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VOL. 97

Fujairah New Silk Road

WEEKLY NEWSLETTER

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

AN EXCLUSIVE GULF INTELLIGENCE INTERVIEW

CONTAINER SHIP TRAFFIC WON'T SEE RELIEF TILL AT LEAST 2H 2022!

Rustin Edwards
Head of Oil Procurement, Euronav NV

Container ship traffic remains elevated and is likely to remain so into 2022, possibly not coming off until the second half of the year. We still have network disruptions on both the supply and delivery side and crammed port logistics, with the global economy in post- Covid-19 recovery mode. There are today over 100 ships sitting off the coast of Los Angeles, and ships also building up off the US East coast, Australia and parts of Europe. There's really no relief in sight for the prompt container industry and for people who are looking for those supply chains to ease up and it remains to be seen when the backlog clears out so that ships can move on a more regular basis. The root cause, in my opinion, stems from the just in time framework that we've all developed in the global supply chain. When you have an impact on one point, it has an accordion effect, and it then takes a lot to relieve that stress. Unfortunately, this time around, the bunching is happening in many locations, impacting the whole transit flow, with nowhere for cargoes to be rerouted. Meanwhile, dry bulk rates are starting to come off with China entering a bit more of a slowdown period, so we may see more normalized freight rates in 2022. Tanker rates have lost the momentum they enjoyed in 2020 and have had a dismal year so far because the supply of oil hasn't been there to move. But they are starting to improve, and we will probably get back to more normalized rates in the first quarter. A lot of that has to do with OPEC's incremental increase in production and new quotas also expected to come out in March. US production is also moving up, which usually means more exports. The real surprise is going to be how much crude the US is producing by year end; we're currently at around 11.6mn b/d and could see 12mn b/d as soon as the end of November.

CONTINUED ON PAGE 3

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**

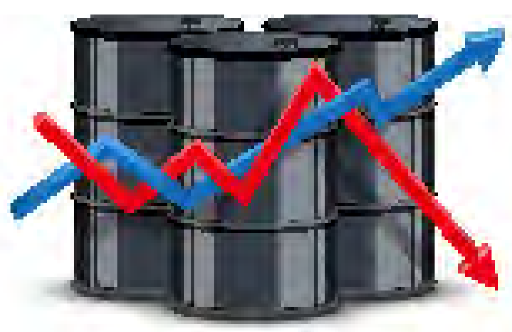
Fujairah Weekly Oil Inventory Data

5,670,000 bbl	3,679,000 bbl	10,501,000 bbl
Light Distillates	Middle Distillates	Heavy Distillates & Residues



Source: FEDCom & S&P Global Platts

THE WEEK In Numbers



Weekly Average Oil Prices

Brent Crude:	$83.18/bl
WTI Crude:	$81.89/bl
DME Oman:	$81.14/bl
Murban:	$83.65/bl

Time Period: Week 2, November 2021
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

VLSFO

High = $642.50/mt
Low = $623.50/mt
Average = $632.00/mt
Spread = $19.00/mt

MGO

High = $800.00/mt
Low = $778.00/mt
Average = $787.00/mt
Spread = $22.00/mt

IFO380

High = $516.00/mt
Low = $494.00/mt
Average = $506.00/mt
Spread = $20.00/mt

*Source: Ship and Bunker, *Time Period: November 3 - November 10*

Fujairah Bunker Sales Volume (m^3)

294 180cst Low Sulfur Fuel Oil	**487,612** 380cst Low Sulfur Fuel Oil	**118,791** 380cst Marine Fuel Oil
2,038 Marine Gasoil	**27,312** Low Sulfur Marine Gasoil	**4,274** Lubricants

Source: FEDCom & S&P Global Platts

GI Consultancy Intelligence Publishing

Rustin Edwards
Head of Oil Procurement, Euronav NV

CONTINUED FROM PAGE 1

Why have tankers not recovered sooner given oil demand recovery?

Rustin Edwards: Because there's still 6-7mn b/d not on the market. Without those barrels loaded onto ships, the supply system has too much slack capacity. And one of the reasons for that slack is that 2020 gave a lot of long-haul large vessels massive earnings with the contango. When ships were being booked at $100,000/day, shipowners had no incentive to bring vessels into the scrap yard. However, we are now starting to see scrapping happen again, with owners having to decide whether to spend on upkeep or scrap ships and move on.

Is port congestion connected to the overall underinvestment in US infrastructure?

Rustin Edwards: US infrastructure has been behind where it needs to be for the better part of the last 20 years and congestion in the ports is part of that. But even when you think of the $1trn infrastructure deal that's just been passed in Congress, that's only $50bn a year, which is not much when you think of all the problems that need to be addressed. Just look at the BTU crisis today - it's happened because the infrastructure is not there to transport the fuel that the market needs. And even with the clearance now given to Nord Stream 2 coming online to bring natural gas into Europe, prices have not been alleviated much yet.

