Fujairah New Silk Road WEEKLY NEWSLETTER

JUNE 30th 2022
VOL. 124

Supported By:
FOIZ
منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone

Port of Fujairah
ميناء الفجيرة
Port of Fujairah
United Arab Emirates

EXCLUSIVE INSIGHTS /// ACTIONABLE INTELLIGENCE /// DATA TRENDS /// LATEST NEWS

“OIL PRICES COULD RISE TO $150 IN 2H 2022!”

Joseph McMonigle, Secretary General, International Energy Forum

I’m worried about the second half of this year because of factors weighing on investment and new production. Global demand is already back to pre-pandemic levels and that’s with soft demand in China and other parts of Asia by the way, and I suspect that’s going to increase in H2, thereby adding pressure to our already tight markets. There’s a lot of discussion in the media today about this G7 price cap proposal – and that is dealing with the impact of the shipping sanctions and restrictions that really when implemented by the end of the year, will do a lot to take Russian crude off the market because it’ll just become too expensive and will impact trade flows even at discounted prices. So, that’s another thing that’s going to take additional supply off the market and so I’m concerned for all these reasons. I’ve been saying that I see higher prices and volatility for the foreseeable future until one of two things happens. Either we see some kind of normalization of the Russia Ukraine crisis and war, and by that I mean that Russian supplies become available to the global market, or there’s a global recession and some reduced demand as a result, and of course, nobody really wants that. But that’s the situation we find ourselves in. I think prices could go much higher than even current levels in the second half of this year. It’s possible that we could still see $150 a barrel.

CONTINUED ON P 3

Fujairah Weekly Oil Inventory Data

5,437,000 bbl	2,889,000 bbl	11,047, 000 bbl
Light Distillates	Middle Distillates	Heavy Distillates & Residues



Source: FEDCom & S&P Global Platts

Fujairah Average Oil Tank Storage Leasing Rates*

BLACK OIL PRODUCTS

Average Range
$3.54 - 4.38/m³

↑ Highest: $4.50/m³
↓ Lowest: $3.40/m³

THE WEEK In Numbers

Weekly Average Oil Prices

Brent Crude:	$112.44/bl
WTI Crude:	$109.75/bl
DME Oman:	$110.88/bl
Murban:	$106.61/bl

*Time Period: Week 5, June 2022
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

VLSFO

High = $1,150.00/mt

Low = $1,097.50/mt

Average = $1,120.00/mt

Spread = $0.00/mt

MGO

High = $1, 563.50/mt

Low = $1,457.00/mt

Average = $1,521.00/mt

Spread = $0.00/mt

IFO380

High = $650.00/mt

Low = $633.00/mt

Average = $641.00/mt

Spread = $17.00/mt

*Source: Ship and Bunker, *Time Period: June 22 – June 29 5*

Fujairah Bunker Sales Volume (m^3)

453
180cst Low Sulfur Fuel Oil

555,151
380cst Low Sulfur Fuel Oil

154,721
380cst Marine Fuel Oil

1,087
Marine Gasoil

33,652
Low Sulfur Marine Gasoil

5,713
Lubricants

Source: FEDCom & S&P Global Platts

GI Consultancy Intelligence Publishing

CONTINUED FROM PAGE 1

Joseph McMonigle, Secretary General, International Energy Forum

Is it important for OPEC+ to renew its production agreement?
There's a window of opportunity for them to make a change when the agreement expires in September. My guess is that there will be a change in policy and a reflection on current market demands and OPEC will take the appropriate action. But we can't just rely on OPEC for stabilizing the market. Half of the supply gap today is coming from US production being lower than it is. There's lots of forecasts that there's going to be additional supply from the US this year, but I haven't seen even anecdotal evidence that investment is returning, so I'm concerned that supply number may not be what is being forecast.

Why has US production not returned faster at these price levels?
It fell by about 3 million barrels a day during COVID, but we are still one million barrels below pre-COVID highs despite demand already being back to 2019 levels in the US. There is an uptick in activity in service companies responding to private companies, but public firms have not changed their CapEx because of investor pressures on capital discipline issues and also tremendous pressures on ESG. Activist investors urging the boards of large majors like ExxonMobil to disinvest from hydrocarbons is counterproductive and leading to the situation we face now - higher prices and volatility.

Do you see the crisis in CapEx into oil and gas improving?
Investment in both 2020 and 2021 was cut by 25%. And today, we have many new factors contributing to underinvestment. The obvious one is the Russia war and not just the geopolitical premium, but the actual supply constraints that are involved with that. Inflation is another factor. Companies trying to make FIDs might have to revisit previous decisions. Supply chain issues, such as labour shortages, are causing problems in the energy sector. Rising borrowing costs are another challenge and lastly, policy uncertainty seems to be also a big driver. So, it's looking like 2022 will be the third year in a row of underinvestment compared to pre-pandemic levels. We think investment needs to rise to about $525 billion every year until 2030, just to meet demand. There also needs to be a discussion with investors because it's not just ROI that is under pressure. It's ESG and transition pressures and so if we want to see a change, we need to bring the investor community into the conversation.

"It's looking like 2022 will be the third year in a row of underinvestment compared to pre-pandemic levels."

Isn't the real stress coming from the downstream sector?
COVID has accelerated refinery closures and transitions from traditional refined products to biofuel products and other conversions. That's what's causing this reduced refining capacity - policies and the whole decarbonization push. Curbing investment and supply ahead of demand will only result in higher prices and volatility and I think the market is sending us a signal that maybe we need to listen to markets and not models as much.

