

ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy
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Publishing

TUESDAY /// APRIL 13th /// 2021

TOP 10 DAILY NEWS DIGEST

1. OIL EDGES HIGHER ON MIDEAST TENSION, LIKELY CRUDE STOCKS DRAWDOWN

2. TWO REASONS WHY GASOLINE PRICES ARE SOARING

3. US OIL PRODUCTION STILL 2MN BPD UNDER PRE-PANDEMIC LEVELS

4. US CRUDE INVENTORY DRAW LIKELY EXTENDS

5. SAUDI IN CROSSHAIRS IRAN & HOUTHIS AFTER NATANZ

5. CHINA MARCH EXPORTS RISE 30.6% YEAR-ON-YEAR

7. US BUDGET DEFICIT HITS RECORD HIGH FOR MARCH

8. SAUDI MEETS MAY CRUDE SUPPLY FOR MOST ASIAN BUYERS

9. COVID-19 IS OUT OF CONTROL IN BRAZIL

10. INDIA GASOLINE USAGE JUMPS AS COMMUTERS PREFER CARS

RECOMMENDED VIDEOS & REPORT

- CHINA LIKELY TO TAKE PART IN BIDEN'S EARTH DAY CLIMATE SUMMIT
- IRAN VOWS 'REVENGE' AGAINST ISRAEL FOR NATANZ ATTACK
- INDIA'S DAILY VIRUS INFECTIONS ARE WORLD'S HIGHEST
- GREATER COMMODITIZATION NEEDED - AND SOON
- ERA OF OPEC+ SAUDI FORWARD GUIDANCE IS OVER

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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



Peter McGuire
Chief Executive Officer
XM Australia



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Head, Commodity Strategy
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Paul Young
Head, Energy Products
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DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE

TOP 3

TUESDAY /// APRIL 13th

TAKEAWAYS

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DAILY OIL COMMENTARY

Morning all. Ramadan Kareem. Brent is trading this morning at \$63.65/bl, up 0.37/bl. WTI is trading \$60.02/bl, up 0.32/bl. Meanwhile, over in the UK, the sound of sausages being cooked is deafening. The morning after the night before. Being Brits though, we pick ourselves up, dust ourselves off, and head back to the pub. Go spend money says Rishi! OK, oil. Today will be interesting, the latest monthly OPEC report is due out later and everyone will be closely watching where they see demand right now. Based on OPEC's decision to increase supply over the next few months in the hope that demand will make a roaring comeback



BY MATT STANLEY
DIRECTOR
STAR FUELS

Anything other than evidence to support the production increase would be like a one-man band splitting owing to musical differences. Boom cheesh boom cheesh. So yes, that

will be interesting to see. Let's talk about the demand thing, and as much as there are some sore heads in the UK this morning there are some grim realities that we have to focus on right now. I quote Dr. Tedros Ghebreyesus, DG of the WHO from last night, "In January and February, the world saw six consecutive weeks of declining cases. We have now seen seven consecutive weeks of increasing cases, and four weeks of increasing deaths. Last week was the fourth-highest number of cases in a single week so far." The biggest issue however seems to be the alarming Covid-19 figures coming out of India - today there were 161,736 cases confirmed.

Maharashtra, India's second-most populous state announced 51,751 cases yesterday. Total cases in India have now overtaken Brazil, the second highest in the world behind the USA. I don't really think I need to go on. What this boils down to though is the stark reality that even though things are opening again, and lockdowns are being eased, the path to global recovery is patchy, to say the least. Do I think the second half of 2021 will be that much better than 2021 has already shown us? I do yes, but globalization is still a long way away and that OPEC decision to bring back production is a little overly optimistic in my view. Good day.

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Laury Haytayan
**MENA Director, Natural Resource
Governance Institute**



How much are the Iran US nuclear talks in Vienna weighing on the market?

There are two tracks going on in this negotiation and they are interlinked. There's the official one with Iran and the US sitting at the table and then there are the proxy conflicts between Israel and Iran and the Houthis and Saudi Arabia. We won't see any breakthrough on a nuclear deal until the elections in Iran. In the meantime, Iran will keep exporting in different ways until an official deal is done but I don't see anything beyond one million bd coming back from Iran this year. Iran is a top priority in the Middle East for the Biden administration, so they want to keep the talks alive and neither the US nor the Israelis want to see a nuclear Iran. The Iranians have an interest in a deal because they are suffering economically, so the dynamics above will continue.

How solid is the new government in Libya?

It is fragile but the rapprochement between Turkey and Egypt should hopefully allow for elections to take place in December as planned and not be postponed. For now, we don't see any disruptions on oil exports.

How long can OPEC plus realistically keep agreement on supply?

They need to control oil prices because it directly affects their economies. The longer they can hold the group together the better as they still have not recovered from the devastating effects of last year. ■

**Paraphrased comments*

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