Do you expect any improvement in the tight labor market situation?

Rustin Edwards: If you think of the baby boomer age bracket, which has been receiving governments funds and benefits through pandemic furlough programs, some of them are probably considering whether they need to go back to work at all. The labor participation rate is at 61.35%, so one third of the eligible employable population is not working today. That number hasn't really shifted for most of the pandemic.

What are the ramifications for shipping from COP 26?

Rustin Edwards: Shipping has got to focus on a decarbonization solution, like any other transport. We need to figure out how we get there cost effectively and without disrupting supply chains as much as possible. The biggest issues I see for the sector coming out of COP26 is what future fuels are going to look like and how infrastructure systems are going to be built to handle those. The problem right now is that there aren't enough future fuels currently produced to meet the needs of the maritime industry. Ammonia is one of those, but you have to make 6mn tons of it to meet the 3mn tons of current bunker fuel demand. Right now, the market only makes about 170mn tons a year, and that's currently being used in agriculture. Governments need to do more to help stimulate the transition and make it more feasible and flexible. Trillions of dollars are going to need to go into building new infrastructure around future decarbonized fuels.

How is the industry leveraging digital tools to drive greater efficiencies?

Rustin Edwards: The shipping industry still works on 19th century technology – it's a very physically oriented movement where the documents follow the goods. But it will change and adopt solutions like digitization and blockchain technology, especially as it will help secure the transport of goods and remove the problems and sometimes fraud, that have been facilitated by the paper system.

WATCH FULL INTERVIEW HERE

Consultancy Intelligence Publishing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Abu Dhabi National Oil Company

ENERGY MARKETS VIEWS YOU CAN USE

Mike Muller
Head
Vitol Asia

YOUR TAKE ON OPEC REJECTING PLEAS BY WASHINGTON TO INCREASE SUPPLY?
The decision to rollover the 400,000 bd should not have come as a surprise. However, with inventories now depleted to pre-pandemic levels, OPEC could have added bit more oil ahead of the peak demand months, certainly for Asia in December and January. As far as the US is concerned, talk of the SPR release did send the market down from \$84 to \$80 in the space of a very short amount of time, which indicated an inbuilt expectation that it could be used.

WAS THE INCREASE IN SAUDI OSPS TO ASIA A SURPRISE?
There was a larger than expected increase in differentials to most parts of the world, but most importantly, for that benchmark volume to Asia. But crude supplies are tight and so the Saudis are pricing oil accordingly. We also have benchmarks such as IFAD Murban trading a lot stronger. It's notable, however, that the term negotiations for 2022 crude oil supply from Gulf producers are now done, so the OSPs no longer serve the purpose of seducing term customers into an oversupplied amount of OPEC oil. And whilst January trading hasn't yet started in earnest, there's been a very interesting standoff between buyers and sellers because of the differentials for crudes of one or two dollars a barrel, compared to a few months ago, into places like Asia.

OUTLOOK FOR OIL PRICES GOING FORWARD?
Oil is still the laggard in the energy complex. Also, commodity index funds, which tend to recalibrate at the end of every year, will want to, in dollar terms, keep the amount of oil in their commodities basket constant with where it was a year back. That would have the effect of these index funds buying more oil from January onwards. The other thing we tend to see at this time of year is producer hedging, but many of the big names in the Permian Basin are now considering buying back their put options. If you look at the back end of the curve, it has done something remarkable – it has moved up so that at no point in the forward curve all the way up to 2030, can you buy Brent for less than \$65. A few weeks back, that was still in the low \$60s and high \$50s.

WHAT SORT OF WINTER DOES ASIA FACE FROM A SHORTAGE POINT OF VIEW?
I don't think I've ever seen the world as concerned about a cold winter in more than a decade. China is very much in inventory building mode - they don't want to be caught short. But this is not just about oil - it's about coal and natural gas. No one wants last winter's natural gas spike, especially coming off the back of the last two months of high prices. There is a lack of clarity around gas inventories and the adequacy of LNG supplies for countries like Japan and Korea. And in Europe, we've just seen for two weeks running, supplies of gas moving from Germany into Poland, rather than the other way around.