Where is the balance today between energy security and energy transition?
There's certainly been an outflow of funds from the ESG sector since the energy crisis. Investors are starting to realize that energy security is still something that we have to keep in mind. The world still used 90 million bd when we were in a global economic lockdown. That shows you how prevalent hydrocarbons are to the global economy and there's no current replacement for them in the energy transition. There are technologies that we want to pursue but they're not mature or in the commercialization stage. Europe is the gold standard for the energy transition and yet we see how they are now facing an urgent energy crisis and so energy security is back in focus there and I think that's a good thing. The world is still very committed to 2050 transition target timelines but there are many roadmaps, and we will have a series of transitions. And different countries with different priorities and circumstances are also going to select the best roadmap for themselves.

WATCH FULL INTERVIEW HERE

ENERGY FOR LIFE

Abu Dhabi National Oil Company (ADNOC) is one of the world's leading energy producers and a reliable global energy supplier. With a production capacity of 4 million barrels of oil per day and around 11 billion standard cubic feet of natural gas per day, our work continues to enable our country and our people to realize their remarkable potential, acting as a catalyst for the growth and diversification of the UAE economy.

TOGETHER, WE BRING ENERGY TO LIFE.

Energy Markets Views You can Use

Rustin Edwards
Head, Fuel Oil Procurement
Euronav NV

We will see some shifting of crude supply to market versus product in Q3.
Refining capacity is starting to come back in a more balanced way, with refineries in Kuwait, Saudi and Malaysia all coming online. We could see less exports of OPEC crude because some of the larger refineries are going to start producing more products. Nigeria's 600,000 bd Dangote refinery is also scheduled to come online in Q3 so Nigerian crude exports are going to drop. And although refined products prices are still high, we're seeing a very large disconnect of naphtha - which is your base stock for making gasoline - to the rest of the oil complex, and that is an indicative sign of a lack of industrial demand for those products. Naphtha cracks are at -$30 a barrel right now in Europe; the last time we had such a disconnect of naphtha cracks from crude and from other products was in a recession. And when you look at the diesel and the LSFO markets, they're very expensive because it's all tied back to the price of natural gas. We have a massive disconnect of how products are performing in the marketplace.

Demand destruction seems resilient to these high prices?
On the contrary, the latest API data out of the US showed builds in gasoline and distillates. Anytime you see a crude oil draw of 3 million barrels and an almost 5.5 million barrels build in products, that shows you that demand is not too robust. We're also see data showing a drop in retail sales of gasoline and other service-related activities such as restaurants and travel. So, there is that consumer pull back as inflationary pressure bites across the world. We are going into the July 4th weekend in the US, which should be a big demand pull, but the data out on Memorial Day was lackluster and the big product draws did not happen. Consumers are going to be a lot more careful in how they look at their budgets going forward, especially when you've got companies, including those on Wall Street, talking about layoffs. The employment pressure is starting to rear its ugly head.

Are we seeing the same demand loss trickling through to container rates?
Those are in a completely different world because their logjams are happening in the ports. Rotterdam's had a big upswing in capacity utilization of port facilities as empty boxes are crowding out the new boxes coming in, so it's creating supply chain issues that are going to be prevalent until supply chains even out, and that will happen when **consumer demand drops.**

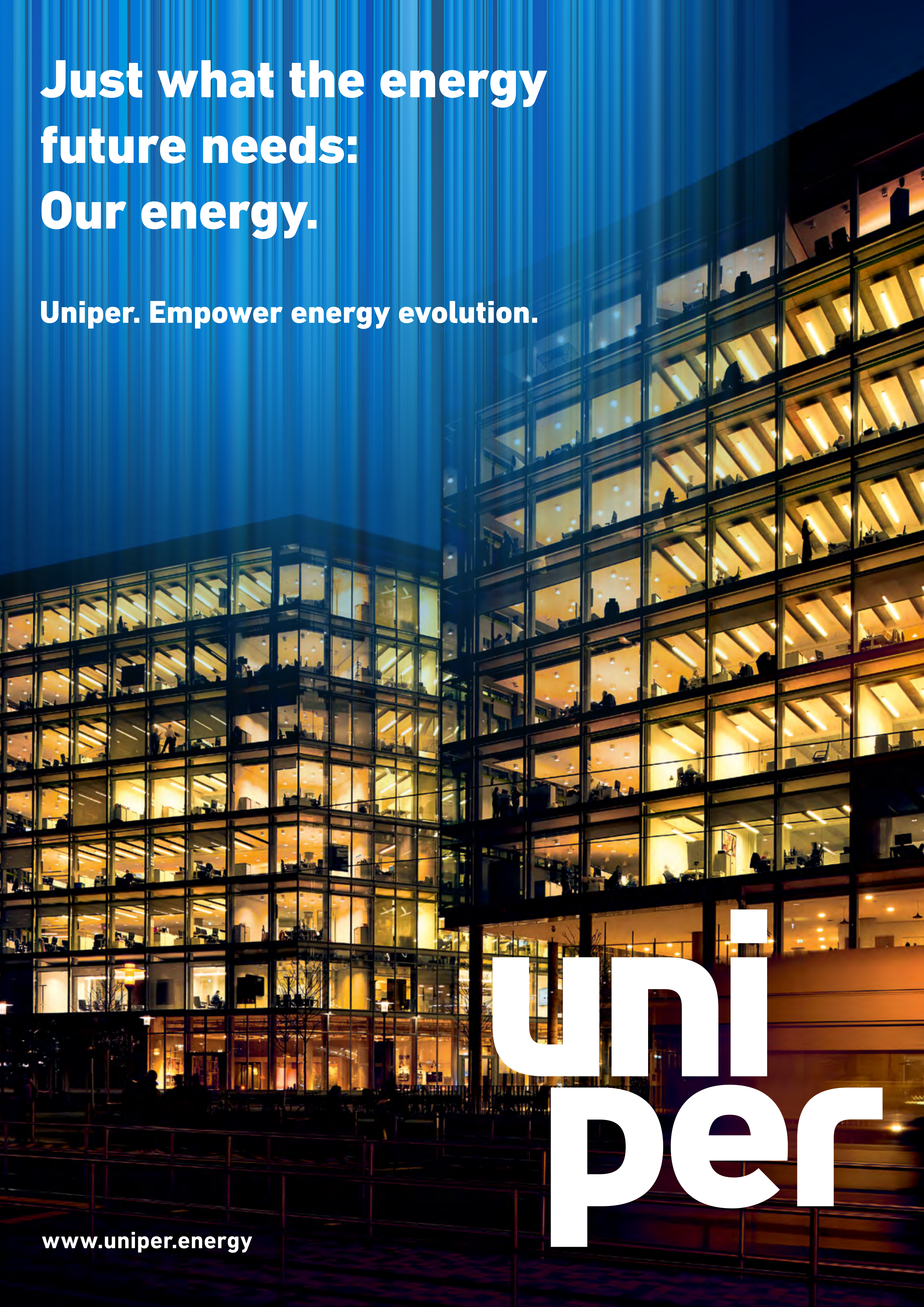
Russian crude and products are reaching the market with no issue?
They have found homes for their oil and are in fact increasing their exports. There's utility demand in the Middle East which is more than happy to buy cheap Russian fuel oil for desalination power needs, and as we go into summer, you've got discounted Russian gasoil heading into Africa, versus European produced material.

