

ENERGY MARKETS FORUM DAILY BULLETIN



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SUNDAY /// MARCH 28th /// 2021

DAILY OIL COMMENTARY



There was a significant drop in demand last year in the first quarter, mostly

“TARGET MARKET FOR US LNG IS ASIA”

ANDREE STRACKE, CHIEF COMMERCIAL OFFICER, RWE SUPPLY & TRADING

in Asia, followed by Europe in Q2. Combined with high temperatures and low demand for heating, we had a 6% drop in gas demand in Europe and that effectively set prices for the world market. Then came the extreme cold snap in winter - especially in China, Japan and

South Korea - and strong demand coupled with an insufficient supply of ships, pushed prices up. What is significant about 2020 is that it demonstrated LNG's development as a traded market. With the very low prices, there were 160-170 export cargoes canceled

out of the US, but the gas was able to be utilized in the domestic market. It showed a new tool in the LNG world to help maintain balance - sourcing cargoes and pushing them elsewhere. The only question is what price this flexibility requires.

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE



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TOP 3

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TOP 10 DAILY NEWS DIGEST

1. OIL JUMPS 4% ON FEARS SUEZ CANAL BLOCKAGE MAY LAST WEEKS
2. ADNOC DEEPENS SUPPLY CUTS TO ASIA IN JUNE IN 'FRAGILE' MARKET
3. WHAT DOES THE SUEZ CANAL BLOCKAGE MEAN FOR OIL SHIPMENTS?
4. OMAN'S PDO IN BIG JOBS BOOST; SEALS \$4BN SERVICE DEALS
5. US DRILLERS ADD OIL & GAS RIGS FOR SECOND QUARTER IN A ROW
6. CHINA & IRAN EXPECTED TO SIGN 25-YEAR ACCORD
7. SUEZ CANAL STEPS UP EFFORTS TO FREE STUCK VESSEL
8. CHINA'S INDUSTRIAL PROFITS SURGE IN BOOST TO ECONOMIC RECOVERY
9. SALVAGE SQUAD SET TO UNLOAD SUEZ SHIP BOX BY 40-FOOT BOX
10. CAN CHINA IMPOSE MILITARY FORCE AGAINST TAIWAN?

RECOMMENDED VIDEOS & REPORT

- NEW MURBAN FUTURES CONTRACT ADDS TO MIDDLE EAST TRADING OPTIONS
- BURBERRY - FIRST LUXURY BRAND TO SUFFER CHINESE BACKLASH OVER XINJIANG
- SAUDI: ATTACK WAS MADE ON THE PETROLEUM PRODUCTS DISTRIBUTION TERMINAL IN JIZAN
- TARGET MARKET FOR US LNG IS ASIA

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Dr. Carole Nakhle
Chief Executive Officer
Crystol Energy



How is today's macroeconomic outlook impacting oil markets?

On balance, there is no firm recovery evenly distributed around the world. Big picture, oil markets have of course recovered significantly from last years levels and the new floor for Brent is probably around \$60/bl, especially with the OPEC plus agreement still in place. The recent volatility and weakness in the market confirms the concerns of OPEC plus at their last meeting at being cautious about the market's recovery. This remains the case. The EU particularly, the largest economic bloc in the world, doesn't look good.

Economic figures in the US are looking very strong?

It's inevitable that we would see the fruits of support from the massive fiscal stimulus packages and we are also getting better at dealing with Covid-19 with more positive indicators on the health front on hospitalizations and deaths in developed economies. However, developing countries are still looking dreadful with the number of infections spreading rapidly, amid the added challenge of rising debt levels. We are heading in the right direction, but the global economic outlook remains highly uncertain and very patchy. ■

**Paraphrased comments*

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