Christof Rühl
Senior Research Scholar - Center on Global Energy Policy
Columbia University

BLAMING OIL PRICES FOR CURRENT INFLATIONARY PRESSURES IS NOT JUSTIFIED.
The rise in energy prices is part of the cyclical ups and downs. So far, it's a one-time increase and just a shift in relative prices, which will not show up as inflation over time. The Biden administration really did itself a disservice domestically, by asking OPEC + and others for more oil while asking their own producers to slow down. We know that Saudi Arabia and Russia are not in the mood to leave a cent on the table. And while there may be inflation, OPEC+ probably does not view \$85 as killing the global economy. At the end of the day, there's still too much oil in the world. This current tightness is just a political decision by OPEC and others, like US private producers, to constrain supply.

WHY ARE WE STILL SEEING RESTRAINT BY THE MAJORS IN THE PERMIAN?
It's not only the majors in the US reacting slowly- it's majors globally, with their giant share buyback programs and hesitancy to approve big oil or gas projects because of shareholder and political pressure. The investment gap in oil and gas (which has been talked about for decades) is today to do with this shift from Western private producers, to state owned producers in the rest of the world, triggered by environmental concerns. And it's a shift which has barely started. I don't see the BPs of this world going back very quickly to an aggressive oil production mode.

THE GAS SHORTAGE SITUATION IN EUROPE SEEMS TO HAVE EASED?
European prices have calmed down to an extent and are becoming more or less a function of LNG and coal prices elsewhere, particularly driven by Asia. Putin's announcement last month that Russia could supply Europe with more gas, did calm the market as it believes he has the ability to deliver.

WHAT DO YOU TAKE AWAY FROM THE FED MEETING LAST WEEK?
There are several strands of reasoning which can explain the Feds behavior. The US has been living with inflation rates of 5% for a few months now - higher and longer than the Fed and the government had ever predicted. But the Fed starting to taper is really just taking its foot off the accelerator of QE – not the end of it. Plan B will be the rise in interest rates to curb inflation from hurting growth.

ENERGY MARKETS VIEWS YOU CAN USE

Omar Najia
Global Head, Derivatives
BB Energy

THE MARKET TREND IS HIGHER AND WE HAVE STARTED THE MOVE TO $92 BASIS WTI.
The correction of the past two weeks has finished with today's gain of $3.50. It's going to be a very important week for all markets, from oil to equities to Bitcoin - higher across the board strongly and right through to January.

HAS THE OIL MARKET DISMISSED THE ADVENT OF US SPR BEING RELEASED?
SPR does nothing – it's a very short-term thing. If any oil is released, there might be a short blip, but it won't change the upwards direction of the market. In fact, there's a chance it could be bullish because if you release the SPR and the market takes it in its stride, which I think it will, it leaves stocks depleted even more.

WHAT'S THE OUTLOOK FOR JET GIVEN THAT SOME AIRLINES ARE HEDGING FUEL?
The bet on jet fuel has already been made about three weeks ago when the differential between jet and gasoil went from about $20 to $40. We might get one more push up along with everything else in the cycle, but I wouldn't be long jet fuel past January calendar month.

ARE LOWER CHINESE GDP FIGURES NOT BEARISH FOR OIL MARKETS?
Every negative story on China doesn't materialize. China will continue to grow quicker than the US and much quicker than Europe, and the main reason being its structure. China doesn't have the same levels of free money or debt as western economies do, nor corporate policies which have to be directed to benefit shareholders. Yes, Chinese stocks have taken a hit lately but if I were to be long on anything for the next five to ten years, it would be Chinese stocks, not European or US ones.

IMPACT ON USD IN 1H 2022 IF WE SEE NO MOVES ON INTEREST RATES?
The US will not raise interest rates because the payments on debt will be ginormous. They'll do exactly what they've done for the last 12 years, which is nothing. Meanwhile, US inflation is running at 5% and is no longer transitory, which means everybody is going to put money into commodities, into equities, into stocks and other instruments like Bitcoin.

