

JANUARY 28th 2021
VOL. 60

Fujairah

New Silk Road

WEEKLY NEWSLETTER

Supported By:



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

AN EXCLUSIVE GULF INTELLIGENCE INTERVIEW

“EGYPT TO OFFER MORE OIL & GAS BLOCKS FOR TENDER IN FEBRUARY”

H.E. Eng. Tarek El Molla

Minister of Petroleum & Mineral Resources, Egypt

Egypt plans to launch additional oil and gas blocks for tender in the coming weeks in the offshore Nile Delta Mediterranean, as well as onshore in the Western and Eastern Deserts. The concession areas will be offered by the Egyptian General Petroleum Corporation (EGPC) and the Egyptian Natural Gas Holding Company (EGAS). This follows the recent success of concessions awarded offshore in the western Mediterranean to major international oil companies – Exxon Mobil, Chevron, Total, BP, Shell and regional partners Mubadala Petroleum and KUFPEC. In addition to these opportunities, we have also awarded three blocks in the Red Sea. Our priority is to attract investment into Egypt’s upstream natural gas sector. In the downstream sector, we have several refinery projects underway, mostly undertaken by the government to expand capacity and reach self-sufficiency in refined products by 2023. We have two to three major projects in Alexandria -- 60% expansion of the Midor refinery and a large hydrocracker project in Assuit. We have also commissioned a refinery project for gasoline to meet Egypt’s growing cross country transportation needs.

