

ENERGY MARKETS FORUM DAILY BULLETIN



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WEDNESDAY /// SEP 15th /// 2021

TOP 10 DAILY NEWS DIGEST

1. IEA: OIL SUPPLY LOSSES FROM HURRICANE IDA REACH 30MN BLS
2. AS OIL-WELL BACKLOG SHRINKS, US SHALE MAY UPSET INVESTORS & DRILL MORE
3. OVER 39% OF US GULF OIL, GAS OUTPUT OFFLINE DUE TO STORMS
4. CHINA AIMS FOR 'CIVILISED' INTERNET WITH FOCUS ON 'SOCIALIST VALUES'
5. TOTAL PORT ARTHUR, TEXAS, FCC TO REMAIN SHUT TILL LATE SEPT FOR REPAIRS
6. SAUDI TO PRODUCE ASTRAZENECA, PFIZER COVID VACCINES LOCALLY
7. US CONSUMER PRICE GROWTH COOLS, SMALLEST GAIN IN 7 MONTHS
8. SAUDI SEES R&D KEY TO PUSH MILITARY SECTOR TO CREATE 100K JOBS
9. UN ATOMIC WATCHDOG URGES IRAN TO COME CLEAN ON URANIUM PROGRAM
10. CHINA LIKELY SUFFERED ANOTHER ECONOMIC SLOWDOWN LAST MONTH

RECOMMENDED VIDEOS & REPORTS

- INFLATION EXPECTATIONS CONTINUE TO CLIMB, FED SURVEY SHOWS
- COVID-19 IN VIETNAM: STATISTICS
- EMIRATES NBD REPORT: ALL EYES ON US CPI TODAY
- OREGON UNEMPLOYMENT RATE DROPS TO 4.9%
- "OFFSHORE OIL & GAS VESSELS ARE TAKING A SHARP BEATING!"

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NEW SILK ROAD **LIVE** **PODCAST**



Andy Laven
Chief Operating Officer
Sahara Energy Resources



Rustin Edwards
Head, Fuel Oil Procurement
Euronav NV



Matt Stanley
Director
Star Fuels

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NEW SILK ROAD **LIVE**

TOP 3

WEDNESDAY /// SEP 15th

TAKEAWAYS

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Middle of September, I can scarcely believe that. Brent is trading this morning at \$74.35/bl up 0.75 and WTI is trading at \$71.23/bl up 0.77. I've decided I want to give up being in the oil market. I used to want to be a tractor driver, but now I want to work for an energy agency and become a forecaster. Imagine the breakfast! Wow. I mock of course, I don't want to work there but these people are extraordinary! The meetings must be amazing, my thoughts are they go like this "morning everyone! (Bouncing on space hoppers) M&M anyone?!? No? Skittle? Have a skittle. Nyuumm nyuumm nyuumm. Right this month's report - it's



BY MATT STANLEY
DIRECTOR
STAR FUELS

all good right? Excellent. Let's say it's all good and eat more sweets. Opal fruit? Nyuumm nyuumm nyuumm". Maybe they don't go like that, but in my head, they do so you will jolly

well read it. Then I can imagine there's a bloke in the corner, sitting sensibly, wearing a grey suit, probably called Keith, with his hand up muttering "but it isn't that good, it just isn't". Poor Keith. Send Keith some love people. IEA yesterday echoed mainly what OPEC+ did on Monday and see demand making a rip-roaring return in Q4. Even though they have downgraded demand forecasts more or less every month this year. Look, things are getting better, the world is starting to open up and we all learning to live with COVID. But it's not happening in the time frames these agencies seem to put against them. Anyway, enough sugary anecdotes, what else

is going all things oily? Well, Nicholas bought much rain with him and unleashed it all over Southern Texas, so it's wet but disruption from the storm doesn't seem to have affected the oil system too much, it seems to be slowly coming back as it patches up after Ida ran riot. This is supporting prices in the near term, and I imagine will continue to do so over the coming days. EIA data later and draws expected on crude and products, no surprise there really considering refineries are still down. Economic data will continue to run things as well throughout September so start getting your book of abbreviations out. Good day all.