Omar Najia
Global Head, Derivatives
BB Energy

We still need to go lower on oil.
We expect it to hit about $90 WTI before we go higher again. We will see things cool off in the summer, even ahead of the driving and hurricane seasons. People want to digest all that's happening and get an appetite to buy again so I don't think we will see new highs until Q4, but then it will be a crescendo come winter. We're kind of in the middle of the opera right now and starting to nod off. But the 'fat lady's going to sing' in the winter and I think in a big way. We're not trading value in oil today. We're trading geopolitics - bans and sanctions.

What impact are sanctions having on Russia so far?
I think the BRICS are going to expand. I think it's going to be BRICS Plus. Putin is already saying that they're going to have a reserve currency of their own based on the basket without having a central authority like the Fed. What we're seeing is the West - the EU and the US - being separated from the rest of the world. In the old days, the West used to trade paper for commodities. That's not going to happen going forward and we've never seen that before. Politically, the West is in a disastrous state. Biden doesn't look secure, European leaders don't look secure, real income is disappearing with CPI at 10% and factory inflation at 20% or 30%.

What's the outlook for gas supplies to Europe?
We're going to see Europe do without gas this winter. Russia has already reduced gas flows by 60% and Europe is now burning coal. Come winter, Russia, like they did with the Rubles payment issue, is going to start sanctioning the US and Europe, whether it be on supplies to nuclear power stations, whether it be on gas, on oil, or on metal ores or grains.


Just what the energy
future needs:
Our energy.
Uniper. Empower energy evolution.
uni
per
www.uniper.energy

Fujairah Spotlight

The University of Sharjah (UoS) signs MoU with Fujairah Environment Authority

Oil product stockpiles at the UAE's Port of Fujairah dropped from a three-month high as of May 30 with declines registered in light distillates and heavy distillates and residues, according to Fujairah Oil Industry Zone data published June 1. The total inventory was 19.678 million barrels as of May 30, down 0.6% from a week earlier, the port data provided exclusively to S&P Global Commodity Insights showed. Inventories were 3.48% lower than the same time last year.

Source: Sharjah24

National Bank of Fujairah (NBF) Announces the Relocation of Al Ras Branch

National Bank of Fujairah (NBF) PJSC announces the relocation of its Al Ras branch to Al Khor Street, Mohammad Ahmad Al Sakit Building, Dubai. As part of the bank's mission to make banking efficient and easy for its customers, this branch at the famous Gold Souk area in Al Ras, will provide customers with convenient access to its award-winning banking services in the heart of Dubai. The branch is strategically located to best serve the key traders and businesses from the precious metals and other industries present in the thriving hub of the Gold Souk. NBF recognises the specific banking needs of its clients, and this branch will play a significant role in providing them with solutions to serve their unique requirements.

Source: ZAWYA

Palace Beach Resort Fujairah set to open on July 1

Palace Beach Resort Fujairah, the third beach resort of the Address Hotels + Resorts collection under Emaar Hospitality Group, is set to open its doors on July 1. This palatial beachfront oasis set with natural beauty and Arabian heritage, blends between the cityscape and Indian Ocean. Sit back, relax, and unwind on a beach lounger nestled among the pristine sands of the private beach, where the city meets the sea, and every view is one to savour in. Designed with a majestic sense of style and developed by Eagle Hills, Palace Resort Fujairah is set to become the brand's ultimate beach getaway guaranteeing an unforgettable stay at their beachfront oasis enjoying outstanding array of world-class facilities and exceptional amenities.

Source: Khaleej Times

Fujairah Celebrate Beating Abu Dhabi to Win Emirates D20 final

Abu Dhabi's re-emergence as a force in domestic cricket was halted at the last by a Fujairah side laden with international players in the final of the Emirates D20 on Tuesday night. The side from the capital have struggled to make an impression since domestic cricket was revamped at the end of lockdown in 2020. In the series of D10 and D20 tournaments to be played since then, they have frequently been among the also rans. That changed in the latest incarnation of the 20-over competition, as they blazed a trail to the final at the Malek Oval in Ajman.

Source: The National

mashreq المشرق

Global Energy Banking

CORPORATE & INVESTMENT BANKING GROUP

ALL YOUR BANKING NEEDS IN ONE PLACE.

Mashreq's extensive trade finance capabilities coupled with industry-leading investment banking credentials, enables the bank to fulfill a wide variety of needs for our Energy Sector clients.

