



Omar Najia

Global Head Derivatives, BB Energy



Markets' response to weekend's financial surprises?

We've been saying for a while that markets are not healthy and that they're going to head considerably lower. This is only the beginning of the crisis. You still have massive debts...government, corporate, consumers. You still have inflation. Central banks in the West are in an impossible situation, because of their massive debts. Raise interest rates and everything implodes or keep interest rates low and have hyperinflation. They don't know what to do. Add to that mix the geopolitical mess where we see the end of the unipolar world, which is basically the US and its allies deciding what to do with the world. US President Biden comes on stage and says everything is okay, then tries to find the door, opens it, and shuffles off without answering any questions. Nobody is at home. The same is true of most central banks. We're going to head for a disaster. The markets will move lower this week, including oil, towards maybe \$61/bl.

Credibility crisis ahoy?

It's a mess. None of the stuff they say they want to do is actually achievable and they're not even trying to do it. They're finding it impossible to fight inflation. They're finding it impossible to raise or lower interest rates. They're finding it impossible to take liquidity out of the market, because they keep putting it in. And now with the banking crisis, it's going to get even worse. And then you have a lack of credibility in the geopolitical sphere too. It can't give you confidence. You're like: "Everybody's lost the plot". And I think they have. That's why we're seeing negative markets across the board. ■

**Paraphrased Comments*

Series Supported By:

