economy can handle a more  
aggressive tightening cycle"*

CLICK HERE TO VIEW

Series Supported By:

mashreq  المشرق



### Daily Energy Markets



#### Mashreq 60-SECOND SOUNDBITE

#### Dr. Raad Alkadiri

Managing Director - Energy,  
Climate & Resources  
Eurasia Group

*"It's very difficult to  
see how Putin could be  
rehabilitated in Western  
security eyes"*

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.

THURSDAY /// MARCH 17<sup>th</sup>

## JOIN US NEXT WEEK



### Daily Energy Markets LIVE VIDEO PODCAST



Consultancy  
Intelligence  
Publishing

SUNDAY /// MARCH 20<sup>th</sup> /// 10:30AM

**“WEEK IN  
REVIEW //  
WEEK AHEAD  
OUTLOOK”**

MEXICO



**Dr. Aldo Flores-Quiroga**  
Former Deputy Secretary of  
Energy for Hydrocarbons  
Mexico's Ministry of Energy

UAE



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

Zoom ID: 843 8266 1096  
Password: 12345

## Daily Energy Markets INDUSTRY SURVEY



Consultancy  
Intelligence  
Publishing

**36%  
Yes**



**64%  
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.