

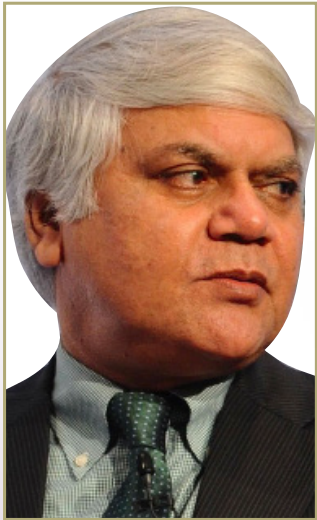
# ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy  
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SUNDAY /// APRIL 25<sup>th</sup> /// 2021

## DAILY OIL COMMENTARY



### “INDIA IS UNDERGOING A MEDICAL EMERGENCY!”

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

Roughly 50% to 53% percent of the country is under some form of lockdown or curfew and economic activity has been

severely curtailed. Major cities have been impacted. Mumbai, the economic and financial capital, has been the worst hit and in New Delhi, activity has dropped 80% - we have 25,000 new cases in a city of 20 million people. Hospitals are overflowing with patients and we have a shortage of oxygen. Oil and gas companies have now been told to shut down operations briefly so

that the oxygen they use can be diverted to hospitals; the oxygen trains are now running from industrial towns to big cities. We would hope that the measures initiated by various states and the central government, such as a new vaccination drive, will turn things around within the next month. India was doing very well throughout the first quarter, but people

grew complacent about Covid and some assumed that it was behind us - we have had religious congregations assemble in the thousands without masks for example. It's been a chess game between the virus and the government for the last three months - it looks like Covid has now decided to hit back.

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE PODCAST



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**Jorge Montepeque**  
President  
General Index



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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD LIVE



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# TOP 3

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# TAKEAWAYS

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## TOP 10 DAILY NEWS DIGEST

1. OIL EDGES HIGHER AS RECOVERY SUPPORT COUNTERED BY ASIA VIRUS SURGE
2. OPEC+ BRUSHES OFF LATEST US ANTITRUST BILL
3. US OIL PRODUCERS ISSUE THE MOST DEBT AND EQUITY SINCE AUGUST
4. EU AND UK PMIS MUCH BETTER THAN EXPECTED
5. US UNEMPLOYMENT CLAIMS REACH LOWEST IN OVER A YEAR
6. SCHLUMBERGER CEO CALMS INVESTORS WITH FASTER RECOVERY PREDICTION
7. INDIA'S DAILY COVID DEATH TOLL HITS NEW RECORD AS SHORTAGES BITE
8. STATE OF EMERGENCY DECLARED IN TOKYO, OSAKA REGION AS VIRUS SURGES
9. CHINA CRUDE THROUGHPUT JUMPS IN Q1, SLOWS IN APRIL
10. NUMBER OF WELLS DRILLED IN PERMIAN, EAGLE FORD MAKE SUBSTANTIAL RECOVERY

### RECOMMENDED VIDEOS & REPORTS

- WHAT'S BEHIND THE 50% RALLY IN THE PRICE OF LUMBER YEAR TO DATE?
- UNITED AIRLINES GETS SUMMER READY; TO ADD OVER 480 FLIGHTS TO US SCHEDULE
- CRYPTO MARKET TAKES A DIVE WITH BITCOIN LEADING THE WAY
- FED'S TAKING A BIG GAMBLE RIGHT NOW!

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# VIEWS YOU CAN USE

**Edward Bell**  
**Senior Director, Market Economics**  
**Emirates NBD**



### The US Fed is looking at any inflationary bump in Q2 as transitory.

When you dig down into the details of the higher inflation print for March, goods inflation was up very modestly and services inflation a little higher. Since the start of April, the markets are kind of blinking with respect to the Fed. There is a realization that the Fed means what it says – accommodative monetary policy and loose fiscal policy is not changing anytime soon.

### How much control will the Fed have if and when inflation does materialise?

It has a lot of tools. Remember, we're at zero in terms of rates so even if you brought rates up to 0.5%, that's not tight monetary policy by any definition, but it would probably go some way to dent any burst in inflation in the near term.

### Would a reversal of this historic easing be very damaging to the markets?

The Fed is not setting policy based on daily moves in equity or fixed income markets. It has been very specific about unemployment and wage targets. Not only does it aim to bring headline unemployment down to what it classifies as full employment levels, to sub-4% where the US was before the coronavirus pandemic; it also wants the lower income segments of the economy to benefit more from any recovery.

### How is the US-Iran rapprochement impacting oil markets?

We're not calculating any immediate impact during the second quarter. There is the potential that we will have 1.5mn bd of Iranian crude coming back if all the diplomatic ducks get in a row and both Iran and the US return to the JCPOA. However, while the negotiations in Vienna have been positive, they're playing two-step with a ratcheting up of tensions in this region. Also, the sanctions are not only going to be lifted with respect to the nuclear program. There is other activity that the US believes Iran is behind, and we may not see such an amenable negotiating posture from the Iranians on that front, particularly if the hardliners win the upcoming elections. ■

*\*Paraphrased comments*

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