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HALF-TIME TALK INTERVIEW SERIES

Sara Akbar

Chairperson & CEO, OilSERV, Kuwait
& Non-Executive Director, Petrofac



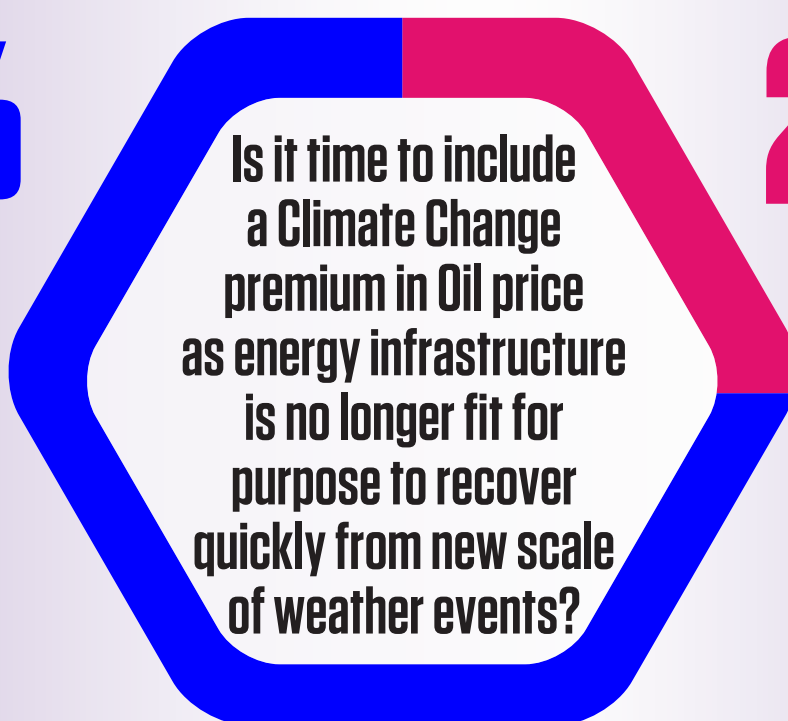
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DAILY ENERGY MARKETS FORUM INDUSTRY SURVEY



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75%
Yes



25%
No

Source: GI Research Sep 2021

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Vitol



aramco
trading



مؤسسة نفط
الشارقة الوطنية
SNOC

S&P Global
Platts

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

Matt Stanley
Director
Star Fuels

**“2021 - The Year of
the OxyMorons”**

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

Rustin Edwards
Head, Fuel Oil Procurement
Euronav NV

**“Dry Bulk Carriers
can double their
rates by switching to
Containers”**

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD



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Dr. Anil Sharma
President & CEO
GMS



What Bottlenecks are we still seeing in Shipping?

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. Leasing a 40-foot container moving from Asia to the West Coast of the US used to cost \$2000, now it has more than quadrupled to \$9000. That type of 4x inflation is unprecedented. 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.

Will this Continue?

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. Still, unlike many other industries, we are fortunate in the shipping sector that we don't yet have labor 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

What impact is the massive cut in Capex by oil majors having on offshore assets?

The utilization of offshore oil-field vessels -- jack-up rigs, floaters and drill ships etc. -- has taken a sharp beating. We're seeing orders abandoned and uncompleted drilling ships being sold for scrap. There are drill ships that are only five to eight years old being recycled – built for about \$200 million and today being sold at their residual value of \$10 million. And it's not coming to an end any time soon.

With so many ships soon be scrapped, what plans are there for replacements?

I see a storm coming. Owners who want to put orders in for new ships are now facing a problem because steel prices have gone through the roof. At the same time, there's not enough breakthrough technology so there's a hesitancy to invest in newer and more expensive ships which have technology that might be obsolete in five years. ■

**Paraphrased comments*

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