

TOP 10 DAILY NEWS DIGEST

1. CRUDE OIL REMAINS HOSTAGE TO OPEC+'S UNDERPERFORMANCE

2. OPEC GETS CLOSER TO A WIZARD OF OZ MOMENT

3. CRUDE OIL PRICES TAKE A BREATH AS OPEC+ STICKS TO OUTPUT PLANS

4. US CRUDE-OIL STOCKPILES UNEXPECTEDLY DECLINE

5. OPEC+ DECISION TO ENABLE RUSSIA TO RESUME OIL OUTPUT BY 90%

6. OIL-TRADING GIANT VITOL EYES SHALE EXPANSION WITH NEW VENTURE

7. CYBERATTACK CAUSING PROBLEMS AT ARA STORAGE TERMINALS

8. INFLATION IN 19 COUNTRIES USING THE EURO HITS ANOTHER RECORD

9. INDIA BUDGET LEANS ON INFRASTRUCTURE TO SPUR ECONOMIC GROWTH

10. MEXICO'S ECONOMY ENTERS TECHNICAL RECESSION

RECOMMENDED REPORTS

• 25TH OPEC AND NON-OPEC MINISTERIAL MEETING CONCLUDES

• OPEC AND RUSSIA KEEP PROMISING TO PUMP MORE OIL. THEY'RE NOT DELIVERING

• UAE SAYS 'HOSTILE' DRONES INTERCEPTED IN 4TH SUCH ATTACK

• PRESIDENT XI JINPING, CHINA'S 'CHAIRMAN OF EVERYTHING'

• WINTER STORM PACKING SNOW, FREEZING RAIN MOVES ACROSS US



أدنوك
ADNOC



المشرق
mashreq



سي سي إنرجي ديفالوبمنت
CC ENERGY DEVELOPMENT



uni per



منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone



مؤسسة نفط
الشارقة الوطنية
SNOC

Series
Supported
By:

Daily Energy Markets
PODCAST



Consultancy
Intelligence
Publishing



Rustin Edwards
Head, Fuel Oil Procurement
Euronav NV



Dr. Carole Nakhle
Chief Executive Officer
Crystal Energy



Clyde Russell
Asia Commodities &
Energy Columnist
Thomson Reuters

CLICK HERE TO LISTEN



Daily Energy Markets
PODCAST



Consultancy
Intelligence
Publishing

TOP 3

THURSDAY /// FEB 3rd

TAKEAWAYS

CLICK HERE TO VIEW



To all those who celebrated Lunar New Year, I wish you health and prosperity for the year ahead. For all those who celebrated a bit too much, I wish you lots of coffee and fried egg sandwiches, and to all of those who are still celebrating I wish I was you. Rightttt, oil? Oil it is. Brent is trading this morning at \$89.07/bl down 0.40 and WTI is trading down 0.52 at \$87.74/bl. “Well, I better be bouncing along now! Cheerio! Hoo-hoo-hoo-hoo!” You know who said that? Tigger, from Winnie the Poo. Why am I quoting Tigger? Well, for one it is the Year of the Tiger, so Tigger gets to represent his feline friends. But it is also how I imagine every bull in the market acts right now. With a springy tail jumping from one positive headline to another



BY MATT STANLEY
DIRECTOR
STAR FUELS

whilst ignoring pretty much everything else. The wonderful thing about oil bulls is oil bulls are wonderful things. Pajoinngg. That’s the sound of a spring breaking. Trading floors are now scenes of patched up Tiggers all

walking on crutches in the face of fundamental realities hitting home. The thing is though is that I don’t see Tigger stopping. I am not saying I am bullish but that is mainly down to the fact that I can’t stomach or form an argument for \$90/bl oil when the world is still facing economic uncertainties in how best to ease monetary policy in a, dare I say it? A “Post COVID world”? Hmm, this one will be the big talking point over the next few months. But when I look at the oil market, I look at massive under investment and a reality that there does not seem to be enough oil to cover existing demand. This, right now, is a problem. But I was always told “every problem has a solution”, and of course this one does. OPEC+ met yesterday and bought back 400kbpd of

production. The meeting lasted 16 minutes. The group still have 2.5mn bpd of production to bring back online over the course of 2022. Seemingly it seems the struggles many a producer are going through in meeting production quotas is driving the whole supply crunch rhetoric, and right now, this is justified. I wonder what level it will take before we see those who are able to pump more to actually do it. \$100/bl? I mean we are literally only days away from that it would seem, even if prices are taking a breather this week. US oil production is not increasing any time soon as the weather is freezing. Hmmm. \$120/bl oil soon? Don’t be ridiculous, an old friend would say. Good day.

Series Supported By:



أدنوك
ADNOC



المشرق
mashreq



منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone



مؤسسة نفط
الشارقة الوطنية
SNOC



سي سي إنرجي ديفالوبمنت
CC ENERGY DEVELOPMENT

Copyright © 2021 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.

Daily Energy Markets BULLETIN

THURSDAY /// FEB 3rd



Consultancy
Intelligence
Publishing

Daily Energy Markets VIEWS YOU CAN USE



Consultancy
Intelligence
Publishing

Kate Dourian, FEI

MEES Contributing Editor & Non-Resident Fellow
The Arab Gulf States Institute in Washington



Expectations from the OPEC meeting?

They will go along with the policy of increasing by 400,000 barrels a day, even though they're missing their targets. They don't seem to be that worried about the high price. They will say it's not about fundamentals but rather to do with geopolitics. I don't think they're going to change course just because there is a slight change in demand. They can address any imbalance later in the year. Now that they've got this policy going, it's not going to be very easy to reallocate quotas. If there's a need for more supply, then we may quietly see some of the producers shipping a few extra cargoes.

Can OPEC succeed in changing baselines come April?

Some of these baselines are unrealistic. A few countries can increase production, such as the UAE and Saudi Arabia, and possibly Russia, but not by very much. It's sort of a two-track organization at the moment. Global inventories are low and need to be replenished. Spare capacity is shrinking and there are even questions about Saudi Arabian capacity. The IEA is also revising down Iraq's production capacity. So, there's more supply side uncertainty than there is on demand. And if demand proves to be stronger, then we are going to have a tight market for the rest of the year, with ups and downs and maybe a bit of a surplus in the first quarter. We're still expecting some cold weather so if it comes, then we are going to have higher prices.

Are high oil and gas prices forcing manufacturers to shut operations?

High energy prices do feed inflation because businesses are paying more for products. The oil price doesn't seem to want to move despite bearish indicators such as Iranian oil possibly coming back. The talks look like they may be on the verge of an agreement to return to the 2015 nuclear deal. ■

**Paraphrased comments*

Daily Energy Markets



Mashreq 60-SECOND SOUNDBITE

Dr. Carole Nakhle

Chief Executive Officer
Crysol Energy

"Oil markets are being driven by strong demand recovery and some concerns for future supply"

CLICK HERE TO VIEW

Series Supported By:

mashreq  المشرق



Daily Energy Markets



Mashreq 60-SECOND SOUNDBITE

Clyde Russell

Asia Commodities & Energy Columnist
Thomson Reuters

"OPEC+ has made a major problem for itself!"

CLICK HERE TO VIEW

Series Supported By:

mashreq  المشرق



Series Supported By:



Copyright © 2021 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.