Through our decades-long experience and our reputation in the industry, we empower our local, regional and international energy clients in the Upstream, Midstream and Downstream sectors by offering:

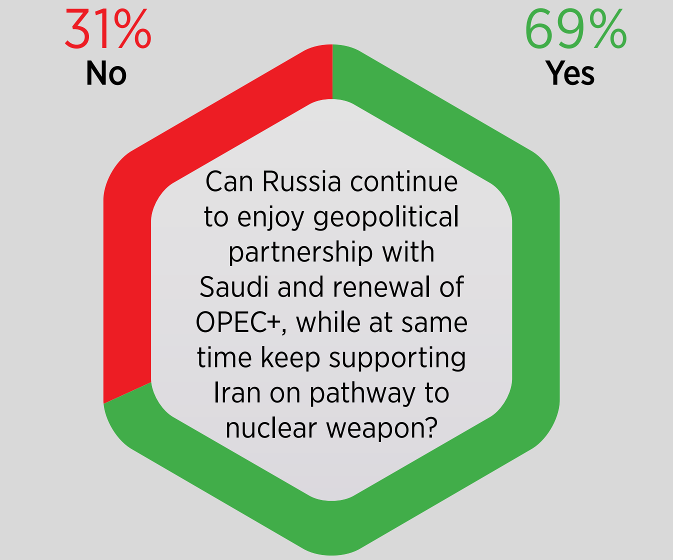
- *Trade Finance & Working Capital*
- *Investment Banking*
- *FI & Network Coverage*

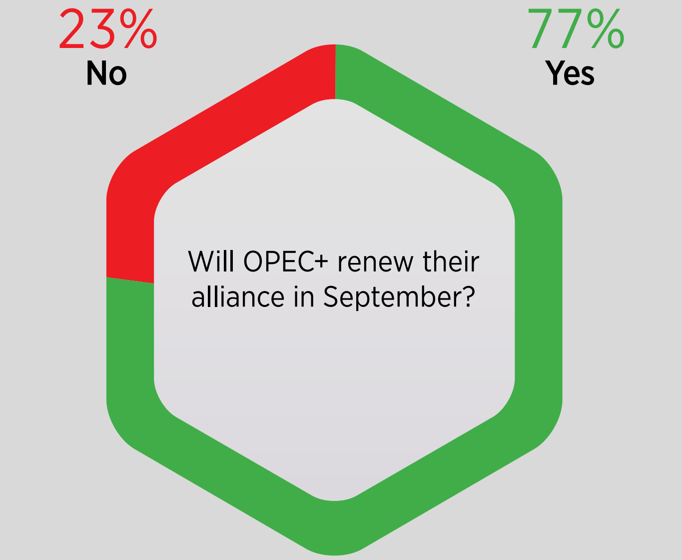
Write to us at Energy@mashreq.com

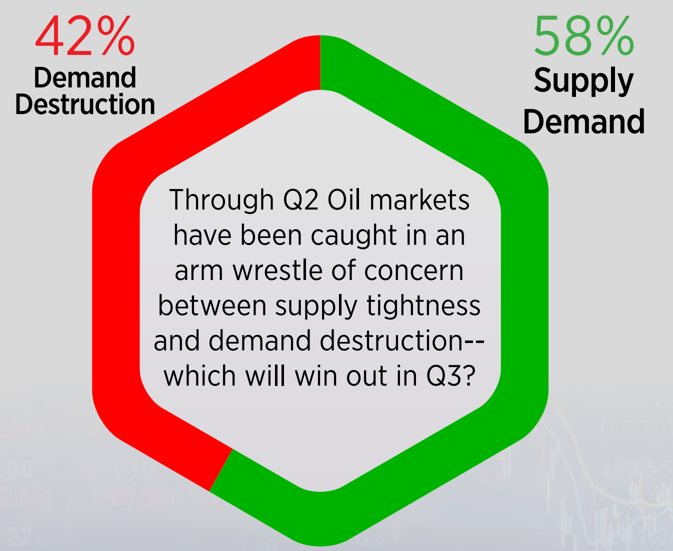
www.mashreq.com

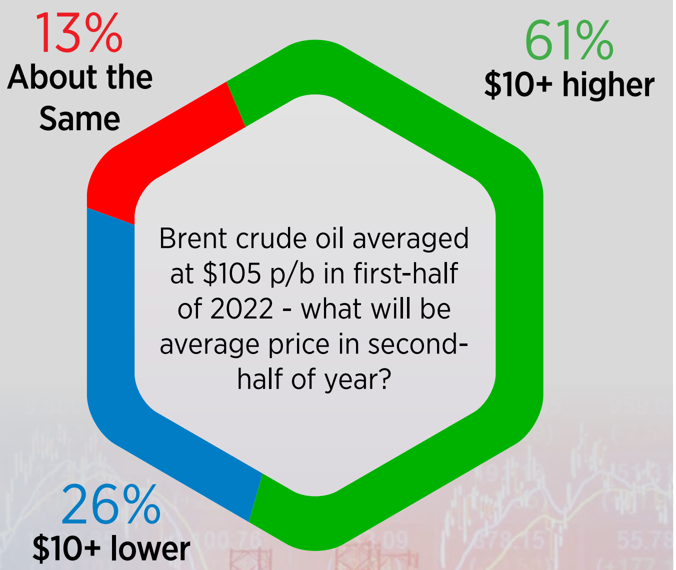
**Terms & conditions apply*

Weekly Surveys









Source: GI Research March 2022

Consultancy
Intelligence
Publishing

Energy Markets Views You can Use

Dr. Raad Alkadiri
Managing Director - Energy, Climate & Resources
Eurasia Group

How does Russia's support of Iran impact relations with the Gulf and OPEC+?
Russia is trying to show that it has influence and that it can be disruptive. It has also picked up a sense that the invasion is looked at very differently in different parts of the world and it's reaching out to make friends. Russia and Iran in some senses are becoming strange bedfellows, both pariahs, both isolated, both facing very tough sanctions. And that's Russia's message as much as anything else. In terms of the JCPOA deal, Russia's interference in February arguably disrupted what was almost ready to be signed. But fundamentally, the deal is going to depend on whether the US and Iran can get their own houses in order domestically. There are certainly senior officials on both sides that want it to work. I also don't think Iran will necessarily walk away from the talks with Russia thinking that they can ignore the JCPOA.