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

Source: GI Research - Weekly Phone Survey of Terminal Operators

Fujairah Weekly Oil Inventory Data

7,264,000 bbl

Light Distillates



4,500,000 bbl

Middle Distillates



9,995,000 bbl

Heavy Distillates & Residues



Source: FEDCom & S&P Global Platts



Consultancy Intelligence Publishing

THE WEEK In Numbers



Weekly Average Oil Prices

Brent Crude: \$55.59/bi

WTI Crude: \$52.58/bi

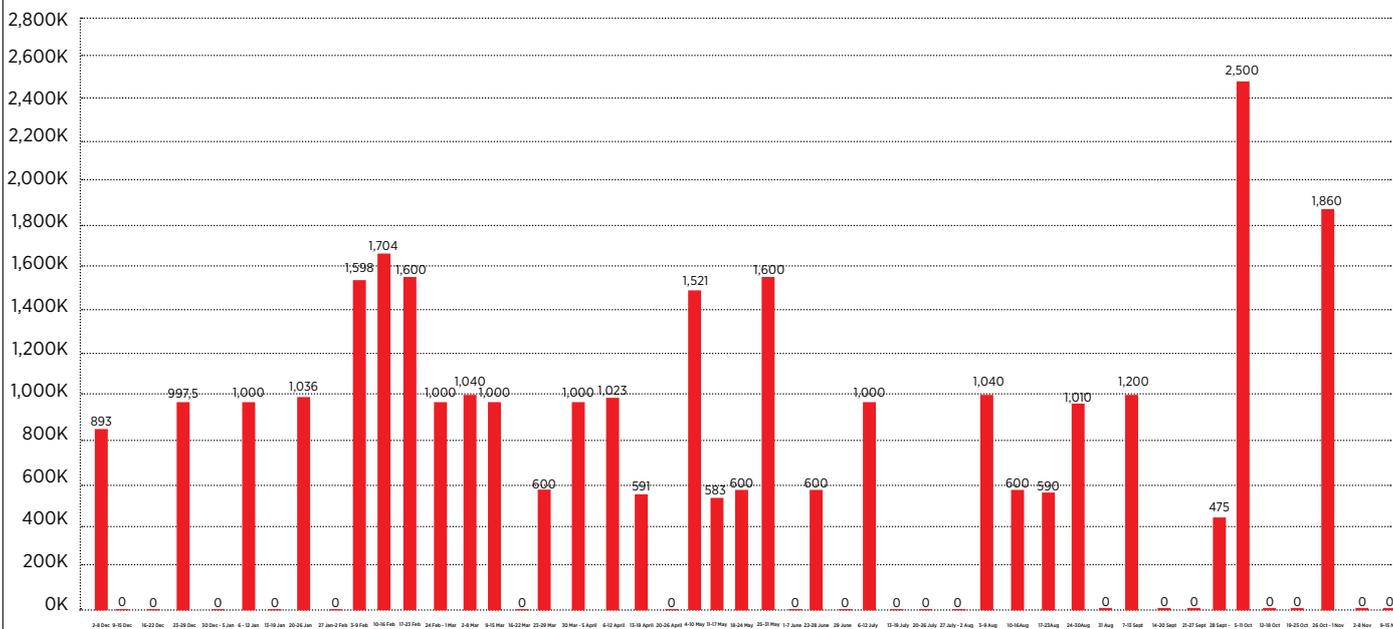
DME Oman: \$55.29/bi

Murban: \$55.42/bi

Time Period: Week 4, January 2021
Source: IEA, OilPrice.com, GI Research

Weekly Imports of Heavy Sweet Crude into Fujairah

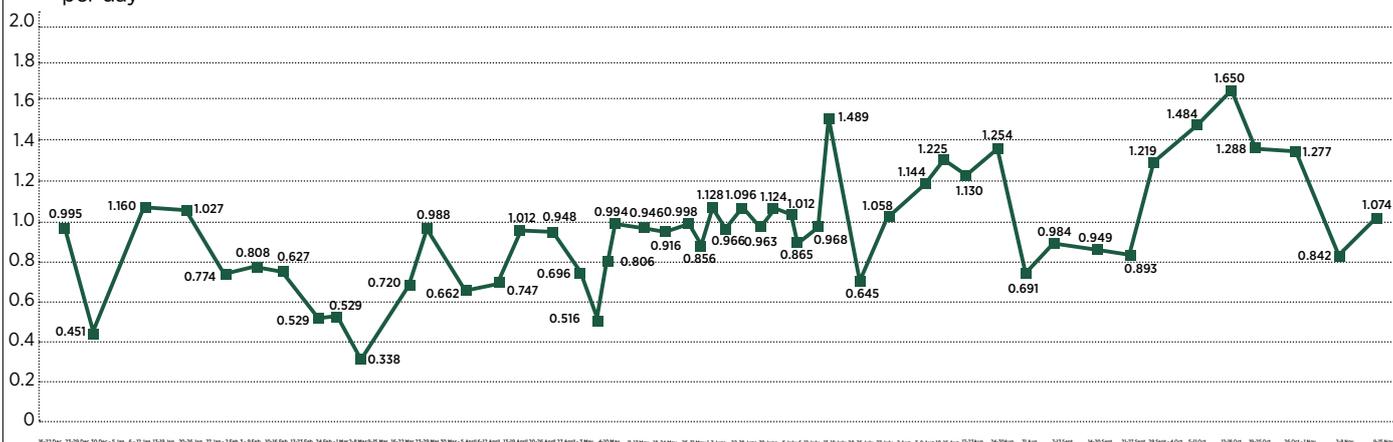
Total barrels



Source: Kpler

Total Refined Product Exports from the GCC to Asia-Pacific

Million barrels per day



Source: Kpler

H.E. Eng. Tarek El Molla Minister of Petroleum & Mineral Resources Egypt

CONTINUED FROM PAGE 1

GIQ: What lessons can we take from 2020 into 2021?

H.E. Eng. Tarek El Molla: Egypt had started on a journey of economic reform in 2016 and this has thankfully helped us weather the challenge to the global economy. One strategy a few years ago was to remove subsidies on fuel which has brought consumption levels down to manageable volumes and enabled us to manage supply and demand. As a result, when the crisis hit last year, we had storage capacity and we were able to purchase with long term hedged contracts. We have also established smart operations at our refineries to give us flexibility to switch products. This was instrumental last year when the travel bans came into force and we retuned our refineries from jet fuel to produce more gasoil and diesel. As a result, we were able to cover the needs of the market with local production for two consecutive months.

GIQ: What is your outlook for supply and demand coming back to balance in 2021?

H.E. Eng. Tarek El Molla: While we are a net importer, we are a country that also produces hydrocarbons and we worked hard with our international partners operating in Egypt to maintain production, even while under cash flow stress. If they had reduced their production, we would have had to increase imports, something which we wanted to avoid.

GIQ: How have increased CapEx cuts impacted the oil and gas sector?

H.E. Eng. Tarek El Molla: CapEx cuts were reflected across all operations, including in Egypt. We are now working together to ensure these cuts are distributed over the long term so that they do not lead to a decrease in production. We need investment in exploration and production to continue.

“SMART OPERATIONS AT OUR REFINERIES WERE INSTRUMENTAL LAST YEAR AS WE COULD RETUNE FROM JET FUEL TO MORE GASOIL AND DIESEL, ALLOWING US TO COVER DOMESTIC DEMAND FOR TWO CONSECUTIVE MONTHS.”

GIQ: How has the recent increase in LNG prices impacted Egypt?

H.E. Eng. Tarek El Molla: This has been helpful following the low prices in 2020. We were only able to export a few cargoes throughout last year but since October, we have booked all our volumes to be exported from the LNG plant east of Alexandria and we already have cargoes booked up to March 2021. The Damietta plant with a capacity of about 8 million tons should reopen towards the end of February 2021 and we plan to add another 4.5 million tons, taking our total export capacity of LNG to 12.5 million tons.

GIQ: Do you advocate for gas to be a bridge fuel in the energy transition?

H.E. Eng. Tarek El Molla: Gas is definitely the transition energy that is required for the world. Egypt has been a model for this. All of our power plants are fired by gas. We also have an important project focused on transforming vehicles to run on compressed natural gas (CNG). Of course, this was a project that started 25 years ago, but now the country is pushing and implementing initiatives to incentivize motorists to use CNG. This is in addition to our aim to encourage people to shift from LPG to natural gas for household connections.

GIQ: What are your ambitions for the EMGF?

H.E. Eng. Tarek El Molla: We founded the East Mediterranean Gas Forum in September and put together a budget for 2021 that would provide more opportunity and less risk for our partners. We want this to be an organization that will successfully manage gas among the member countries so that it can be a catalyst for economic welfare. It will also give opportunities to international companies that are interested in the gas business.

 [WATCH FULL INTERVIEW HERE](#)

ENERGY MARKETS COMMENTARY WEEK IN REVIEW



GI DAILY ENERGY MARKETS FORUM
NEW SILK ROAD LIVE PODCAST
SUNDAY /// JAN 24th /// 2021



Peter McGuire
Chief Executive Officer
XM Australia



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



Sean Evers
Managing Partner
Gulf Intelligence








GI DAILY ENERGY MARKETS FORUM
NEW SILK ROAD LIVE PODCAST
MONDAY /// JAN 25th /// 2021



Omar Najia
Global Head, Derivatives
BB Energy



Randall Mohammed
VP, Energy Solutions
Ahart Solutions International



Victor Yang
Senior Editor
JLC Network Technology








GI DAILY ENERGY MARKETS FORUM
NEW SILK ROAD LIVE PODCAST
TUESDAY /// JAN 26th /// 2020



Leo Tameeris
Chief Executive Officer
NRG Global



Robin Mills
Chief Executive Officer
Qamar Energy



Paul Young
Head, Energy Products
Dubai Mercantile Exchange








GI DAILY ENERGY MARKETS FORUM
NEW SILK ROAD LIVE PODCAST
WEDNESDAY /// JAN 27th /// 2021



Narendra Taneja
India's Leading Energy Expert



Kevin Wright
Lead Analyst APAC
Koler



Edward Bell
Senior Director, Market Economics
Emirates NBD








GI DAILY ENERGY MARKETS FORUM
NEW SILK ROAD LIVE PODCAST
THURSDAY /// JAN 28th /// 2021



Walter Simpson
Managing Director
CCED



Dr. Carole Nakhle
Chief Executive Officer
Crystal Energy



Ahmed Mehdi
Research Associate
Oxford Institute for Energy Studies





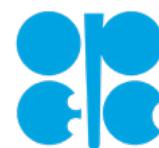



CLICK HERE
TO LISTEN

GIO FEATURED INTERVIEW

“We are not focused on price. We are focused on returning this market to stability.”