Laury Haytayan
MENA Director
Natural Resource Governance Institute

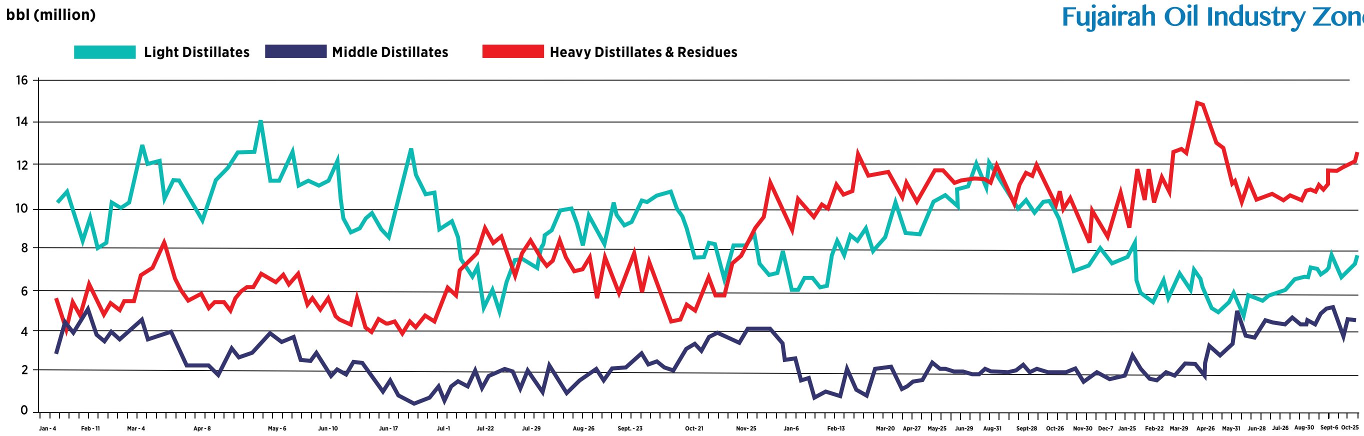
US DEMANDS ON OPEC FOR MORE OIL ARE FALLING ON DEAF EARS.
At their last meeting, OPEC+ was very clear in stating all the reasons why they shouldn't change the agreement and that it is very important for them to continue with the discipline that they have put in place as they go into 2022, while monitoring demand. They do have the capacity to increase volumes but also don't want to risk reawakening the disagreement between certain members on the baseline.

EXPECTATIONS FOR THE PLANNED RESUMPTION OF IRAN US NUCLEAR TALKS?
People are not putting much hope on this round of talks, especially as it's starting with conditions from Iran that I don't think the US is interested in hearing. And for the Iranians, as long as they can sell their oil through unofficial channels – to Venezuela and China for example – they don't care. But the moment the Americans intercept these shipments, Iranians go back to the table. Iran is not interested in finding a solution today and the US is not as keen as it was when they started at the beginning of the year.

HOW DOES THE SAUDI-IRAN RAPPROCHEMENT PLAY INTO THIS?
The US has been very clear that it is withdrawing from the region and the Iraqis have been happy to play the middleman role in the meetings so far between Saudi and Iran. But there is a limit. The Saudis are growing frustrated that the discussions are going nowhere. On the contrary, Iran is escalating tensions in places where it has control and support, such as Yemen, Lebanon and Iraq. The new Iranian administration wants to show its strength first and then think about real solutions to balance in the region.

Fujariah Weekly Oil Inventory Data

منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 15.584mn barrels. Total stocks fell 126,000 barrels with overall stocks down 0.8% week-on-week. This is a continuation of last week's draw. The total stock draw was driven by decreasing stocks of light distillates and heavy residues while middle distillates posted a build.
- Stocks of light distillates, including gasoline and naphtha, fell 150,000 barrels or 3.0% on the week to 4.918mn barrels. US gasoline stocks fell 900,000 barrels to a three-year low of 214.7mn barrels, analysts surveyed by S&P Global Platts said Nov. 1. The draw is roughly in line with seasonal norms and leaves the nationwide deficit to the five year average mostly unchanged at 3.2%. Despite the draw, refinery utilization in the US is estimated to have climbed 0.7% to 85.8% of capacity, deviating from the norm as run rates usually decline during the autumn shoulder season as refineries undergo maintenance ahead of the winter heating season. The increase leaves run rates around 1% above the five-year average. Meanwhile, in tender news, South Africa's PetroSA was seen seeking 26,000 mt of 95 RON gasoline for delivery over Nov. 29-Dec. 1, or delivery 30 days later, to Mossel Bay, according to a market source. The tender closes Nov. 3, with validity until Nov. 5.
- Stocks of middle distillates, including diesel and jet fuel, rose by 345,000 barrels or 11.8% on the week to 3.280mn barrels. This is a reversal of last week's fall of 594,000 barrels. Asian gasoil grades climbed in the week started Oct. 31, supported by a revival in regional demand amid a gradual ease back in pandemic related restrictions and a rebound in business and transportation activity. The 500 ppm sulfur gasoil grade and 0.25% sulfur gasoil have witnessed a pickup in trading pace, market participants noted. This has been reflected in strengthening cash differentials, with the 0.25% sulfur gasoil grade experiencing the sharpest jump among all assessed gasoil grades. "Yes, gasoil is still very supported," a regional trader said Nov. 2, adding that "the sentiment feels like it's going to stay tight till the January-February trading cycle." Spot demand emerged from Sri Lanka, South Africa and India. Ceypetco issued a tender seeking 280,000 barrels of 500 ppm sulfur gasoil for dual berth discharge Dec. 18-19 at Dolphin Tanker Berth and SPM Muthurajawela, Colombo. The tender closes Nov. 16, traders said. In South Africa, PetroSA was seeking gasoil and gasoline via a tender that closes Nov. 3, with validity till Nov. 5, market sources said. For the gasoil portion, PetroSA is seeking two cargoes of 50 ppm sulfur gasoil totaling 70,000 mt for delivery into Cape Town and Mossel Bay. Moving forward, India's gasoil exports may be trimmed as the monsoon season wanes, with traders and analysts expecting domestic demand to return to pre-pandemic levels before the year end, supported by an improving growth outlook.
- Stocks of heavy residues fell by 321,000 barrels or 4.2% on the week to 7.386mn barrels. Spot trading activity at major bunkering hubs of Singapore and Fujairah was subdued with sellers at both Singapore and Fujairah holding offer positions and not attempting to lower offers to attract buying interest. Meanwhile, market participants said a tight barging schedule at both ports is continuing to limit the ability of a fair number of sellers to offer products to the spot market for prompt delivery. In Singapore, few suppliers were able to offer low sulfur bunker fuel for delivery prior to Nov. 7, while in the Middle Eastern port of Fujairah, not many sellers could offer product for delivery prior to Nov. 9. Fujairah-delivered marine fuel maximum 0.5% sulfur was assessed $625/mt on Nov. 2. The price in Fujairah was assessed at a $7/mt premium to Singapore which saw its delivered bunkers on the same basis assessed at $618/mt.