What does Biden's trip to the region hope to achieve?
The administration has been very quick to signal that this is not an energy visit. It's a potential sign of the US reaching out to try and calm some of the fears in the Gulf. I also wouldn't underestimate the extent to which it reveals divisions within the US administration and within national security circles in Washington, particularly regarding how the US deals with Saudi Arabia – and whether that relationship should be values based or interest based. There's a realization that a realpolitik approach is emerging – that the US needs to deal with Saudi Arabia as it's going to be a very potent element in terms of regional stability, and for the US, if the JCPOA doesn't happen, it needs a Plan B to deal with important issues like Yemen and a nuclear Iran. But even on the latter, I don't think Iran goes the way that North Korea does. Iran is also part of the region, so this won't necessarily be a sudden crossing of the Rubicon - we crossed that a long time ago. It's going to be a matter of degrees if you don't get a JCPOA, as opposed to a complete U-turn.

Sara Akbar
Chairperson & CEO, OiLSERV, Kuwait
& Non-Executive Director, Petrofac

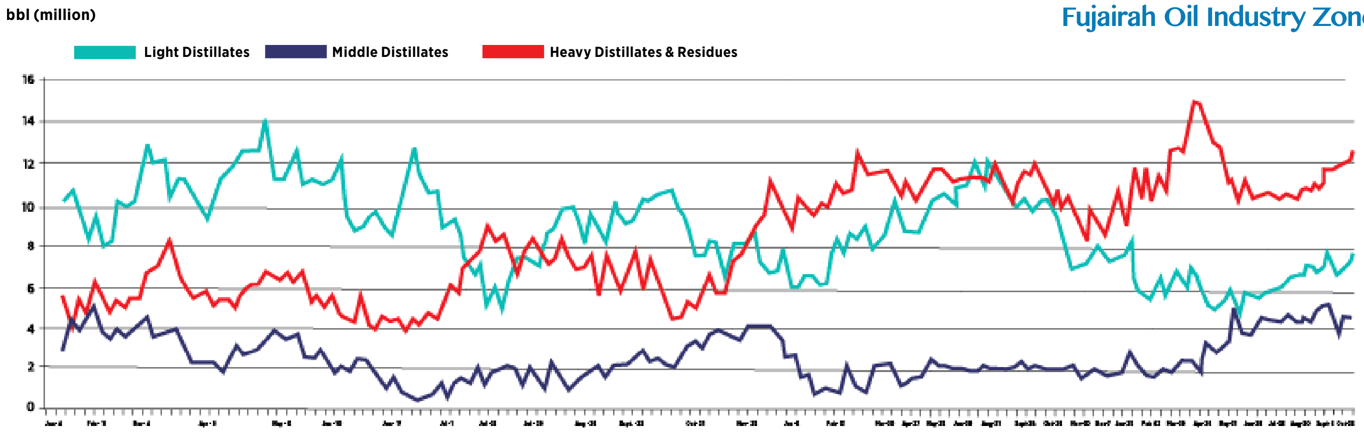
People are waiting to see what's going to happen with Biden's visit to the region.
There's been a lot of travel between Saudi Arabia, Iran, Kuwait, Turkey, and Egypt – that tells you that there's something brewing. As far as any discussion on oil, OPEC can't physically produce any more at the moment, even if we include Iran and Venezuela. The big pressure from the US will be for the GCC to delink from Russia.

Is there any point of OPEC+ renewing its agreement in September?
OPEC+ is not about stabilizing the market anymore. It is a bigger political game now and that's why it is still there. The GCC is concerned about the progress Iran is making on the nuclear level. Its relationship with Russia is the only card it can play with the US in terms of the US discussions with Iran on the nuclear issue and also in getting Iran to stop interfering in the business of the Arab states. And for the Gulf to sacrifice its neutral position and relationships with Russia, China, and India, it would need something in return.

Are Gulf producers concerned about Russian oil being sold to China?
Prices have not dropped as a result. The market needs this dumping because it's the only way we are keeping prices at this current level. Imagine if you cut off all the production from the market? So, turning a blind eye to discounted Russian crude is actually helping us stabilize the market.

Fujairah Weekly Oil Inventory Data

منطقة الفجيرة للصناعة البترولية
FOIZ Fujairah Oil Industry Zone



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 19.373 million barrels as they held above the 19-million-barrel level for the second consecutive week. Total stocks fell by 91,000 barrels with overall stocks down 0.5% week-on-week. The stocks movement draws in light distillates and middle distillates largely offset by a build in heavy residues.
- Stocks of light distillates, including gasoline and naphtha, fell by 370,000 barrels or 6.4% on the week to 5.437 million barrels. The East of Suez gasoline market was showing some signs of decline following recent weeks of strength as high flat prices coupled with expectations that demand has peaked were taking some support away from the transportation fuel. In India, May gasoline production rose 1.83% month on month to 3.707 million mt, in line with an overall rise in production in domestic refineries, latest data from the Petroleum Planning and Analysis Cell showed. This was a 17.54% year-on-year rise in gasoline production, due to higher throughput at refineries, which were running at high levels due to healthy margins for the production of transport fuels, the data showed.
- Stocks of middle distillates, including diesel and jet fuel, fell by 571,000 barrels or 16.5% on the week to 2.889 million barrels as they retreated from this year's year to date high seen last week. The middle distillate complex found continued support as robust fundamentals continued to keep the complex propped up amid demand recovery across the region, keeping supply availabilities lean even as most refineries continue to maximize gasoil production. In India, gasoil output rose 3.06% on the month to 10.12 million mt (2.43 million b/d) in May, latest Petroleum Planning and Analysis Cell preliminary data showed.
- Stocks of heavy residues increased by 850,000 barrels or 8.3% on the week to 11.047 million barrels as they returned above the 11-million-barrel level for the first time since early May. In the port of Fujairah, bunker availability was expected to improve after July 7. Fujairah-delivered marine fuel 0.5%S bunker was assessed $15/mt higher on the day at $1130/mt on June 28. The price in Fujairah represents a $25/mt premium to delivered bunkers in Singapore which were assessed at $1105/mt on June 28.