**H.E. Mohammed Barkindo, Secretary General,
Organization of the Petroleum Exporting Countries (OPEC)**



Can the market absorb an extra 2.5mn barrels of oil in April?

H.E. Mohammed Barkindo: We're taking it step by step in an adaptable approach with supply adjustments, especially for the first quarter. The worst is over for the oil market and we are positioning ourselves for a strong rebound in 2021. Demand will be a combination of many interrelated variables – vaccines, lockdowns, fiscal and monetary stimulus and GDP – and we will have to continuously manage these.

Did you envisage a market approaching \$60/bbl?

H.E. Mohammed Barkindo: We are not focused on price. We are focused on returning this market to stability, which had eluded us for most of 2020. This has been to the detriment of not only producers, but also consumers and, by extension, the global economy. Despite the measures we took in 2020, we continue to see stocks stubbornly high and we're focused on assisting the market in accelerating the stock drawdown to bring it to balance. OECD stocks are still over 160 million barrels over the five-year average and non-OECD figures are also a concern.

Are you concerned about the speed of the price recovery? Could OPEC have over tightened the market?

H.E. Mohammed Barkindo: There's no cause for alarm. We are keeping our hands firmly on the driving wheel on a month-to-month basis. The fragility and uncertainties of this market require OPEC and its non-OPEC partners to ensure that



the market does not relapse into the huge imbalances that we saw last year.

If the new US administration returns to the JCPOA, is OPEC ready to make room potentially for 1-2mn b/d of Iranian oil in 2021?

H.E. Mohammed Barkindo: We have established a record of continuously adapting, being flexible and addressing issues as they emerge. Discussions within the group in December and January were all focused on the fundamentals of the oil market during this unprecedented Covid-19 period. We have never experienced what we saw

during 2020, and we remain focused, with all participating countries, led by the kingdom of Saudi Arabia and the Russian Federation, to ensure that we help the market to recover in 2021.

How much of a risk is US shale to OPEC losing control of the market?

H.E. Mohammed Barkindo: All producers of hydrocarbons have suffered in 2020. We have been in consultations with the US independents and in fact established this line of communication in 2017 after the signing of the Declaration of Cooperation. We have seen contraction of non-OPEC supply of about 2.5 million barrels a day in 2020 – US companies were not insulated. It is a shared responsibility to maintain stability in the market and there is an understanding, even with the US independents, that no one group of producers can continuously maintain stability for this huge market.

Is there a split in the OPEC+ relationship in terms of direction?

H.E. Mohammed Barkindo: When you put 23 sovereign countries together in one room to agree, differences are going to emerge. But in the last four years, we have seen great cooperation and we continue to take decisions together and monitor the implementation of these decisions. We have established a solid relationship at the core of multilateralism, and we are more confident now, that having survived 2020, this relationship will continue going forward.

Source: The 11th Gulf Intelligence 'Global' UAE Energy Forum, January 13, 2021

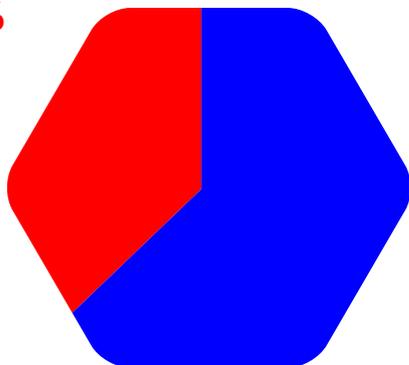
WATCH FULL INTERVIEW HERE



Weekly Surveys

Equity markets hit records a few times last week and many commodities are up triple digits since Covid-19 - is this a time to Buy or Sell?

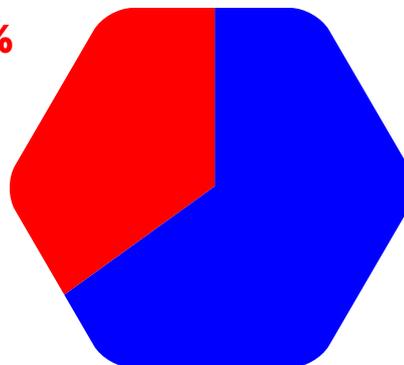
37%
Sell



63%
Buy

With resurgence Covid-19 infections and lockdowns, and delays in vaccine rollout: will we need to see further oil supply constraints to keep oil prices in the \$50s/bbl?

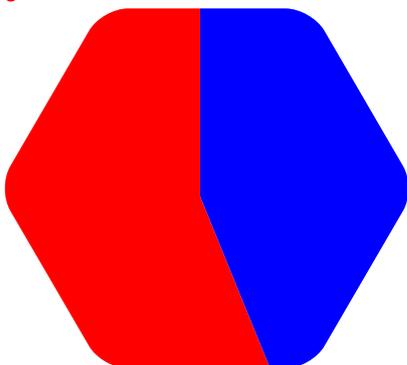
35%
No



65%
Yes

Can global oil demand achieve a 6mn b/d recovery in 2021 with a two-tier vaccine rollout where developing countries don't receive adequate supplies until 2022?

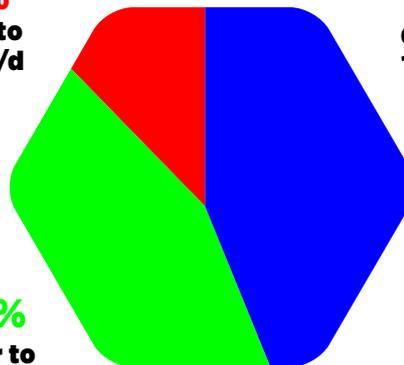
56%
No



44%
Yes

Oil Production fell from approx 13mn b/d to 11mn b/d over last year - what will it be at end of 2021?