Source: S&P Global Platts

OIL COMMENTARY

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.

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%.

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.

Source: ENBD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ENERGY MARKETS COMMENTARY WEEK IN REVIEW

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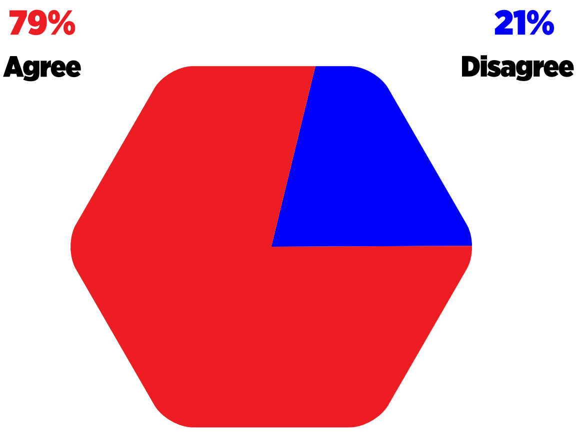
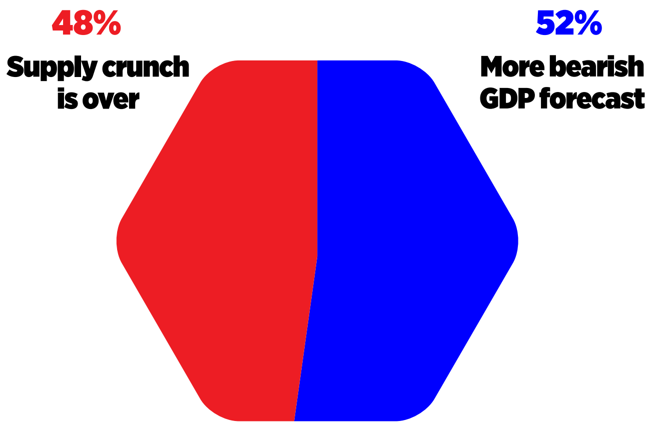
GIQ Weekly Surveys

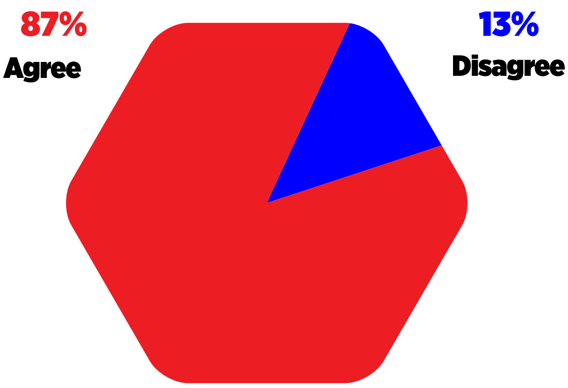
The FED's tapering is too little too late to guide the Titanic world economy away from hitting the inflation iceberg?



