

# ENERGY MARKETS FORUM DAILY BULLETIN



Consultancy  
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THURSDAY /// NOV 11<sup>th</sup> /// 2021

## TOP 10 DAILY NEWS DIGEST

1. OIL PRICES STEADY AFTER FALLING ON SIGNS US MAY RELEASE MORE RESERVES
2. RUSSIAN OIL AND GAS DISCOVERIES PLUNGE TO FIVE-YEAR LOW
3. CHINA'S IRAN OIL PURCHASES REBOUND ON LOWER PRICES, FRESH QUOTAS
4. BEIJING ALLOCATES EXTRA 1MN MT BUNKER FUEL EXPORT QUOTA
5. GUNVOR CEO SEES OIL PRICE AT CLOSE TO CURRENT LEVEL NEXT YEAR
6. FOUR EU BUYERS REQUEST DEC-LOADING SAUDI CRUDE
7. EXXON BOASTS IT WILL HIT EMISSIONS TARGET FOUR YEARS EARLY
8. US CONSUMER PRICES JUMP 6.2%
9. XI SAYS CHINA IS READY TO WORK WITH US ON CONDITION OF 'MUTUAL RESPECT'
10. BIDEN FACES PLEAS FOR OIL EXPORT BAN THAT WOULD UPEND MARKETS

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### RECOMMENDED VIDEOS & REPORTS

- [EIA: WHAT DRIVES US GASOLINE PRICES?](#)
- [US & CHINA DON'T JOIN PLEDGE FOR FOSSIL FUEL VEHICLE PHASE-OUT](#)
- [CHINA AND US SIGN NEW CLIMATE PLEDGE](#)
- [EIA FORECASTS INVENTORY INCREASES & FALLING CRUDE OIL PRICES IN 2022](#)
- [FUJAIRAH DATA: OIL PRODUCT STOCKPILES SEE RECORD JUMP, RISE 27% ON WEEK](#)

## DAILY ENERGY MARKETS FORUM

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### NEW SILK ROAD

### PODCAST



**Walter Simpson**  
Managing Director  
CCED



**Dr. Carole Nakhle**  
Chief Executive Officer  
Crystal Energy



**Matt Stanley**  
Director  
Star Fuels

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### NEW SILK ROAD

# TOP 3

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# TAKEAWAYS

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#### FX

The dollar index rose to a one-year high yesterday as the high inflation print revived expectations for sooner monetary tightening in some quarters. DXY gained 1.0% to close at 94.850, and is up another 0.1% so far this morning. Sterling was one of the major contributors to the greenback's gains as it fell -1.1% to 1.3405, a close last seen in December 2020. Brexit tensions centered on Northern Ireland are weighing on the pound. The Euro fell by -1.0% against the dollar to close at 1.1479 yesterday.

#### Commodities

Oil prices lost some of their recent upwards momentum yesterday; Brent futures slipped -2.5% to USD 82.6/bl while WTI prices fell -3.3% to USD 81.3/bl. Both benchmarks are up 0.2% so far in early morning trading this morning. US

President Joe Biden is coming under concerted political pressure from US lawmakers to do more to ease the upwards price pressure from oil, and this contributed to yesterday's slump. His administration had earlier this week shied away from tapping the Strategic Petroleum Reserve, but a number of Democrats have urged him to do either that or ban oil exports from the US for a period.

#### Equities

The Hang Seng was an outlier in Asia yesterday as it closed up 0.7% while most other major regional indices lost ground. Real estate stocks were a key driver of the gains. Elsewhere in Asia the Shanghai Composite lost -0.4% after higher-than-anticipated inflation data, while Japan's Nikkei closed down -0.6%. There were modest gains in

India as the Sensex closed 0.1% higher. In the US, the high inflation reading led to another day of losses on the equity markets, with all three major benchmarks falling. NASDAQ was the most sensitive to the reading, dropping -1.7%, while the Dow Jones lost -0.7% and the S&P 500 -0.8%. In Europe there were modest gains earlier in the day, with CAC closing flat and the DAX up 0.2%. Strong earnings results in the UK helped propel the FTSE 100 up 0.9%. Within the region, the DFM ceded some ground after recent strong gains, dropping -0.4%. The ADX gained 0.4% and the Tadawul 0.9%.

Source: Emirates NBD

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

**Dr. Carole Nakhle**  
Chief Executive Officer  
Crysol Energy

**"Inflation is the Big  
problem facing world's  
biggest economies"**

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

**Walter Simpson**  
Managing Director  
CCED

**"Lack of recent  
investment in  
CAPEX will come to  
bite the market"**

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## DAILY ENERGY MARKETS FORUM NEW SILK ROAD



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**Amena Bakr**

**Deputy Bureau Chief & Chief OPEC Correspondent  
Energy Intelligence**



#### **OPECs decision to stick to its output plans has proven correct so far.**

It's quite clear that they are not ready to put more barrels onto the market because the data shows that there's no physical shortage. They are not going to add volumes just to cool off prices and then have to deal with elevated stock levels, which are already set to increase during the first half of 2022. It would be counter effective.

#### **Can the group even meet current commitments to add 400,000 bd a month?**

They can collectively, with spare capacity at just under six million bd. But for the time being, some countries cannot meet individual quotas. However, for others to compensate would mean revised baselines and that's a tricky issue which they don't want to touch, nor do they want to take market share away from countries. For now, OPEC is saying it's a sovereign matter if a country decides or has issues with not meeting its quota. They want to keep unity within the group.

#### **What would OPEC do if the US released some of its SPR?**

That could drive the price down for a short period of time, but longer term, it would be bullish as stocks would be drawn down. OPEC+ states are downplaying the impact of an SPR release and anyway, technically it would be good for the group.

#### **What's OPEC thinking today on shale production recovery?**

It's not like in the past where it was a real concern. Also, the comments out of the US administration are hypocritical (asking OPEC to increase output while restraining US production) and this is sending mixed messages to shale investors considering going back into the upstream industry. The result has been the US having to ask OPEC+ to increase production.

#### **What's OPEC's perspective on COP 26?**

It's not against the energy transition. This year, we saw a lot of OPEC+ states, especially from the Gulf, set net zero targets and they have programs to reach that. I see that as a big step forward. ■

*\*Paraphrased comments*

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