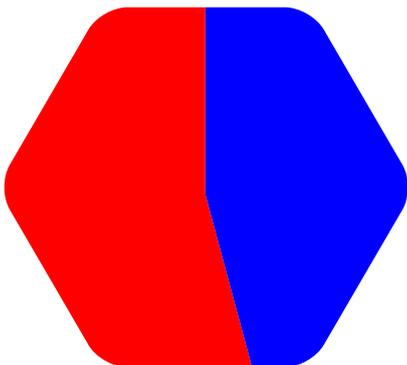
12%
Closer to 13mn b/d



44%
Closer to 11mn b/d

We are now moving from what was just a Q1 demand write off to now pricing in more demand pain in Q2 due to the slow vaccine rollout: do you think we will still achieve the generally expected 6mbpd demand recovery in 2021?

54%
No



46%
Yes



Source: GIQ

ENERGY MARKET NEWS

RECOMMENDED READING

- 1. OIL SLIPS ON TIGHTENING COVID19 CURBS, ESPECIALLY IN CHINA**
- 2. BIDEN ORDERS SWEEPING ACTIONS TO PAUSE ENERGY DRILLING AND FIGHT CLIMATE CHANGE**
- 3. US CRUDE EXPORTS JUMP DESPITE EUROPE, ASIA ARBITRAGE PRESSURE**
- 4. CHINA PROTESTS AMIDST REPORTS OF BAN ON CHINESE MOBILE APPS BEING EXTENDED**
- 5. SHIPPING COSTS FROM CHINA TO EUROPE SOAR AMID CONTAINER SHORTAGE**
- 6. EXXON MAINTAINS DIVIDEND AS OIL RALLY EXPECTED TO BOOST CASH**
- 7. JOHNSON HEADS TO SCOTLAND AMID FEARS OF BREAK UP OF UK**
- 8. GLOBAL OIL DEMAND TO RISE, BOOSTED BY VACCINE DISTRIBUTION AND ECONOMY - WOODMAC**
- 9. NEW US SECRETARY OF STATE STANDS BY DEMAND IRAN RETURN TO NUCLEAR DEAL BEFORE US DOES**
- 10. APPLE SEES REVENUE GROWTH ACCELERATING AFTER SETTING RECORD FOR IPHONE SALES, CHINA STRENGTH**



RECOMMENDED VIDEOS & REPORT

- **EIA REPORTS SUBSTANTIAL DROP IN US OIL INVENTORY AS IMPORTS DECLINE**
- **EGYPT TO OFFER MORE OIL & GAS BLOCKS FOR TENDER IN COMING WEEKS**
- **TARGETS FOR EU'S GREEN DEAL IN 2021?**

US Oil & Gas Leasing Moratorium

“Your government is going to work with you. Now today’s executive order also directs the secretary of the interior to stop issuing new oil and gas leases on public lands and offshore waters, wherever possible. We’re going to review and reset the oil and gas leasing program.”

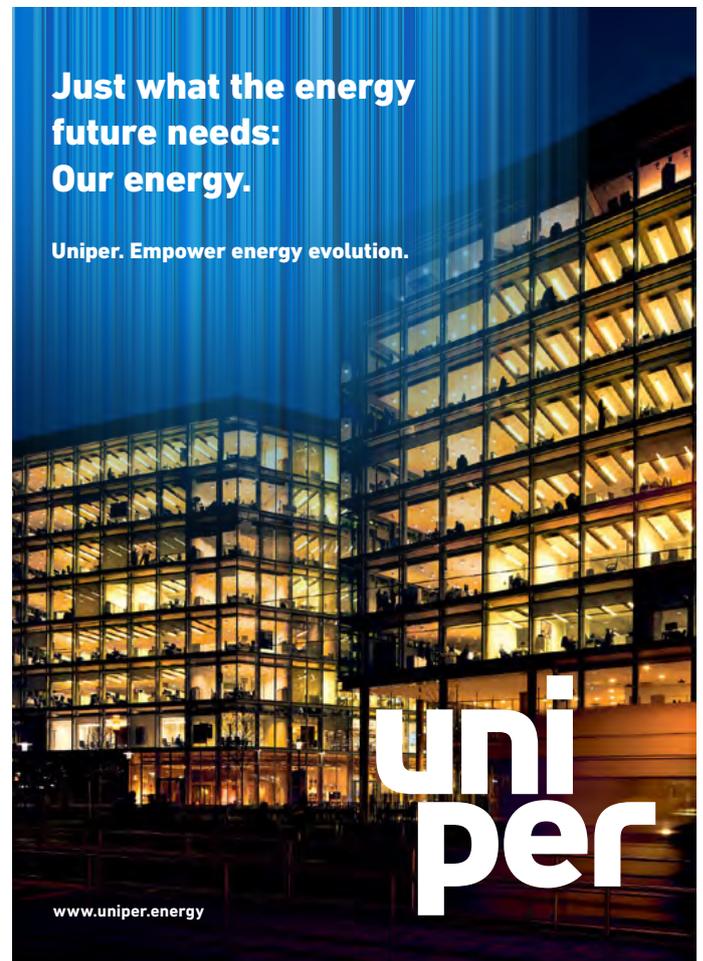
Joe Biden
President
United States



Source: Joe Biden’s Speech on the US Climate Agenda, January 27, 2021, npr.org

Just what the energy future needs:
Our energy.

Uniper. Empower energy evolution.



www.uniper.energy



Hosted By:



From crisis to low carbon opportunity: A decade of delivery for the oil and gas industry

23 – 25 February 2021

VIRTUAL EVENT

Speakers include:

IP Week 2021: Today's oil and gas sector faces the toughest of operating environments, but the ingenuity of its people, its engineering capabilities and innovative spirit are all pivotal in rising to these global challenges.

As the sector's leaders and influencers gather virtually for IP Week 2021, the urgency of action, together with the associated risks and opportunities in geographies around the world, will be at the heart of an unmissable agenda.



