

TUESDAY /// MARCH 15th

TOP 10 DAILY NEWS DIGEST

1. OIL FALLS ON UKRAINE TALKS, FEARS OF SLOWER DEMAND IN CHINA
2. EIA: US SHALE PRODUCTION SET FOR BIG JUMP IN APRIL
3. WHY A WINDFALL PROFIT TAX WOULD BE A DISASTER FOR US OIL
4. US WARNS CHINA AGAINST HELPING RUSSIA
5. GERMAN OIL LOBBY SAYS IMPORTS FROM RUSSIA BEING REDUCED
6. US OIL IMPORTS FROM VENEZUELA NOT AN 'ACTIVE CONVERSATION' RIGHT NOW
7. EU MEMBERS AGREE NEW PACKAGE OF RUSSIA SANCTIONS
8. RUSSIAN NATURAL GAS FLOWS STEADY ON KEY PIPELINES TO EU
9. US OPEN TO 'DIPLOMATIC ALTERNATIVES' IF RUSSIA BLOCKS RETURN TO IRAN DEAL
10. CHINA'S LOCAL SYMPTOMATIC COVID-19 CASES RISE AS JILIN OUTBREAK GROWS

RECOMMENDED VIDEOS & REPORTS

- NUMBER OF COVID-19 HOSPITAL PATIENTS IN ENGLAND CLIMBS BACK ABOVE 10,000
- SAUDI ARABIA INVITES CHINA'S XI TO VISIT
- RUSSIA BANS GRAIN EXPORTS TO NEIGHBORING EX-SOVIET COUNTRIES
- AS RUSSIA NEARS A DEBT DEFAULT, TALK NOW TURNS TO GLOBAL CONTAGION
- INDIA'S TOP REFINER IOC BUYS 3MN BLS RUSSIAN URALS CRUDE VIA TENDER

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Daily Energy Markets PODCAST



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Clyde Russell
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Thomson Reuters



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Daily Energy Markets TOP 3 TAKEAWAYS



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TOP 3

TUE /// MARCH 15th

TAKEAWAYS

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Brent is trading this morning at \$101.41, down \$5.49 and WTI is trading down \$5.18 at \$97.83. Is the collapse in the oil price in just two weeks a collapse or did the oil market overreact to the invasion of Ukraine? Fundamentally the world needs more oil. The \$100 per barrel argument was always there, and in fact many were talking of Brent trading at \$130, due to the fact that nobody wanted to



BY MATT STANLEY
DIRECTOR
STAR FUELS

lend you money to extract oil out of the ground, that that very same person actually needs in his/hers/unspecified car or everyday needs. Then Russia invaded Ukraine.

Immediately, and rightly so, oil prices went nuts as the market priced in the very real possibility that Russian oil imports would be banned globally. Canada, Australia, Japan, the US and the UK did just that. The EU, however, have not and continue to import Russian energy. The EU's dependence on Russian energy, specifically ultra-low sulphur diesel, means that any ban would place the

continent and its people in a massive energy deficit. Inflation would skyrocket and not only because of diesel but all other commodities as well. Put simply, whether you agree with it or not, the reality is that the supply shocks so many have priced in have come to not much. Hence why flat price has collapsed. I say "collapsed". It's still \$100 per barrel. For how much longer though, who knows?

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Daily Energy Markets VIEWS YOU CAN USE



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Maleeha Bengali

Founder
MB Commodity Corner



The US Fed is in a bit of a Catch 22.

It has to raise interest rates to get inflation under control but that is negative for demand and will take money out of risk assets. It's looking to raise interest rates this week, with 25 basis points in the bag and possibly 50. It has no reason to move back on this policy, but also cannot taper asset purchases until equity markets fall 10% or more or until inflation comes down. If they do only 25 basis points, the market could rally but it will be immediately sold down because they will have to do more. The Fed will not be buying any more assets after March of this year so we will have to see how the S&P reacts when the Fed's balance sheet is plateauing or dropping.

Is fundamentals or geopolitics affecting the oil market more today?

We've had very strong demand for the last year and a half with the Fed stimulus and the global economy opening up. Nobody is seeing oil demand destruction yet. China is a complete outlier - nobody expected it to go into lockdown. The oil market today is still pricing in extreme tightness.

What might be the biggest factor for financial markets this week?

We had credit growth data from China which was a lot softer than expected so that has been quite bearish. We have the FOMC on the 16th, which will be very important in terms of what the forward market rate guidance is. The bond market has also been in chaos with the 2-year, 10-year curve declining every single day. The whole macro market is in a state of distress and that's what's driving asset markets this week. ■

**Paraphrased comments*

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Mashreq 60-SECOND SOUNDBITE

Clyde Russell

Asia Commodities & Energy Columnist
Thomson Reuters

"The scale of Russian oil supply disruption is the \$60 million question still to be answered?"

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Mashreq 60-SECOND SOUNDBITE

Dr. Charles Ellinas

CEO, Cyprus Natural Hydrocarbons
Co. & Senior Fellow, Global Energy
Center - Atlantic Council

"There is a huge amount of confusion within European Capitals"

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LIVE VIDEO PODCAST



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WEDNESDAY /// MARCH 16th /// 10:30AM (UAE)

UAE



Chris Wood

Chief Executive Officer
Savanara DMCC

UK



Bora Bariman

Managing Partner
Hormuz Straits Partnership

BAHRAIN



Omar Al-Ubaydli

Director of Research
Bahrain Center for Strategic International &
Energy Studies (DERASAT)

Zoom ID: 843 8266 1096

Password: 12345

Daily Energy Markets INDUSTRY SURVEY



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46%
Ukraine War



30%
FED Monetary
Tightening

24%
China Covid
Outbreak

Source: GI Research March 2022

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