Source: S&P Global Platts

Vitol

At the heart of the world's energy markets

Serving customers with our expertise, logistical excellence and unique opportunities.

vitol.com

Energy Markets Views You can Use

Vandana Hari
Founder & CEO
Vanda Insights

There are two opposing narratives in the oil market today.
One is supply tightness, supported by sanctions against Russia and the fact that demand has not been impacted yet by high prices. Premiums in the physical markets are doing very well for spot grades - Asian refiners are paying the highest ever premiums for Murban for example. Diesel cracks have been very strong. Still, this narrative has started to lose a bit of steam, especially with Russia managing to divert crude to China and India. The second narrative, starting to tussle with the first one, is what will happen to global oil demand in in the second half of the year - economies are certainly slowing down.

Will we see China demand make a recovery?
I'm not overly optimistic that China can bring its economy back full steam if it continues to pursue its ZERO-COVID policy. Chinese crude imports were down 1% year on year in the first five months of 2022 and we've seen much more dramatic drops in refined products output, with rates at 65% and 70% respectively for the independent and state-owned refining sector. China will remain in this holding pattern mode in 2H, and that means flat oil demand in the worst-case scenario or marginal growth of up to 1%. It will also continue to buy cheap crude wherever it can find it, including from Russia, as last year it drained some of the considerable strategic reserves that it had built up over the past decade or so.

How has Indian oil demand been impacted by high prices?
It's been rebounding quite smartly. The price shock in global crude prices of the past two months, hasn't translated into the fuel prices at the pump. The government cut excise taxes last month, and oil marketing companies, which are under government control despite deregulated prices, have not been allowed to hike prices, and this could remain the case because inflation is a major problem for India too.

What do you make of the G7 oil price cap proposal?
In theory it's a good idea but in reality, getting buy in from the 27 EU members means they will have to reopen the six sanctions package and tinker with the insurance and shipping bans that are going to be phased in over six months. Who would set the price cap and how would it be adjusted and how often? There are big question marks on implementation, so the market knows this isn't going anywhere. And lastly, getting China or India on board would be very difficult.

Outlook for the week ahead?
Keep an eye on weekly US stocks data. The EIA has really kept the markets on tenterhooks as we will get a fortnight's worth of data. US demand and stock changes might end up influencing prices, on a short-term basis at least. I do think demand is starting to crumble but very gradually so it will be a slow grind down for prices and I don't expect any major leap upwards sustainably.

Peter McGuire
Chief Executive Officer
XM Australia

It's going to be nothing short of dramatic for markets in Q3.
The first half of the year has been electric, with every trader rubbing their hands with glee. All you had to do was short the Yen, and look at what happened with the GBP and certainly the Euro. King Dollar has been dramatic. We might see the USD index lifting a bit further to 106 or 107, but we have to see if the Fed moves another 75 basis points in July or goes all out to 1%. The USD could come under some firepower and sell off in the next 8 to 15 weeks. I'm also curious to see the debt to GDP numbers. We understand Japan's running at 300% and the US at about 130%. Russia is at 14%, interestingly not in a bad position. And on oil, I wouldn't be surprised to see it whipsawing between $103 and $120.

Will we see equities markets continue to recover this week?
Asia Pacific opened strong on Monday, building on the New York close last Friday. Australia is up nearly 2% and a number of those other markets have been bid up strongly. But there's a lot of conjecture out there on Main Street - fear about stagflation or inflation for the next six months, while Wall Street's not sure how it's going to manage. And we have costs of everything going up but not wages. Goldman Sachs doubled the risk of the US entering a recession from 15% to 30% over the next couple of months, with a 50% chance over the next 18-24 months. That's the sentiment that is fueling traders today.

Energy Markets COMMENTARY

WEEK IN REVIEW

CLICK HERE TO LISTEN

Energy Markets Views You can Use

Randall Mohammed
Managing Director
PetroIndustrial USA

Are people in the US moaning more about inflation or interest rate rises?

All economists have said that a recession is looming, but most say not for another 12-18 months. Meanwhile, we have the summer driving period starting in the US and pent-up demand also on the rise for air travel, but gasoline and tickets prices are also rising, the latter threefold in some cases. I think that's going to have a dampening effect on demand this summer. Gasoline prices are hitting people more directly in their pockets, but interest rates are also significant - mortgage rates have doubled. The Fed will need all the help it can get to tame inflation – the government also has a part to play in bringing down prices, such as reducing taxes on fuel.

What's Biden coming to the Middle East for?

He's attempting to hold his own in both the Senate and the House, so he really has to pull out all the stops both domestically and internationally. If Biden's objective is to try to get Saudi Arabia to pump more oil, then that may work well for his domestic agenda. However, I think he should spend his time trying to get Congress to approve the tax holiday on fuel. That, for the average American, will go a longer way than traveling to Saudi Arabia.

Will OPEC+ renew their alliance in September?