Bernard Looney
CEng FREng FEI
CEO
BP

Gauri Singh
Deputy Director-General
IRENA

Patrick Pouyanné
Chairman and Chief Executive
Officer
Total

Anders Opedal
CEO
Equinor

Helima Croft
Managing Director and Global
Head of Commodity Strategy
RBC Capital Markets

Keisuke Sadamori
Director
IEA

50+ countries
With region focused sessions



200+ companies
Influential senior level executives



1,500 participants
Register to confirm your place



Energy Institute Knowledge Partner:	IP Week Knowledge Partner:	IP Week Partner:	IP Week Student Engagement Partner:	IP Week Legal Partner:	Gold Sponsors:

Gold Sponsors:	Silver Sponsors:	Bronze Sponsor:

www.ipweek.co.uk

GI EXCLUSIVE SOUNDINGS

OIL DIPS AS INCREASING COVID-19 CURBS DENT SENTIMENT

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.

- Narendra Taneja, India's Leading Energy Expert
- Walter Simpson, Managing Director, CCEd
- Kevin Wright, Lead Analyst APAC, Kpler
- Edward Bell, Senior Director, Market Economics, Emirates NBD
- Leo Tameeris, CEO, NRG Global
- Paul Young, Head, Energy Products, Dubai Mercantile Exchange
- Victor Yang, Senior Editor, JLC Network Technology
- Omar Najia, Global Head, Derivatives, BB Energy
- Dr. Carole Nakhle, CEO, Crystol Energy
- Ahmed Mehdi, Research Associate, Oxford Institute for Energy Studies

Narendra Taneja, India's Leading Energy Expert

"When you look at the overall policy initiative on the part of the government, India is getting back to normal. The first and second quarter will still be under a cloud, but come first of April, when the new fiscal year starts, I think it's going to get much better and the demand for oil is only going to grow."

Walter Simpson, Managing Director, CCEd

"Compliance is going to be more and more of an issue this year. The economies of the OPEC+ countries are hurting and clearly, as prices recover, there will be more and more of a domestic push to increase their production and get out into the market."

Kevin Wright, Lead Analyst APAC, Kpler

"If we look at recounts, the technology improvements and break even numbers, if we're in the low \$50s range, then the vast majority of shale producers would be able to increase production. Hence, I would expect to start to see a return to the levels that we saw in 2019."

Edward Bell, Senior Director, Market Economics, Emirates NBD

"It is very critical to watch how the OPEC+ diplomacy will hold this year. If Saudi Arabia sees that other participants are sticking to their terms of the deal and not increasing production beyond their own quota levels, then the Kingdom will continue to support the market, maybe not with 1mn b/d of additional cuts from the second quarter onwards, but enough to make sure that the market stays in draws."

Leo Tameeris, CEO, NRG Global

"China's refinery throughput in December was practically unchanged from the month before but imports are down with a stable domestic production. That means that they've been eating into the domestic stocks and I think that's a trend that we'll continue to see. Floating storage is practically gone. In fact, there are now talks again about an increase in VLCC scrapping, with scrap values at their highest in three years."

Paul Young, Head, Energy Products, Dubai Mercantile Exchange

"Saudi is very much a supply side champion with that additional 1mn b/d cut. I take that as very bullish for the market that the Saudis, come what may, are going to protect that price in the \$50s, unless a complete demand shift happens."

Victor Yang, Senior Editor, JLC Network Technology

"Chinese refiners have finished purchases for March. January import cargoes have surged, with many independent refiners having placed more orders for the first quarter, but they have now slowed down post-March purchases because of demand concerns. Still, imports from some countries will continue to grow."

Omar Najia, Global Head, Derivatives, BB Energy

"The trend for the oil market is going to be up and it's a buying market. S&P should start accelerating fairly soon as well."

Dr. Carole Nakhle, CEO, Crystol Energy

"If you look at all the forecasts, the concentration is on the second half of the year onwards where things should be looking better. With the oil markets, I believe that the current gains will be sustained for the rest of the year ahead."

Ahmed Mehdi, Research Associate, Oxford Institute for Energy Studies

"Iraq's January exports will be down, but not because of any kind pressure from OPEC. There's been a drop-off on the KRG side and some of the crude is being rerouted to their domestic refineries. There was a supply contract from the federal region to the KRG refiners, which were canceled earlier this month. So the call on domestic crude has increased slightly."



أدنوك
ADNOC

WE BRING ENERGY TO LIFE

For over fifty years, we've helped drive the prosperity of our world, our nation, our partners and our customers. But this is just the start of our story. We are determined to constantly improve our products, optimize our costs, drive greater efficiencies and deliver more value. All while innovating to protect our environment and to empower the communities we serve. That's not simply our purpose, it's our promise to future generations.

adnoc.ae @adnocgroup

Abu Dhabi National Oil Company

ENERGY MARKETS VIEWS YOU CAN USE

Robin Mills

Chief Executive Officer, Qamar Energy



Is it fiscal stimulus or the coronavirus that's winning the economic battle?

The tension between the two has continued since last April. Oil prices have recovered \$10 in ten months and where we are today at around \$55 a barrel is relatively sensible. We should see solid demand recovery in the second half of 2021, but it won't be back to pre-pandemic levels till next year. Today, we have a severe surge in infections in the US and Europe and some returning cases in China which is quite worrying. On the positive side, we have a vaccine rollout but there are also indications it may be tougher to get to a high level as quickly as we might have hoped.

Was the Saudi move to cut output unilaterally a surprise?

I don't think they're going to want to persist in that or make deeper cuts. They will be hoping that by the next meeting in March, there is enough market recovery to add back those volumes. If not, they may have to persist with their cuts while some other members will want to start increasing output.

Is compliance within the OPEC Plus group at threat?

Iraqi compliance is up for now. Although Iran is not subject to quotas, we are seeing some challenges on monitoring its output, with signs that exports are trickling out from storage. But unless sanctions are substantially relaxed on Iran, there will be no impact on the market. The US Biden administration is still figuring out its policy and they're also busy with domestic matters.

What's the legacy on gas given recent LNG price spikes?

This was due to many factors - logistics at the Panama Canal, LNG plants around the world going offline and a very cold winter in Asia. What it demonstrated was that Chinese demand has become the dominant driving force in LNG. Longer term, the price spike may help reignite interest in projects in the US and could be positive for emerging producers like Mozambique. But price spikes can also scare off new markets like India and Pakistan from using LNG. The latter witnessed defaulting on cargos this winter, which is not a way to build a market.

