

# ENERGY MARKETS FORUM DAILY BULLETIN



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WEDNESDAY /// SEP 8<sup>th</sup> /// 2021

## TOP 10 DAILY NEWS DIGEST

1. OIL CLIMBS AMID SLOW SUPPLY RETURN AFTER HURRICANE IDA
2. OIL SLIDES ON DEMAND CONCERNS, STRONG DOLLAR
3. GOLDMAN CUTS US GROWTH FORECAST AS DELTA SLOWS CONSUMERS
4. LIBYA'S EASTERN TERMINALS FACE GROWING PROTESTS AMID NOC-MINISTRY ROW
5. QUARANTINE-FREE AIR TRAVEL LANES TO LAUNCH IN SINGAPORE
6. CHINA AUG CRUDE OIL IMPORTS RISE AS REFINERS RESUME BUYING
7. DELTA WAVE HITS HOSPITALITY, AUTOS, TECH & CONSTRUCTION, BOOSTS HEALTHCARE
8. JAPAN UPGRADES Q2 GDP ON STRONGER BUSINESS SPENDING
9. US GULF COAST ENERGY FIRMS SLOWLY RESTART AFTER IDA HIT
10. US CONGRESS STUCK BETWEEN A ROCK & A HARD PLACE ON RAISING DEBT LIMIT

### RECOMMENDED VIDEOS & REPORTS

- THE GEOPOLITICS OF OIL & ICE CAPS
- WAGES KEEP RISING AS EMPLOYERS TRY TO LURE RELUCTANT AMERICANS BACK TO WORK
- DR. FAUCI: "WE NEED A BOOST BECAUSE ULTIMATELY..."
- MACRO MATTERS: NEW FRONTIERS IN CENTRAL BANKING
- GADDAFI SONS LURK IN THE SHADOWS AS LIBYA GRAPPLES WITH POWER PLAYS
- CHINESE ACTIVIST SAYS CREDIT SUISSE CLOSING HIS FOUNDATION'S BANK ACCOUNT

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST

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**James McCallum**  
Executive Chairman of Xergy  
Professor of Energy at Strathclyde  
University



**Mike McGlone**  
Senior Commodity Strategist  
Bloomberg Intelligence



**Frank Kane**  
Senior Business Columnist  
Arab News

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

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# TOP 3

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# TAKEAWAYS

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Morning everyone, all good? Nice. Brent is trading this morning at \$71.90/bl, up 0.21/bl. WTI is trading up 0.28/bl, at \$68.63/bl. OK, I need to insert a massive caveat here as today's commentary is going to talk about the one thing that none of us, and I mean none of us seem to talk about anymore. And that is Covid-19. I want to start with a quote from Maria Van Kerkhove, the WHO's technical lead on Covid-19, "We had a chance in the beginning of this pandemic, this pandemic did not need to be this bad." Gulp. I mean I read that and felt like I had been told off by my Mum for breaking her favourite tea set with a yo-yo (still haunts me, haven't picked up a yo-yo since). The thing is that Covid-19 is not being treated any longer as an issue. I, as I'm sure



**BY MATT STANLEY**  
DIRECTOR  
STAR FUELS

all of you, are of course bored of talking about it. It has been with us for nearly two years and disrupted all of our lives one way or another but as much as we want to dismiss it, we simply can't, and neither can

the oil market. Let me give you some fairly grim figures but this isn't meant to be negative, purely telling you the facts: Daily US Covid-19 cases are up more than 300% from Labor Day last year. Hospitalization rates are up 157% compared with Labor Day weekend 2020. Nationwide, only 53% of the total US population is fully vaccinated, and just 62% of eligible Americans have received their jabs, leaving tens of millions at risk. Australia, New Zealand, Malaysia, Vietnam etc are all locked down. Global cases are at the highest since May, when the second wave began. 1.8% of low-income workers have been vaccinated. I could go on, but I won't, because you're probably reading this a bit annoyed that I've raised it. And this is where

the market is, seemingly stuck in an illusion that the pandemic is behind us whereas it is still very much with us. Now, let's balance this shall we? I am British after all, what what. Crude oil stocks are at pre-pandemic levels, and this drawdown pattern is expected to continue. Demand has been rising steadily since vaccination programs were rolled out earlier this year. And of course, Brent prices are happily stuck just above \$70/bl. I am all for the recovery, trust me on that, but I can't ignore the facts about Covid-19, and I wonder if this grim reality is catching up with oil markets. Let's see what happens with stats which when published tomorrow will once again provide a convenient distraction from reality. Good day.

