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NEW SILK ROAD ENERGY MARKETS

Nov. 28th 2024

Fujairah Weekly Newsletter

ISSUE 212

SOUNDING

OPEC+ CUTS

"There's largely an expectation that the extended cuts will be rolled; the question perhaps hanging over the markets this week is whether that's going to be for one month or for one quarter."

Kieran Gallagher,
Managing Director,
Vitol Bahrain E.C

Supported By:

FOIZ
منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone

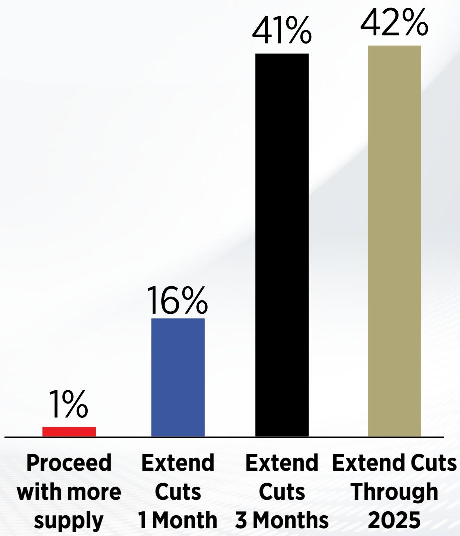
Port of Fujairah
ميناء الفجيرة
Port of Fujairah
United Arab Emirates

"China Much Better Prepared This Time Around for Trump Tariff Policy!"

Michal Meidan
Head of China Research Programme
The Oxford Institute for Energy Studies

TOP SURVEY

What do OPEC+ need to agree to do at Dec 1st meeting to ensure $75 Brent average in Q1?



PODCAST OF THE WEEK

FUJAIRAH WEEKLY OIL INVENTORY DATA

5,823,000 bbl
Light Distillates

2,141,000 bbl
Middle Distillates

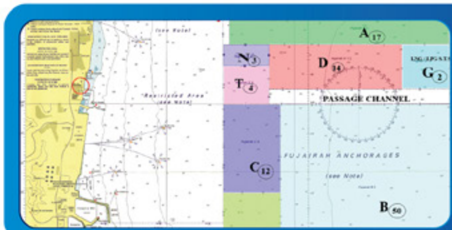
6,271,000 bbl
Heavy Distillates & Residues

THE MULTI PURPOSE PORT

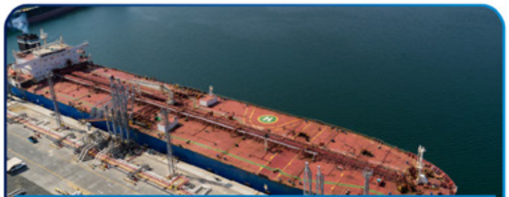
ONE OF THE WORLD'S LEADING ANCHORAGE AND BUNKERING LOCATIONS

Port of Fujairah
ميناء الفجيرة
Port of Fujairah
United Arab Emirates

Dry Bulk Cargo - Key regional aggregate export hub.



Stategically situated on the East Coast of the UAE outside the Straits of Hormuz.



Fujairah Oil Tanker Terminals (FOTT) - The Middle East's premier hub location for oil trading activities.

Bunkering at Fujairah Offshore Anchorage Area - Fujairah is the world's third largest Bunkering Hub.

Fujairah Terminals "FT" - FT provides a full range of container, general and project cargo services.

Extensive pipeline infrastructure connecting the Tank Storage Terminals with FOTT

Liquid Bulk Tank Storage Terminals - The Middle East's largest oil storage hub.

Fujairah Grain Silos - Strategic & commercial grain storage and trading.

FOTT Matrix Manifold System - This unique system provides terminals access to all berths as well enable ITTs between Terminals.

VLCC Berth - The first VLCC Berth on the Indian Ocean, which accommodates oil tanker up to 330,000 DWT.

