

ENERGY MARKETS FORUM DAILY BULLETIN



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SUNDAY /// SEP 12th /// 2021

DAILY OIL COMMENTARY



“Bottlenecks Right Through Shipping Value Chain – from Containers to Vaccines to Truck Drivers!” **Dr. Anil Sharma, President & CEO, GMS**

Today, we're witnessing bottlenecks right through the shipping value chain, especially with container ships – which carry cars and other consumer related goods – which are booming. A 40-foot container moving from Asia to the West Coast

of the US, that used to cost \$2000, is now at \$9000. That type of 4x inflation is unprecedented. It is going to have a very real impact on the average consumer. I haven't seen such a shortage of container ships in my 25 years in the business, to the point where dry-bulk vessels are now being converted to carry containers, so that they can make it from China to North America and Europe ahead of the Christmas rush. The shortage we are seeing with container ships is also due to the resurgence of Covid

in China. Chinese ports have been very restrictive. There is a huge backlog as the 40-foot containers are being moved around China from one port to another by land, so the whole logistics chain is being messed up. I see that this will definitely carry on all through 2021, and what happens in the first half of next year is the big question. Unlike many other industries, we are fortunate in the shipping sector that we don't yet have crew shortages, but what we are struggling with is getting crews off ships when

their term expires, sending them home and getting replacements, because there are just too many Covid related restrictions in ports everywhere. India and the Philippines are the two major providers of crews to global shipping – and in India the vaccination drive has improved, but it is still struggling. It would be hard to have a policy to allow only vaccinated crews, while that is our preference, it is just not realistic.

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



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Mike Muller
Head
Vitol Asia



Christof Rühl
Senior Research Scholar
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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE



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TOP 3 SUNDAY /// SEP 12th TAKEAWAYS

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TOP 10 DAILY NEWS DIGEST

1. OIL RALLIES TOWARDS \$73 ON TIGHT US SUPPLIES
2. OPEC MAY CUT 2022 OIL DEMAND FORECAST
3. OPEC+ OUTPUT RISE CAPPED BY KAZAKH, NIGERIAN LOSSES
4. RUSSIA COMPLETES NORD STREAM 2 CONSTRUCTION
5. EU MARKETS CLOSE MIXED AS ECB SLOWS PANDEMIC BOND BUYING
6. TRADERS CHASE RUSSIAN OIL TO FILL US SUPPLY GAP AFTER HURRICANE IDA
7. FUJAIRAH STARTS \$45MN VLCC LINK IN BET ON TRADING SURGE IN MURBAN FUTURES
8. SUPER TYPHOON CHANTHU HURTTLES TOWARD PHILIPPINES & SOUTHEAST CHINA
9. WORLD'S LARGEST ECONOMIES ARE SURPASSING PRE-COVID OIL DEMAND
10. AFGHANISTAN WITHDRAWAL HAS TAIWAN PONDERING ITS ALLIANCE WITH THE US

RECOMMENDED VIDEOS & REPORTS

- [US JOB OPENINGS OUTNUMBER UNEMPLOYED BY 2MN](#)
- [IEA: KEY WORLD ENERGY STATISTICS 2021](#)
- [FRAC SPREAD COUNT - ACTIVITY PICKING UP STEAM!](#)
- [TAKING THE PULSE OF AMERICA'S SMALL BUSINESS SECTOR](#)
- [“OFFSHORE OIL & GAS VESSELS ARE TAKING A SHARP BEATING!”](#)

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

Mike Muler
Head
Vitol Asia

***"Ida Oil Outages
has Totally Realigned
Trade Flows in
Atlantic Basin"***

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

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

***"The jury is still out on
whether all the Money
Pumping will deliver
economic growth
above trend?"***

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD



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EXCLUSIVE SERIES VIEWS YOU CAN USE

Dr. Carole Nakhle
Chief Executive Officer
Crystal Energy



What's been spurring stronger oil prices this past week?

The upward pressure on the price is not really a reflection of strong fundamentals. It's likely to fade away and it's going to leave us in a weaker spot than we were in a few months ago. The data today is showing that all the enthusiasm that we saw in the second and third quarters of this year seems to have been replaced by a warning about outsized risk. There's a relative slowdown in the momentum of the recovery and economic growth globally. China began to slow down before anybody else and the US Fed is now reflecting a kind of dampening sentiment across businesses, in addition to what we've seen with consumers. The question is, where would prices have been without the disruption of hurricane IDA in the US Gulf coast?

Where do things stand today on inflation concerns?

Inflation is not a good recipe for the economy. On the contrary, it's a source of concern. It has been on our mind, at least from the beginning of this year, becoming more and more problematic. Central banks all around the world have been saying that it's manageable and that it's been triggered primarily by supply chain constraints. However, they are gradually changing their perception of the structural damages made and on the increase in prices and cost of imports. I see inflation slowing down the momentum of the recovery.

Does OPEC Plus need to look at releasing any extra oil anytime soon?

Only if they want to see prices crashing down. There's no justification for it. The demand outlook does not look as strong as people expected. On the contrary, if you look at the various forecasts today, they have been revised downwards compared to previous ones. ■

**Paraphrased comments*

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