They will try to maintain those relationships that they've built and let's not forget that Russia is just one component of OPEC+, even though it is the largest. It will be interesting to see what approach OPEC takes with Venezuela and whether it will woo Guyana into any new agreement. Meanwhile, US production is still about a million bd below where it was pre-COVID, and I don't expect a whole lot of drilling to take place in the second half of this year.

GI Soundings Week in Review

Over the last week, Gulf Intelligence has held high-level interviews with energy experts in the MiddleEast, Asia, Europe, and the US. This intel is harvested from the exclusive briefings.

- **Dr. Raad Alkadiri, Managing Director - Energy, Climate & Resources, Eurasia Group**
- **Kate Dourian, MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington**

Dr. Raad Alkadiri, Managing Director - Energy, Climate & Resources, Eurasia Group: "Russia's been doing pretty well financially. It's been able to redirect flows, critically of oil. Even at a discount, $110 a barrel is not a bad place to start from. On gas, Russia feels that in the short term, it can use this as a political weapon and live without that revenue. The domestic economy is showing some signs of strain in terms of foreign debt default that might play into markets, but for now, Russia has moved to the same situation that all countries that have faced massive sanctions move to, which is an ability to move onto a ball footing."

Kate Dourian, MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington: "The easiest thing come September would be for OPEC+ to drop the quotas altogether and agree that while the supply management agreement can be over, the coordination isn't, and still stands till the end of year so that if they need to take action, they will. But if the market looks tight after August, then they can do something about it. So, there won't be a written agreement – it's just that the agreement still stands."

ENERGY MARKET NEWS

1. OIL SLIDES 2% ON RISING US FUEL STOCKS AND OUTPUT
2. OIL LIKELY TO HIT $200: SEB GROUP
3. OPEC+ EXPECTED TO STAY COURSE ON OIL OUTPUT
4. FED'S POWELL SAYS CLOCK IS RUNNING TO BRING INFLATION DOWN
5. G7 HAS PAVED THE WAY FOR INCREASED OIL & GAS SPENDING
6. SHELL CEO SAYS SPARE CAPACITY IS RUNNING 'VERY LOW'
7. US COULD RELEASE EVEN MORE OIL FROM STRATEGIC STOCKPILES
8. NATO LEADERS VOICE CONCERN ABOUT THREAT CHINA POSES TO WORLD ORDER
9. TEXAS HEDGE FUND EXPECTS FURTHER VOLATILITY IN ENERGY MARKETS
10. WORLD STOCKS SKID AS CONSUMER DATA FLASHES RECESSION WORRY

RECOMMENDED VIDEO & REPORTS

- RUSSIA CALLS NATO EXPANSION DEAL 'DESTABILIZING'
- CHINA STOCKS RISE NEARLY 2% AS DATA SHOWS FACTORY ACTIVITY GREW IN JUNE
- IRAN'S ENERGY SECTOR NEEDS SANCTIONS RELIEF & FOREIGN INVESTMENT
- SHANGHAI REOPENING: RESTAURANTS RESTART OFFERING DINE-IN SERVICES
- STOCKS ARE CRASHING BUT HISTORY SHOWS THIS BEAR MARKET COULD RECOVER FASTER THAN OTHERS
- CAN SAUDI ARAMCO MEET ITS OIL PRODUCTION PROMISES?

Series Supported By:

Daily Energy Markets

TOP TAKEAWAYS
MARKET OBSERVATIONS FOR THE WEEK
June 26th - June 30th

1. Russia looks like it can continue to sustain its geopolitical alliances with Iran and Saudi Arabia at the same time, despite sensitivity over Tehran becoming a nuclear-weapon power.
2. G7 faces a dilemma of how to sanction Russian oil without creating a global shortage and pushing prices higher - not possible to square this circle.
3. The mighty US dollar likely to see a sell-off in run-up to messy Midterm elections.
4. The elevated oil prices above $100 had little impact on demand destruction in the first half of the year - perhaps that will change in H2 as interest rates add to the pain.
5. OPEC+ will struggle to find new compelling reasons to renew their agreement when it expires in September -- prices are high and nobody has any idle supply.
6. China's leadership will have to choose between zero-Covid policy and hitting country's economic growth targets for 2022 - they can't have both!
7. Chinese Scalpers have cornered the market on airplane tickets to fly out of China, with tickets selling by as much as a multiple of 20 times higher with a massive pent-up demand for international travel!
8. OPEC+ are likely to hold onto their alliance even after this current supply agreement expires in September by simply agreeing to move forward without quotas.
9. Naphtha cracks are currently trading at a big disconnect to the rest of the oil complex, which indicates a big slowdown with industrial demand and signals a possible recession is looming.
10. Global pent-up Covid demand for everything is currently trumping pain of inflation -- how long will that 5 trillion dollar question last?

10th Anniversary ENERGY MARKETS FORUM

ITINERARY

October 4th - 6th, 2022 | Novotel, Fujairah

Port of Fujairah

DAY 1 - OCT. 4th

What: Port of Fujairah Executive Boat Tour
Where: Port of Fujairah
Time: 2:00pm

What: FOIZ Oil Storage Terminals Industry Tour
Where: Port of Fujairah
Time: 2:00pm

What: The Aramco Trading New Silk Road CEO of the Year Awards 2022
Where: Novotel, Fujairah
Time: 7:00pm

DAY 2 - OCT. 5th

What: Industry Forum - East of Suez Outlook
Where: Novotel, Fujairah
Time: 8:00am - 3:00pm

What: International Energy Journalism Awards Dinner
Where: Novotel, Fujairah
Time: 7:00pm

DAY 3 - OCT. 6th

What: Energy Markets Workshop - Benchmarks
Where: Novotel, Fujairah
Time: 8:00am - 2:00pm