Christof Ruhl

Senior Research Scholar, Center on Global Energy Policy Columbia University



HOPE vs FEAR?

We are still in Covid-19 alley, where some weeks the hope for vaccines tops the list, and some weeks there is an increasing number of people hit with infections. So, within this pandemic, this bounce back between hope and fear of mutation, I think now we are going a little bit towards the fear side and there's talk of a third wave. We have tighter lockdowns in Europe, and we have new lockdowns in China affecting more than 20mn thus far. Boris Johnson is now saying that this new Covid-19 variant mutation is more deadly. The longer this mess continues, the more likely it becomes we get serious vaccine resistant or mortality increasing mutations.

Oil Markets Reach Tipping Point?

Oil markets seem to be very close to reaching a plateau tipping point, from which it is hard to see additional price increases without a supply response. We see volatility in other energy markets, most notably in LNG, partially because of the winter and partially because of infrastructure constraints. This indicates underlying structural shifts in Asia, particularly in China with demand for natural gas. On the economic side, there is short term hope for the big demand boost in 2021, and fears for a pathway to a double-dip recession.

Inflation Threat from Huge Increase in Money Supply?

We have money supply going up 10 to 20-fold in developed economies like the US and in Europe. We have record indebtedness, and it is very hard to see a growth path out of that. It is very easy for me and other economists to see two things -- one is an inflationary spark, which would bring growth hopes down and recession fears up; and the second is a credit crunch, a debt deflation, which would also spark recessionary fears. So, the path out of this indebtedness and this huge money creation in a healthy sound way, the long-term path beyond 2021, is increasingly hard to see. We see the first signs that bond prices are actually going down, meaning interest rates are going up, meaning that long term recovery is in danger and inflation fears are not unjustified.



Gulf Intelligence
- Presents -

THE ARAMCO TRADING
NEW SILK ROAD

CEO

- OF THE YEAR -

AWARDS

2020

FUJAIRAH



2020 AWARD WINNERS

TRADING



Russell Hardy
Group Chief Executive Officer
Vitol

REFINING



Nicke Widyawati
President Director & Chief Executive Officer
PT Pertamina (Persero)

STORAGE



Rob Nijst
Chief Executive Officer
VTTI

PORTS



Quah Ley Hoon
Chief Executive
Maritime and Port Authority of Singapore

SHIPPING



Kristian Mørch
Chief Executive Officer
ODFJELL SE

Fujairah Spotlight

New Refineries to Increase Middle East Product Sales

Middle East oil product sales could reach 8 million-9 million b/d by 2023 as new refineries open up in the UAE, Saudi Arabia, Iraq and Oman, Glander International Bunkering senior sourcer Sean Burgin said. This additional volume could boost business in Fujairah, complementing bunker demand plus storage and trade activities,' Burgin told the Petrosport Middle East Bunkering Convention held online Jan. 26. Refining capacity in the Middle East is continuing to grow at pace, with a number of new, export-oriented plants and capacity upgrades due to come onstream in the coming years. S&P Global Platts Analytics expects total refining capacity in the Middle East to rise to average 12 million b/d in 2023, up from 9.9 million b/d in 2019.

Source: S&P Global Platts

Covid-19: Dental, Cosmetic Procedures to be Stopped in UAE

The Ministry of Health and Prevention in the UAE has issued a circular to private health facilities to postpone non-essential surgeries across the country amid the Covid-19 pandemic. The directives are applicable to facilities in Sharjah, Ajman, Ras Al Khaimah, Umm Al Quwain and Fujairah. Such health facilities are to postpone surgeries that require general anesthesia and blood transfusion. They also need to stop cosmetic services such as hair removal, botox, fillers and facelift and hair transplantation.

Source: Khaleej Times

NBF CISO to Share Top Security Insights at 'Doubling Down on Digital' Roundtable

National Bank of Fujairah's (NBF) CISO, Hariprasad Chede will be taking part in a high-level panel to share insights into the security aspects that are impacting the rise of digital banking in the region. In 2011, Chede joined NBF to head up its information security department, where he is responsible for the development and implementation of the bank's information security programme. This includes establishing and overseeing the bank's security architecture, ensuring data privacy, overseeing regulatory compliance and developing and implementing security-related policies to mitigate any operational risks.

Source: ITP.Net



Fujairah Weathers tough Market Conditions but 'Brighter' Supply Prospects in View

The Fujairah bunker industry felt the impact of demand contraction last year with monthly volumes dropping back from 700,000 mt in 2019 to 575,000 mt, said Sean Burgin, Senior Purchaser at Glander International Bunkering, at the opening session of the virtual Middle East Bunkering Convention. Burgin gave a sombre overview of the impact of the coronavirus on shipping and bunker markets in Fujairah and the wider Middle East region. The 'new normal' will mean living with higher debt levels as companies and markets are supported by finance inflows 'to allow them to steer their way out of this economic downturn'. After a strong start in 2020, following the introduction of the IMO' 0.50% global sulphur mandate, the pandemic put oil, shipping and bunker markets into sharp reverse.

Source: Bunkerspot

New Landmarks Open, Hotel Occupancy Up

The Roman-style Khorfakkan Amphitheatre was launched in December. Fujairah saw the launch of the Rumailah Farm, while Ajman Museum reopened in a new form. Dr Ahmad Belhoul Al Falasi, Minister of State for Entrepreneurship and SMEs, noted that the campaign helped raise hotel occupancy across the UAE by 17 per cent as compared to last year. It increased the average hotel room price to Dh450 per night.