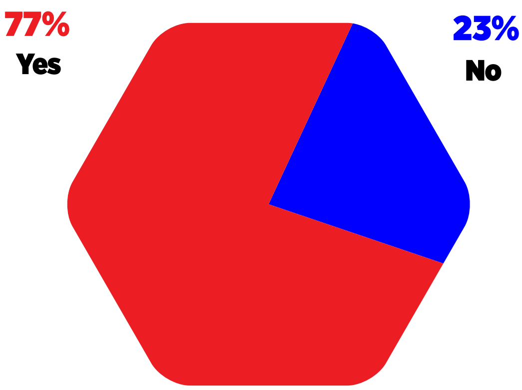
Why have gas prices retreated?



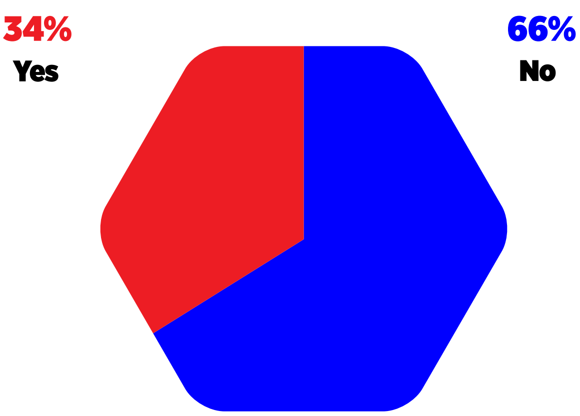
China economy policy/challenges will impact US economic outlook?

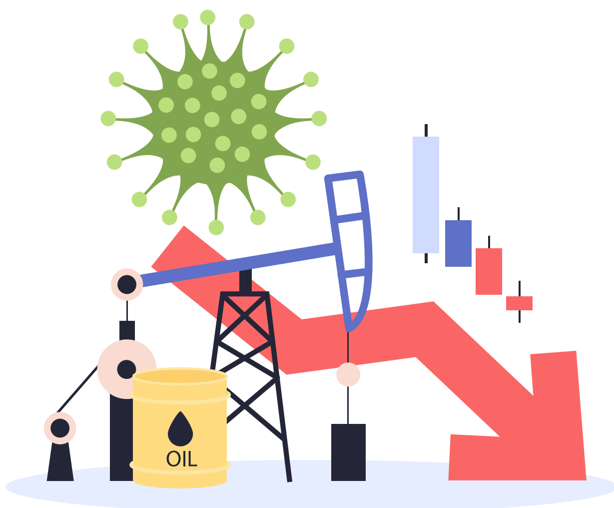


Brent crude oil price will rise to $90/bl by end of November?



Does the market need the US to release from SPR to meet demand?





Source: GIQ

GI Consultancy Intelligence Publishing

ENERGY MARKETS VIEWS YOU CAN USE

Leo Tameeris
Chief Executive Officer
NRG Global

IS OPEC CORRECT IN SAYING THAT THE MARKET DOESN'T NEED MORE OIL?
Most of the Asian refining margins are very good at the moment, so there's no shortage of oil. Gasoil demand in China is also very strong and Chinese products exports to the rest of Asia have dropped. The government has said that state refineries will run at full capacity for the rest of the year, instead of the 80-85% that we've seen in the last couple of months. That obviously helps refining margins in Asia as well.

ANYTHING TO STOP THE UPWARD MOTION IN OIL PRICES?
The market has momentum but other supply origins, like US shale, will start again. Nigeria seems to have solved its problems and will start increasing their output again. Angola, as well. Iran will keep exporting oil. There will be sufficient oil to supply the market, but not flood it.

WILL THE DOWNWARD TRENDLINE IN CHINA CRUDE OIL IMPORTS CHANGE?
October imports, at just below nine million bd, were the lowest in three years because the state refineries were running at lower capacity. Private refineries also saw a delay in their import allocations, so they lost a few days in October. But it looks like in November and December imports will get back on track and reach above 10 million bd again. We also have Chinese New Year at the end of January, which will increase refining activity ahead of that.

OUTLOOK FOR FURTHER SWITCHING FROM GAS TO OIL AND COAL IN ASIA?
China will put a lot of the power plants back on coal to replace the very expensive gas prices and we'll see that in other places as well where it can be done. Pakistan just paid the highest price for LNG, at over $30, and we're seeing those kind of spot prices in Northeast Asia as well.

SHOULD WE QUESTION CHINA'S SINCERITY ABOUT ITS COMMITMENT TO THE TRANSITION?
No – the increase in coal usage has been a pragmatic, short term decision because they needed electricity and power. It was due to a combination of factors - lack of immediate availability of fuel, infrastructure maintenance and very strong factory production and exports.

Peter McGuire
Chief Executive Officer
XM Australia

CHINA'S FACTORY PRICES - A WARNING FOR GLOBAL INFLATION
The world's largest manufacturing base, China, has been repeatedly accused of its low prices damaging global competition in the past, but things took a different turn in the post-lockdown world. Persisting shortages in commodities, especially in the energy sector, and resilient global demand have inflated factory costs, creating similar price spillovers to the rest of the world.