Service Harbour - A Key facility to support one the world's biggest maritime service hubs.

www.fujairahport.ae

THE WEEK IN NUMBERS

WEEKLY AVERAGE OIL PRICES

BRENT CRUDE	WTI CRUDE	DME	MURBAN
$72.86/bl	$69.24/bl	$73.01/bl	$72.96/bl

*Time Period: Week 4, November 2024
Source: IEA, OilPrice.com, GI Research

FUJAIRAH WEEKLY BUNKER PRICES

VLSFO	MGO	IFO380
High = $565.00/mt	High = $755.00/mt	High = $462.00/mt
Low = $548.50/mt	Low = $748.50/mt	Low = $452.00/mt
Average = $559.50/mt	Average = $752.00/mt	Average = $458.00/mt
Spread = $16.50/mt	Spread = $6.50/mt	Spread = $10.00/mt

*Source: Ship and Bunker, *Time Period: Nov. 20th - Nov. 27th*

FUJAIRAH BUNKER SALES VOLUME (M^3)

2,540 180cst Low Sulfur Fuel Oil	403,915 380cst Low Sulfur Fuel Oil	200,894 380cst Marine Fuel Oil
88 Marine Gasoil	28,034 Low Sulfur Marine Gasoil	3,645 Lubricants

Source: FEDCom & S&P Global Platts

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GI Consultancy Intelligence Publishing

Michal Meidan, Head of China Research Programme, The Oxford Institute for Energy Studies

The Chinese have been putting in measures to stimulate the economy, although I would qualify that by saying that they're looking to stabilize it, rather than re-inject massive growth. So far, the government has injected liquidity into the market, with the focus being on ensuring that local government debt doesn't become a deeper problem; there's a whole debt swap that's going on to give local governments a bit of a lease on life to ensure that they can pay salaries, such as in the construction sector. Real estate has been the driver of a lot of industrial activity and is still weak. But the funding of debt has also been done in a very gradual manner because now that Trump has been reelected, China expects a round of tariffs, and they need to keep some powder dry for 2025. Overall, the weaknesses in the Chinese economy have bottomed out. The government will be very measured in what they do going forward, trying to make sure that it doesn't tank because of the effect of trade. The economy has become extremely reliant on exports over the past year or two – that's where they need to strike a balance, and there's still a huge amount of uncertainty. That said, the Chinese are much better prepared this time around for Trump. Last time, they used retaliatory tariffs, which were also painful for the Chinese economy. They also devalued their currency, something they're not in as good a position to do this time. The government has a vision of financial stability and how it wants to portray itself. One tool to use in any trade dispute would be export controls on many critical minerals and metals in industries where they now lead quite dramatically. There's also domestic legislation in the form of retaliatory measures that they can take on US industry inside China. None of this means that it won't hurt the Chinese economy too, but they are bargaining tools that China can come to the table with.

How much of a hit has the Chinese EV industry taken from European tariffs?

EVs, batteries and solar panels have been the new drivers of economic activity and have offset some of the weaknesses in the real estate sector. China is in advanced negotiations with the EU on EV tariffs. That is the critical market now, with exports to the US pretty much blocked. There are also emerging economies that can take Chinese EVs, but they don't have the same buying power as advanced economies. There will be a consolidation in China, both in EVs and solar panels. Their margins are very weak because of excess capacity, but sales will continue. Some studies have shown that even with 30% or even 45% tariffs in Europe, they're still competitive, even though it ends up being more costly for the end user.

How significant has the switch from diesel to LNG been in the trucking sector?

It has probably taken 10% of diesel demand off the market, roughly 400,000 b/d of consumption. We've seen sales of LNG trucks surge month-on-month, but they are maybe one fifth of the fleet and a lot of trucks are also dual use for both diesel and LNG, so the flexibility is there to switch when prices of either fluctuate. Clearly, the Chinese government has policies in place to move away from diesel, but over time, that move could be to electrification, so the move to LNG is short-term and not structural.

Can China still be viewed as the key support for global oil demand?

China remains the biggest importer of crude, even though it's declining. We've had six months of a drop in product demand in China, mainly led by gasoline and diesel. EVs now account for over 50% of total car sales every month and are cheaper than ICE vehicles, even though they are still only 10% of the total fleet. Gasoline demand in China is probably close to a peak; the question now is how rapidly that falls. We're coming to a point where overall refined product demand is also probably about to stagnate. The bright spot for crude is the rapidly growing chemicals market.