Source: Khaleej Times



Consultancy
Intelligence
Publishing

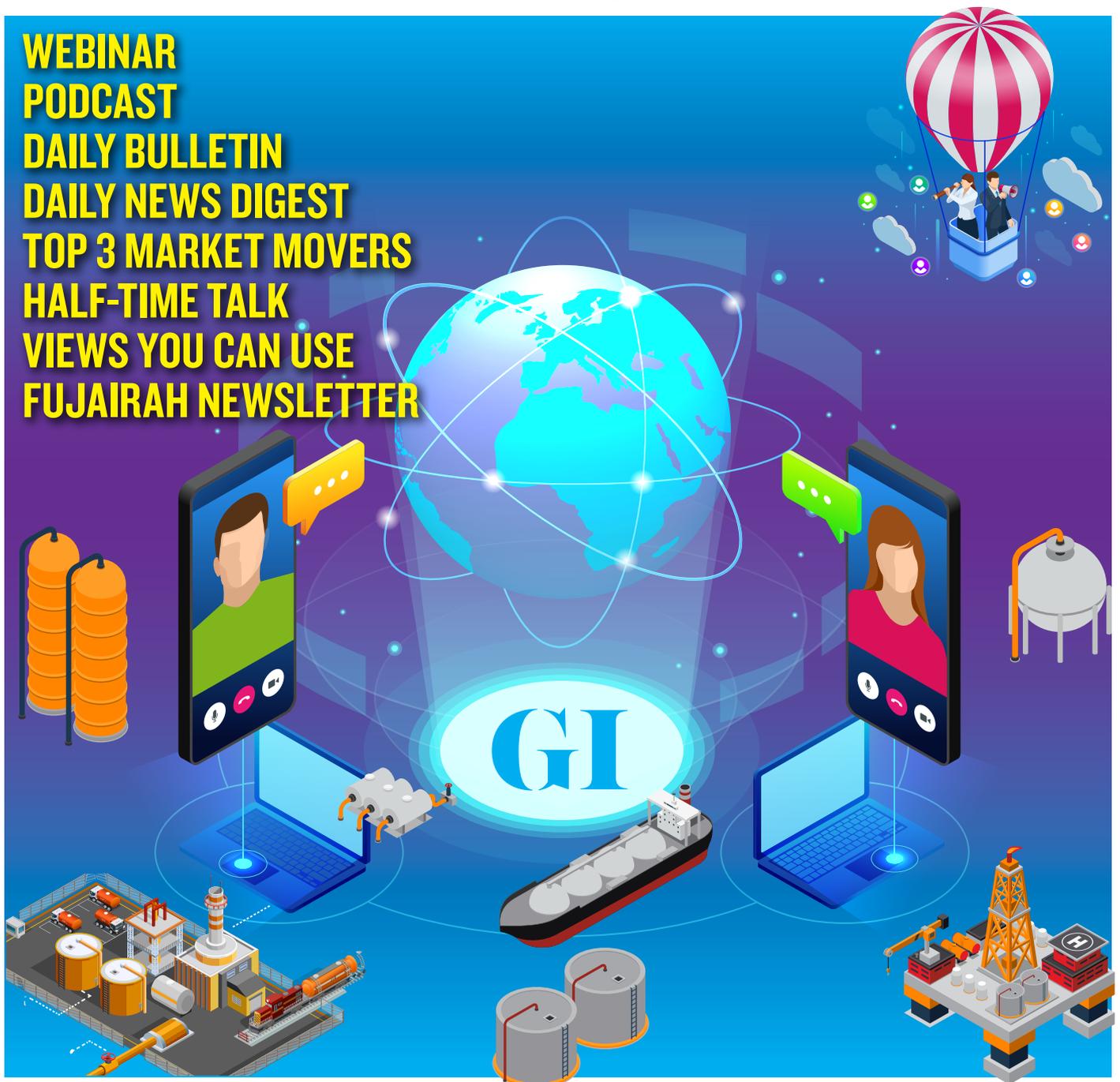
DAILY ENERGY MARKETS FORUM

VIRTUAL ONLINE SERIES 2021

REGISTER AS 2021 BRANDING SPONSOR PARTNER

Contact: Michellemejia@gulfintelligence.com

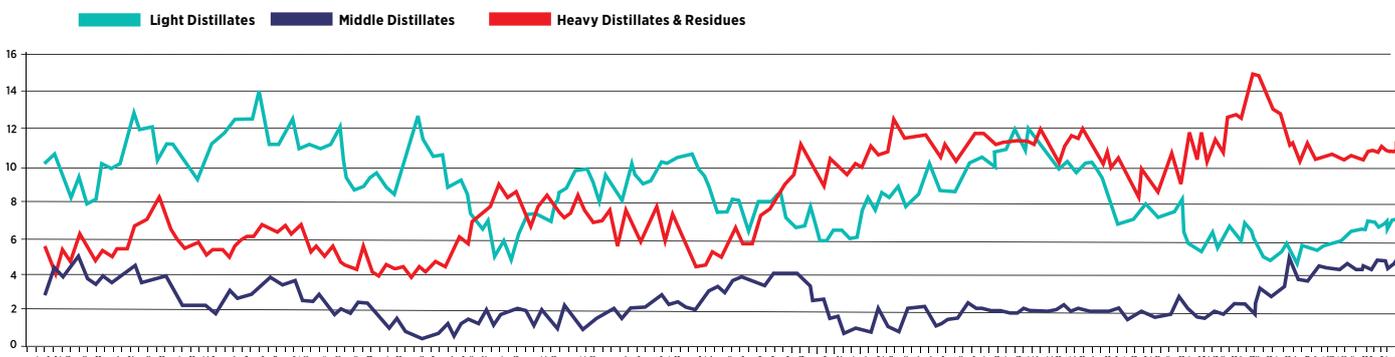
**WEBINAR
PODCAST
DAILY BULLETIN
DAILY NEWS DIGEST
TOP 3 MARKET MOVERS
HALF-TIME TALK
VIEWS YOU CAN USE
FUJAIRAH NEWSLETTER**



Fujairah Weekly Oil Inventory Data



bbl (million)



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 21.759mn barrels. Total stocks fell by 390,000 barrels or 1.8% week on week. In a reverse of last weeks' activity, there were builds in light and middle distillates while there was a large draw in heavy residues.
- Stocks of light distillates saw a build of 393,000 barrels reflecting a rise of 5.7% week on week to stand at 7.264mn barrels. The East of Suez gasoline market remained under pressure as a combination of additional supply in the region as well as an expected US gasoline stock build weighed on sentiment. Demand continued to be impacted by ongoing movement restrictions across a number of countries. Malaysia, which is currently under its second Movement Control Order until Feb. 4, is planning to further strengthen lockdown measures should there be

no improvement of cases, according to local media reports. The new lockdown would see a full lockdown on all economic activity, leaving only essential services open – thereby exerting more pressure on high-octane gasoline in the region.