Factory gate prices soared at the fastest pace in 26 years in September, advancing by 10.7% y/y, and despite the government's progressing transition to renewable energies, Beijing ordered coal miners to boost production this month as power cuts delayed operations in factories.

In October, PPI inflation is expected to heat further, accelerating by 12.4% y/y, with investors likely taking it as a directional signal that countries with high exposure to Chinese imports such as the US and the EU could face steeper price pressures in the coming months.

For China, however, the pass-through to consumers has been relatively limited. Although the CPI inflation metric is said to have doubled to 1.4% y/y from 0.7% previously in October, this is still comfortably below the 2020 peak of 5.4%, and more importantly, beneath the state-owned People's Bank of China's (PBOC) target of around 3.0% y/y. Therefore, unlike other key central banks which are already on the way to tightening, the PBOC could adversely bump more liquidity to address the slowdown in economic growth.

"We forecast that global oil stocks will begin building in 2022, driven by rising production from OPEC+ and the United States, along with slowing growth in global oil demand."

– EIA

ENERGY MARKET NEWS

RECOMMENDED READING

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%, BIGGEST INFLATION SURGE IN MORE THAN 30 YRS
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

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

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Where Trade Flourishes

Fujairah Spotlight

Emirates Development Bank Teams up with National Bank of Fujairah to Fund UAE SMEs

Emirates Development Bank signed a preliminary agreement with National Bank of Fujairah to offer a credit guarantee and co-lending package for small and medium enterprises in priority sectors in the UAE. As part of the deal, NBF will offer up to Dh10 million ($2.7m) to SMEs, with half of it being either guaranteed or co-lent by EDB, the two lenders said on Wednesday. The programme will also offer up to Dh1m of financing to UAE citizens who want to establish a start-up, with 60 per cent of the amount guaranteed or co-lent by EDB. The agreement is aimed at boosting lending to SMEs in priority sectors such as manufacturing, health care, infrastructure, food security and technology, EDB said. The agreement forms part "of our endeavour to play a pivotal role in the country's economic diversification plans and bridge the funding gap for SMEs operating in key sectors across the country", said EDB chief executive Ahmed Al Naqbi.

Source: The National

UAE Pursues Better Border Security Collaboration, More Domestic Capabilities

The United Arab Emirates has created a new border security organization to improve coordination between its seven emirates and their array of capabilities, which the country hopes to bolster with locally made systems. A law passed Sept. 23 brought about the Dubai Council for Border Crossing Points Security, tasked with creating border security plans and policies, advising the government on these issues and ensuring the regulations match the law. The various government entities involved in border control include the General Authority of Ports, Borders and Free Zones Security as well as local, federal, regional and international groups, plus the seven emirates — Abu Dhabi, Dubai, Sharjah, Umm al-Qaiwain, Fujairah, Ajman and Ra's al-Khaimah.

Source: Defence News

Ajman Tourism signs a Memorandum of Understanding with the Fujairah Fine Arts Academy

As part of Al Murabbaa Arts Festival initiatives, the Ajman Department of Tourism Development signed a memorandum of understanding with the Fujairah Fine Arts Academy to solidify the framework of cooperation and expertise exchange between them. The agreement, which aims to seal the bond of collaboration and cooperation between the two parties and develop a referential framework and common vision for a constructive partnership to enrich the cultural and artistic scene in Ajman and support its young talents, was signed between His Excellency Saleh Mohamed Al Geziry, Director General of Ajman Department of Tourism Development, and His Excellency Ali Obaid Al Hefaity, Director General of Fujairah Fine Arts Academy. The signing of the agreement stemmed from both parties' keenness on consolidating the relationship between them, benefitting from their joint efforts, and exchanging experiences in the fields of arts and culture, which will help in achieving many strategic goals to serve this MOU in general and Al Murabbaa Arts Festival in particular. This understanding is also crucial for the success of all other cooperation or events that would take place in the future.

Source: Zawya

Fujairah Tennis and Country Club Set to Host Sixth West Asia Fujairah Cup

Buoyed by the success of previous editions, the Fujairah Tennis and Country Club (FTCC) in association with the UAE Tennis Federation announced the launch of the sixth edition of West Asia Fujairah Cup. Part of ITF's World Tennis Tour Juniors' calendar, the tournament is taking place from November 8-13. The new edition of the West Asia Fujairah Cup will see the participation of 60 boys and 40 girls from across the globe. Four UAE players will also fly the country's flag at the event. "Fujairah Tennis club and UAE Tennis Federation have ensured all measures to enhance the safety during the tournament. The UAE Tennis Federation has provided necessary support to enhance the health and wellbeing of all participants during the event," said Salah Meridien, General Manager of Fujairah Tennis club. Fujairah Tennis and Country Club has a long history of organising international-level tournaments. For more than five years, the FTCC has organised several events of national and international levels.