WATCH FULL VIDEO HERE

It is going to be harder for Gulf oil producers to place volumes into China?

They do face competition from sanctioned crudes. Iran has been a massive exporter to China, and Saudi Arabia has been competing quite aggressively with Iran, Russia and Venezuela and losing in that competition. The question on where US tariffs go could impact oil flows to China. In 2018-2019, we saw an increase in US oil to China because China had to buy more. But since then, China has diversified. A trade deal could alter those dynamics. I don't think that the Chinese government is actively encouraging imports of Iranian oil; it's turning a blind eye because the economy is weak, and most of the oil is going into the Shandong independents, creating economic activity.

What is China's main objective today as it positions itself internationally?

Most of those interests are in opposing the US or calling out Western hypocrisy in many countries. It also has a desire to maintain a role for itself globally. China is very much willing to show that it can create alternative international institutions like the BRICS. The point is not necessarily to undermine others, but rather to show there are alternatives which can represent emerging economies that are left out. China is preparing to proof its economy, because the world is looking increasingly fraught, and the prospect of tariffs and sanctions and blockades are looking increasingly likely. It wants to make it very difficult for third countries to choose between itself and the US. That's the kind of prism through which we should be seeing the BRICs and other institutions. It is tying lots of other countries to China, so that decoupling becomes effectively impossible.

*Paraphrased Comments

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Because energy is the driving force behind industry and everyday life. Even and especially in challenging times. That's why our heart beats for a reliable, flexible and increasingly greener energy supply.

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uniper

ENERGY MARKETS VIEWS YOU CAN USE

Laury Haytayan
MENA Director
Natural Resource Governance Institute

The question today on the Mideast conflict is what Trump will do regarding Iran.

Will he reintroduce maximum pressure, increase sanctions on the oil and gas sector, or take a different approach? Additionally, there's speculation about whether the US allows Israel to escalate further, possibly targeting Iranian nuclear facilities. While the ceasefire between Lebanon and Israel has reduced immediate pressure, the broader geopolitical situation remains volatile. The combination of Netanyahu and Trump, particularly in relation to Iran, suggests continued uncertainty. The deal in Lebanon does indicate Iran's involvement, which is a key factor. It's important to understand what Iran is thinking regarding the Trump administration and their efforts to avoid economic, military, or security harm, particularly to their nuclear program. Also, Iran's involvement likely signals that Hamas is in a precarious position. Iran's support for Hamas has never been as robust as its backing of Hezbollah. Syria hasn't supported Hamas either and Iraq has taken diplomatic steps to avoid being drawn into the conflict. With these dynamics, Hamas may find itself compelled to negotiate, aligning with Trump's stated goal. Reports also suggest Trump told Netanyahu to "finish it" before his return to office, hinting at plans for a regional ceasefire and potential peace negotiations.

How do you interpret Saudi Arabia's recent stronger rhetoric on the regional conflicts?

There have been simultaneously, ongoing discussions between Saudi Arabia and the US on broader regional issues. There are some in the region that don't like the approach of business for peace or peace for business, but that is what Trump stands for. There are also many countries that are aligned with that kind of approach, and who before 7th October believed that the India-Middle East-Europe Economic Corridor (IMAC) project will be the future for the region. ■

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مـؤسـسـة نفـط
الشـارقة الوطنية
SNOC

Your trusted energy partner, sustainable value creator, and gas supplier of choice.

Sharjah National Oil Corporation (SNOC) is government-owned and the oil and gas industry executive arm of the Emirate, under the auspices of the Petroleum Council of Sharjah. Established in October 2010, SNOC owns and manages Sharjah concession oil and gas assets and is the main supplier of gas in Sharjah.

SNOC manages a diversified energy portfolio, covering natural gas, condensate and LPG. In addition to its exploration activities in collaboration with international petroleum entities, SNOC has initiated a strategic underground gas storage project to ensure a consistent and reliable energy supply. SNOC has declared its pledge of Net-Zero by 2032, and has several initiatives, including renewables, and CCS research.