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HALF-TIME TALK  
**INTERVIEW SERIES**

**Dr. Anil Sharma**

President & CEO  
GMS

(World's largest buyer of Ships for Recycling)



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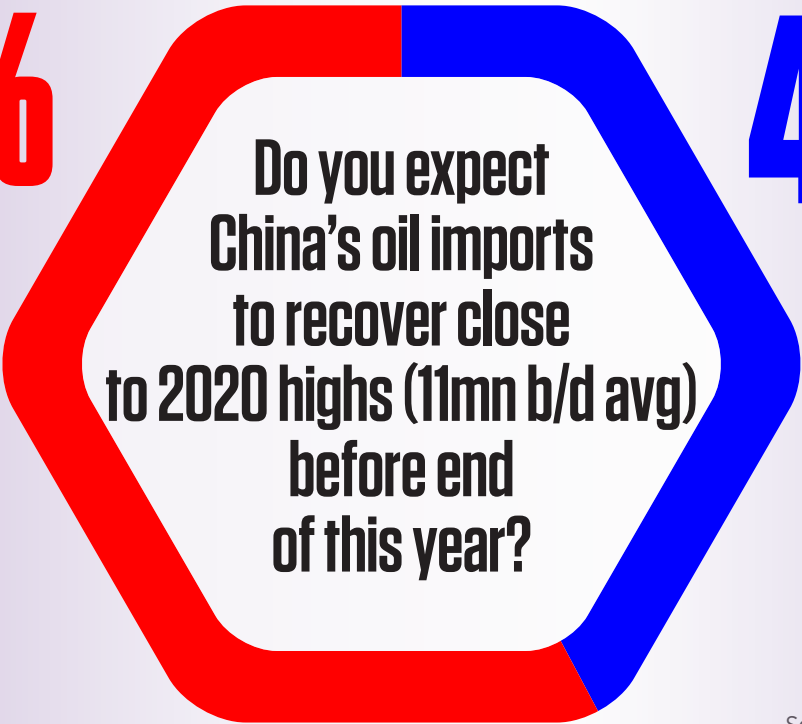


**DAILY ENERGY MARKETS FORUM  
INDUSTRY SURVEY**



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**58%**  
**Yes**



**42%**  
**No**

Do you expect  
China's oil imports  
to recover close  
to 2020 highs (11mn b/d avg)  
before end  
of this year?

Source: GI Research Sep 2021

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

**Mike McGlone**  
Senior Commodity Strategist  
Bloomberg Intelligence

***"The vast majority of  
COVID economic  
bounce is over!"***

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

**Frank Kane**  
Senior Business Columnist  
Arab News

***"Saudi's set to pitch  
Circular Carbon  
Economy at COP26"***

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD



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**David Rundell**

**Author**

**Vision or Mirage, Saudi Arabia at the Crossroads**



#### Market direction given the disruption of production in the US Gulf coast?

There's still a great deal of production that's been shut in – 80% as of this morning – but it will come back. This happens quite frequently and usually someone like the Saudis will step in and make up the shortfall in the short run. In terms of pricing, the more important issues are what's going to happen to interest rates with the central banks. I don't see them being pushed up dramatically in the short term. Many banks are reconsidering whether inflation is a serious problem. In terms of the impact of Covid on oil markets, I think we are going to learn to live with it and we won't see another collapse in prices like before. We should stay steady somewhere in the \$70s where we are now.

#### Is there an emerging economic rivalry between the UAE and Saudi Arabia?

There are always tensions between allies, but these are manageable when the underlying reasons for the relationship remain strong. Saudi Arabia and the UAE remain partners and remain committed to stability in the Gulf region. The Saudis are trying to become more of a regional center, which puts them in competition with Dubai. They want to have more goods produced in their own country, which puts them at conflict with some import free zones in the UAE. They are both increasing their oil production as they see demand growing in the long term, and so both are expanding. It's not more dramatic than that.

#### What are the ramifications from the fallout in Afghanistan for the Gulf region?

I think the real problem for the Gulf today is not Afghanistan, but rather the Iran Israeli conflict. I'm somewhat surprised that is not being read into oil pricing and insurance rates. Both Israel and the Iranians are committed to their policies, which they view as existential. The Iranians are committed to building a nuclear weapon. They have endured serious sanctions and economic hardship to continue that. They've built the delivery systems and view this as a defense mechanism. They see what happened to North Korea and they see it being treated with kid gloves and with great respect. And they see what happened to Saddam Hussein and Moammar Gadhafi and they say, we don't want that to happen to us. They believe that the West, and particularly the US, would like to see their regime changed. The Israelis believe that the Iranians are two months away from getting a nuclear weapon and they believe that to be a threat to them. ■

*\*Paraphrased comments*

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