Source: Gulf Today

GIQ EXCLUSIVE SOUNDINGS

Oil Prices Steady as OPEC Sticks to Production Plan Despite Intensifying US Pressure

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

- **Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy**
- **Andrei Belyi, PhD Professor, Founder & CEO Balesene OÜ**
- **Marc Ostwald, Chief Economist & Global Strategist, ADM Investor Services International**
- **Frank Kane Senior Business Columnist Arab News**
- **Dr. Charles Ellinas, CEO, Cyprus Natural Hydrocarbons Co. & Senior Fellow Global Energy Center - Atlantic Council**
- **Victor Yang, Senior Editor, JLC Network Technology**
- **Matt Stanley, Director, Star Fuels**
- **Walter Simpson, Managing Director, CCED**

Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy
"I'm not quite sure how to read President Biden. He seems to be all over the place when it comes to oil policy. The main problem the US is facing is inflation. Of course, gasoline prices play an important role, but to blame everything on OPEC is too simplistic."

Andrei Belyi, PhD Professor, Founder & CEO Balesene OÜ
"In the summer, the weather was good, but we still had panic on gas markets. So, the price is not necessarily always correlated to seasonal variations. The price should retreat to some extent unless there's an unexpected event that affects the psychology of markets again."

Marc Ostwald, Chief Economist & Global Strategist ADM Investor Services International
"Gasoline prices in the US are always a massive hot potato. In some states you are seeing gasoline prices getting close to a very emotional $4 level."

Frank Kane Senior Business Columnist Arab News
"Saudi Arabia is taking the view that if the US wants more oil, there's plenty of it to be pumped in Texas and New Mexico and that President Biden could lift some of the restrictions and financial disincentives he has put in place, if he wants to make that happen."

Dr. Charles Ellinas, CEO, Cyprus Natural Hydrocarbons Co. & Senior Fellow, Global Energy Center - Atlantic Council
"The European energy crisis has been caused by a couple of factors. One, is lack of liquidity in gas. Gas storages was depleted last winter and summer and were not being filled fast enough."

Victor Yang, Senior Editor, JLC Network Technology
"China stocked up last year and so reduced imports in September and October when prices were so high. But we expect demand for oil will rebound in the last two months of this year modestly."

Matt Stanley, Director, Star Fuels
"The world is still in somewhat of an energy crisis and is facing significant headwinds. Furthermore, China has now become a mature economy. We can't just look at 6%-7% growth anymore. I think we will get to $90/bl by the end of November."

Walter Simpson, Managing Director, CCED
"It is a confusing time. What's going to happen next year isn't clear to me. There are ups and downs and we don't really know. I am a bit bearish when I look at my predictions on pricing. I hope it stays up at this level."

ENERGY MARKETS FORUM NEW SILK ROAD LIVE

Consultancy Intelligence Publishing

TOP 10

NOV 7th - NOV 11th

MARKET OBSERVATIONS FOR THE WEEK

1. The FED's tapering is too little too late to guide the Titanic world economy away from hitting the inflation iceberg.
2. President Biden looks silly begging OPEC+ to increase oil supply when he has himself introduced policies that have curtailed US companies from producing more oil in the US.
3. Winter is coming early, and it looks like it is going to be a frosty one, and perhaps many countries will be caught out short of gas, coal, oil etc. -- choose your weapon!
4. Gas prices overinflated in Q3 - at first pushed by fundamentals but then by sentiment. All eyes now on whether Russia fills storage coffers in mid-Nov, which would push prices lower.
5. All markets – oil, Bitcoin, equities – seen trending up in one last push towards end of the year, with WTI crossing $90.
6. Gas prices overinflated in Q3 - at first pushed by fundamentals but then by sentiment. All eyes now on whether Russia fills storage coffers in mid-Nov, which would push prices lower.
7. Iran talks with US and Saudi unlikely to lead to material result anytime soon, with new Iranian regime wanting to demonstrate strength, placing preconditions and escalating regional proxy tensions.
8. Central bankers in the west starting to fret about China's property meltdown impact on demand for raw materials – from energy to copper, iron ore and steel.
9. China reversal of policy on coal imports and production to continue through heating season till March, after which it will resume switch to cleaner fuels like natural gas.
10. China's oil imports are set to climb back above 10 million bpd over the next three months ahead of the peak-demand window with the Chinese New Year holidays at the end of January.

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