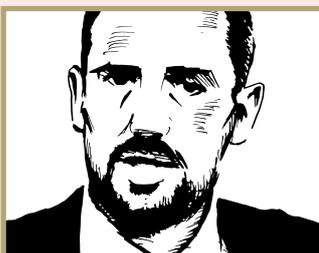
- Stocks of middle distillates rose by 621,000 barrels to 4.5mn barrels – up by 16% on the week. The gasoil market East of Suez was steady amid little change to demand and supply fundamentals. In India, latest provisional data from the country's Petroleum Planning and Analysis Cell showed that India's gasoil production rose 3.3% year on year in December and was fairly stable on the month amid high refinery run rates since November. But a recent surge in Covid-19 cases was putting pressure on demand and may hit gasoil production again. Meanwhile, the pandemic was placing similar pressure on the country's gasoil

exports which remained on a downtrend, falling 15.6% in December from the year ago period, its fourth straight month of year-on-year decline

- Stocks of heavy residues posted a large draw falling 1.404mn barrels, or down 12.3% on the week to 9.995mn barrels. This is the first time they have stood below 10mn barrels since the end of November. On November 30 they stood at 8,615mn barrels. Bunker activity in Fujairah was less-than-average going into the month end, market sources said. Fujairah-delivered marine 0.5% bunker was heard offered at \$445-\$450/mt levels on Jan. 26 with the fuel assessed at \$444/mt, \$4/mt higher on the day. The price level on Jan. 26 in Fujairah reflects a \$3.00/mt discount to Singapore delivered Marine Fuel 0.5% bunker prices.

Source: S&P Global Platts

Morning all. Brent is trading this morning at \$55.42/bl, down 0.39/bl. WTI is trading at \$52.48, down 0.37/bl. Don't worry, two more days left of January before we can all wave it firmly goodbye. It hasn't quite been the start to the year we were all hoping for, has it? A week has passed since Donald left office and blimey, haven't things changed a bit. Yesterday, US President Joe Biden signed a series of executive orders designed to address climate change, including a new ban on some energy drilling. A complete U-turn vis-à-vis the Trump administration. I'm not sure where Donald is



BY MATT STANLEY
SENIOR BROKER
STAR FUELS

at the moment. Probably making himself more orange or something. But if he was watching the TV last night, it must have been the same feeling as when you see your first love out with another

guy. Or your first car that you cherished being driven by someone else. Or worst, your first love in your old car being driven by another guy. Some say I draw on personal experiences in this commentary, I disagree. Oh Mandyyyyy. Anyway. This really is quite the about face but one I think the majority of people were expecting. I have to say though that I did expect oil market to react to this news in a positive way. Let's face it, US oil production has been the thorn in OPEC's side for a while now. If the threat that US oil production relents somewhat, then OPEC+

policy could possibly change too. There was also a very nice 10mn barrel draw on US crude stocks and US oil production ticked down to 10.9mn b/d. Yet, there was no reaction. There were no bullish horns being polished and sharpened. But there was an audible intake of breath heard across markets as everyone seemed to acknowledge the grim reality of what we are all facing ourselves with. Are we looking over the edge to a big correction in markets? Hmmm, this we can talk about for hours. But let's just say that honey pot is edging ever closer. Good day.

January 28, 2021

ENERGY MARKETS FORUM 2021 NEW SILK ROAD **LIVE**



Consultancy
Intelligence
Publishing

TOP 10

JANUARY 24th - 28th

MARKET OBSERVATIONS FOR THE WEEK

- 1.** Oil markets have reached a price level tipping-point where any moves higher will surely trigger more supply.
- 2.** Central bankers are likely to tolerate 'irrational exuberance' for longer than they probably should because of a fear of austerity.
- 3.** Equity markets are hitting record after record and inflated commodity prices may be a Sell, not a Buy.
- 4.** The Covid-19 virus outbreak around Beijing could see up to 40% less travel for the China's New Year holidays over the coming weeks, when usually around 3bn trips are made.
- 5.** In order for oil prices to rally towards \$60/bl it would need to continue to surf on the coat-tails of bullish equities breaking records.
- 6.** OPEC+ may need to delay plans for a further oil supply increases due to demand destruction from resurgent Covid-19 infections, longer lockdowns and stumbling vaccine rollouts
- 7.** As international oil prices climb, China's imports are tapering off with domestic demand being met from cheaper-priced crude in storage.
- 8.** Saudi Arabia's unilateral oil supply cut shows the Kingdom's determination to keep prices in the \$50s/bl.
- 9.** OPEC to continue cautious protection of market sentiment into Q2, keeping an eye on US output.
- 10.** Strong China crude imports for Jan and Feb plus inventory drawdowns signal strong gasoline and diesel consumption.

Smart thinking. Safe hands.



VALUE ENGINEERING, INNOVATIVE & SAFER CONSTRUCTION

- EPC for Bulk Liquid Storage Terminals
- EPC for Spherical and Cryogenic Storage Facilities
- EPC for Offsite & Utilities
- Front-end Engineering Design (FEED) & Detailed Engineering
- Electrical & Instrumentation Works
- Mechanical Works including Piping & Equipment Installation
- Maintenance of Process Plant & Facilities
- Modules Fabrication

SINGAPORE | MIDDLE EAST | MEKONG DELTA

Rotary Engineering Pte. Ltd.

www.rotaryeng.com.sg

HQ: 17 Tuas Avenue 20 Singapore 638828

Tel: (65) 6866 0800 · Fax: (65) 6866 0999 · bdd@rotaryeng.com.sg



Consultancy
Intelligence
Publishing