# Daily Energy Markets
# BULLETIN
TUESDAY /// JAN 18th

Consultancy Intelligence Publishing

## TOP 10 DAILY NEWS DIGEST

1. BRENT CLIMBS ABOVE 7-YEAR HIGH ON MIDEAST TENSIONS, TIGHT SUPPLY
2. ARCTIC COLD SNAP COULD PUSH US NATURAL GAS PRICES HIGHER
3. HIGH US GASOLINE PRICES SET TO DENT DEMAND
4. WHY THE BEARS COMPLETELY MISSED THE MARK ON OIL DEMAND
5. GERMAN GAS STORAGE WITHDRAWALS NEARLY HALVE YOY FOR JAN.1-15 PERIOD
6. INDIA'S TRANSPORT FUEL DEMAND FALLS IN 1H JAN
7. SAUDI, UAE SEE ECONOMIC MERITS OF GOING GREEN
8. LIBYAN OUTPUT AT 1.2MN B/D AFTER WESTERN FIELD RESTART
9. BRENT CRUDE TRADES NEAR HIGHEST SINCE 2014 ON TIGHTENING MARKET
10. EUROGROUP SEEKS PATH BETWEEN HIGH INFLATION, SLOWER GROWTH

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**RECOMMENDED VIDEOS & REPORTS**

- OPEC+ HAS ENSURED ENERGY SECURITY, SAUDI ARABIA'S ENERGY MINISTER SAYS
- VANDA INSIGHTS: BRENT VAULTS OVER $87 AS HOUTHI ATTACK ON UAE SPARKS FEAR PREMIUM
- THE IRAN NUCLEAR DEAL AT SIX: NOW OR NEVER
- THREE DEAD, SIX INJURED IN UAE FUEL TANKER EXPLOSIONS CLAIMED BY YEMEN'S HOUTHIS
- CHINA GDP: ECONOMIC SLOWDOWN UNDERLINED IN 4TH QUARTER, BUT 2021 BEAT GROWTH TARGET

### Daily Energy Markets PODCAST

Consultancy Intelligence Publishing

**Narendra Taneja**
India's Leading Energy Expert

**Vandana Hari**
Founder & CEO
Vanda Insights

**Rustin Edwards**
Head, Fuel Oil Procurement
Euronav NV

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### Daily Energy Markets PODCAST

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TOP 3

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TAKEAWAYS

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**FX**

Currency markets showed a moderate swing toward the US dollar overnight with the DXY index adding 0.1% to close at 95.258. Among the major pairs against the greenback, USDJPY showed the biggest movement, rising by 0.39% to 114.63 while EURUSD showed little move on the day, closing at 1.1408. GBPUSD settled lower, dropping by 0.2% to 1.3647. Commodity currencies were more mixed with USDCAD falling to 1.2516, down 0.29% thanks to another tick higher in oil prices. AUD was marginally higher at 0.7217 while NZD was almost unchanged.

**Equities**

Global equity markets were on the front foot for most of the day yesterday after China's announcement in the morning that it was loosening monetary policy. In Asia, both the Shanghai Composite and the Nikkei closed up 0.7%, and both markets continue to climb this morning with the Nikkei up almost 1% in early trading. The risk appetite continued in Europe, where the UK's FTSE 100 added 0.9% to see its highest levels since January 2020, prior to the Covid-19 pandemic. France's CAC added 0.8% and Germany's DAX closed 0.3% higher. US markets were closed. Locally, both the ADX (-0.1%) and the DFM (-0.7%) ended the day lower, while the Tadawul gained 0.5%.

**Commodities**

Brent futures nudged higher overnight to USD 86.48/bl, spurred on by geopolitical tensions in both the Middle East and Eurasia. Oil prices are now at their highest level since 2014 when the volatility that has characterized much of the oil market's performance in the last decade began in earnest. Should the bullish trend remain intact then the next possible target for Brent would be USD 100/bl on the upside while USD 75/bl would be the near-term downside risk.

*Source: Emirates NBD*

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## VIEWS YOU CAN USE

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**Peter McGuire**
Chief Executive Officer
XM Australia

### UK employment – the bright spot of the economy.

UK Rate hike speculation for the Bank of England has gone into overdrive again and the triad of UK data releases this week are bound to heat things up even further. The employment report is out first on Tuesday, followed by the latest inflation figures on Wednesday, with retail sales wrapping up the week on Friday. All are due at 07:00 GMT. The pound is currently taking a breather from its four-week rally but there could be more gains in store if the data is strong.

The tight labour market was a key factor for the Bank of England in tilting the balance in favour of a rate hike at the December meeting. The UK economy may have suffered a bigger blow from the pandemic than its main competitors but the jobs market has been surprisingly resilient. Now that GDP has finally surpassed its pre-pandemic peak and inflation is spiralling, policymakers have even more reason to be vigilant about how tight conditions are getting in the labour market.

Employment likely grew 125k in the three months to November, having risen by 149k in the prior three months. The unemployment rate is expected to hold steady at 4.2%, which is still few percentage points above the multi-decade lows reached right before the virus crisis struck. This suggests there's yet to be a full recovery.

However, with Brexit and the pandemic creating a shortage of workers in critical sectors, there is significant upward pressure on wages. Average weekly earnings peaked at 8.8% year-on-year in June. They are forecast to have eased further from 4.9% to 4.2% in November. But wage growth could accelerate again in the coming months as Omicron has worsened the staff shortages due to swathes of the population having to self-isolate. ■

**Paraphrased comments*

## Daily Energy Markets
## Mashreq 60-SECOND SOUNDBITE

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**Vandana Hari**
Founder & CEO
Vanda Insights

***"China has to Deleverage!"***

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## Daily Energy Markets
## Mashreq 60-SECOND SOUNDBITE

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**Rustin Edwards**
Head, Fuel Oil Procurement
Euronav NV

***"Backlog at US ports are still running with 25-30 day delays"***

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