Vitol aramco ADNOC S&P Global Commodity Insights MERCURIA

nbf KPLER FOIZ Vopak Horizon Fujairah Limited GPSCHEMOIL Consultancy Intelligence Publishing

The Ministry Of Energy and Infrastructure Launches "Salmeen" Initiative to Reinforce the Wellbeing of Seafarers Around the World

• **Al Mazrouei:** The launch of the "Salmeen" initiative in conjunction with the Day of the Seafarer is in honor of seafarers who are the heroes of the global trade. They actively contribute to the continuity of global maritime operations amid the current challenges

• The UAE is a logistics hub linking international shipping lines. It receives the largest share of ships that reach the region's ports with more than 21,000 ships annually

Dubai, 25 June, 2022: In conjunction with the Day of the Seafarer, the UAE Ministry of Energy and Infrastructure has launched 'Salmeen,' an initiative that aims to provide care to provide seafarers and those working in the maritime sector with comfort and safety. The initiative aims to cater to the seafarers needs, as they are one of the most important pillars of the maritime industry. 'Salmeen' contributes to enhancing the quality of life for seafarers and overcoming the challenges they face due to the pandemic and travel restrictions.

The UAE is a key logistics hub. It connects global shipping lines, and receives the largest number of ships heading to the region's ports with over 21,000 ships annually. More than 27,000 local and international maritime companies work in the UAE with more than 17 million containers handled at the UAE ports each year. These achievements would not have been possible without the dedication of thousands of seafarers who arrive in the UAE waters on ships from all over the world.

Therefore, the initiative presents a comprehensive framework that includes all the Ministry's achievements to improve the quality of life, within the UAE Government excellence system to care for and support seafarers. The impact extends beyond the UAE, to the whole world that is linked by the global trade based on the shipping sector and its heroes of seafarers.

Commenting on the initiative, **H.E Eng. Suhail Al Mazrouei,** Minister of Energy and Infrastructure in the UAE, said: "When we talk about the shipping sector in the UAE, we must recognise the influential role the UAE plays in the global maritime sector. The UAE is one of the best maritime hubs globally. Therefore; we introduce initiatives, laws and legislations that can develop the sector based on best practices, while taking care of the seafarers' community who are key pillars of this industry, to help them overcome the challenges they face while performing their work. Launching the 'Salmeen' initiative in conjunction with the Day of Seafarers confirms our continuous support for seafarers and reflects our firm belief in the active role they play towards strengthening the role of the UAE as an unparalleled global maritime hub.

Al Mazrouei added, “Salmeen also strengthens the UAE’s position as one of the top countries in protecting the rights of seafarers, especially in such circumstances in which they played a prominent role in facing the impact of the pandemic on the global economy. Because of our role in the Ministry and our responsibility to put in place legislations and laws related to in the maritime sector, whilst we ensure compliance and implementation of these laws, we made sure that our legal system serves seafarers who significantly contribute to achieving the economic development of the UAE. The most recent of these achievements was the Cabinet’s decision regarding marine debris and violating ships, which obliges all ships carrying the UAE flag or sailing in its waters to ensure the rights of seafarers and provide their requirements.

Supporting seafarers is a major goal

The key pillars of the initiative aim to open the door for seafarers to get the support they need. This includes the best medical care, maritime education, training to build professional capabilities, as well as identifying and removing physical and social obstacles through effective cooperation between the public and private sectors. This promotes the idea of empowering ‘Our Blue Army’, which aims to enhance the impact of qualified seafarers in the industry, to inspire the younger generations.

H.E Eng. Hassan Mohamed Juma Al Mansouri, Undersecretary for Infrastructure and Transport Affairs, said: ”Seafarers are the backbone of our industry as they connect the world via the sea. Therefore, the UAE has taken proactive measures to protect their interests and improve their quality of life. The UAE is also one of the first member states of the International Maritime Organization to classify seafarers as priority workers during the peak of the Covid-19 pandemic, and provided them with support by facilitating safe crew change and safely sending them to their home countries, as well as providing medical treatment and COVID-19 vaccines. We recently honored the Mission to Seafarers in the Middle East & South Asia, a charity group that helps and supports seafarers in emergencies. We are fully aware of our vital role towards the maritime transport sector and the shipping industry in general, and seafarers in particular.

The Salmeen initiative will make all ship owners and maritime organisations responsible for supporting seafarers and providing them with full protection. The Ministry has in place an ongoing monitoring system to ensure the implementation of the laws and initiatives and turn them into results. Seafarers work around the clock to support business continuity and facilitate seaborne trade in the UAE. The initiative recognises their dedication to work under all circumstances.

H.E Eng. Hessa Al Malek, Advisor to the Minister for Maritime Transport Affairs, Ministry of Energy and Infrastructure, added: ”Seafarers are considered frontline workers in the maritime sector, and one of the pillars of the industry that constitutes an added economic value to the Gross National Product. The Ministry has made significant achievements in protecting and supporting seafarers. One of these achievements was contributing to the issuance of Cabinet resolution regarding marine debris and violating ships, and announcing the regulations that protect seafarers’ rights. Additionally, we have signed an agreement with the International Federation of Transport Workers to enhance cooperation in terms of supporting seafarers. This coincided with providing all forms of physical and moral support for them in the UAE, as well as free medical treatments and Covid-19 vaccines. Moreover, the UAE was one of the first countries to allow crew changes during the peak of the pandemic. It facilitated the safe exchange of more than 240,000 seafarers who were assisted to return to their home countries safely. We will always work to support the seafarers who are our “blue army” and the backbone of global trade.”

***** To Download the English video Click here.***

***** To Download the Arabic video Click here.***

*****To Download the English Press Release Click here.***

*****To Download the Arabic Press Release Click here.***

GI

Consultancy
Intelligence
Publishing