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ENERGY MARKETS VIEWS YOU CAN USE

Niamh McBurney
Associate Director
Control Risks

How could an aggressive tariff policy by Trump impact oil markets?

There's a significant risk of inflation for the US, especially if tariffs on Canadian oil imports end up at 25%. Canadian oil represents ten times the volume of what Saudi Arabia exports to the US. While Trump hasn't explicitly promised lower oil prices, he has committed to reducing gasoline prices and improving overall quality of life, so introducing inflationary policies like these could contradict those promises. On fundamentals, there's little for oil markets to react to at this stage. As of now, we haven't seen tangible shifts in physical movements or significant changes on the water to warrant a reaction. Politically, especially in the Middle East, stakeholders are in a "wait-and-see" mode, and the markets seem to be following suit. There's no point in overreacting until there's greater clarity, especially since implementing these tariffs will face numerous challenges.

Might we see Saudi Arabia and Iran resuming détente talks with a ceasefire in the region?

It seems that Iran is trying to regain at least a semblance of control over the regional playing field. Recent events have exposed their vulnerabilities—political, military, and territorial, which likely contributed to their encouragement of Hezbollah and Lebanon's political elite to agree to a ceasefire. As for Iran's broader strategy, they are likely focused on reestablishing their deterrent security while simultaneously improving relationships across the GCC. This includes managing risks associated with the incoming Trump administration. And while there have been tentative overtures to reopen nuclear discussions with Europe, these are still in the very early stages. Progress on that front, hinges on repairing Iran's relationship with the IAEA and European capitals, which has deteriorated significantly in recent months. Rapprochement between Saudi Arabia and Iran has shown promise, though substantive steps are still needed, particularly in the economic realm. A meaningful announcement of investment—especially in sectors not subject to sanctions—could signal real progress. However, any such developments may face pushback from the Trump administration. Behind the scenes, Gulf nations may be engaging in backchannel discussions with the incoming US team, seeking assurances that their regional efforts won't be undermined. They might argue, "We understand your stance on Iran, but we're trying to secure our backyard and ensure stability." Multiple layers of negotiation are undoubtedly underway and will likely continue right up until January 20th and beyond.

Outlook for US-China relations in the months ahead?

We don't anticipate China reacting swiftly to any initial moves by the Trump administration. Domination of the South China Sea remains both a political and security priority for both countries. I'd expect US-China relations to remain strained, with a rocky start to the new administration. Interestingly, one of Trump's incoming National Security appointees has indicated a potential effort to engage China, perhaps as part of a broader strategy to reduce Iranian oil exports. This could result in a temporary thaw, as Trump may seek China's cooperation in shifting their oil purchases away from Iran—potentially even toward US crude.

US-Russia relations under Trump 2.0?

That's a bit more complicated. While Trump's personal rhetoric about Putin has often been positive, his policies toward Russia haven't always aligned with US strategic interests or several incoming members of his administration who are notably hawkish on Russia. We could see him continue certain policies, such as stepping back from Ukraine support, which aligns with Russia's interests. However, broader US strategic concerns—many of which will face pushback in Congress—may prevent him from fully accommodating Russia's agenda. This dynamic played out during his first term, and I expect we'll see similar tensions in a second term. ■

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ENERGY MARKETS VIEWS YOU CAN USE

Michelle Wiese Bockmann
Principal Analyst
Lloyd's List Intelligence

Freight rates have remained counter-seasonally low.

Normally, we would expect crude tanker rates to rise during this period as refiners stock up on crude to boost their heating oil supply for the Northern Hemisphere winter. That hasn't happened this year. Additionally, concerns about frontloading oil to offset potential tariffs have not materialized. Instead, we're seeing up-and-down volatility, with freight rates highly sensitive to news-driven spikes. However, when you assess the overall picture, freight rates remain rangebound.

Could we see a new Trump administration curb Iranian exports as they did five years ago?

We're currently looking at about 1.6 million b/d of Iranian exports, supported by roughly 200 tankers. About a third of these tankers are sanctioned, yet they're still delivering crude to China, effectively operating outside the bounds of Western regulations. If a Trump administration wanted to crack down, the big question is how effective sanctions would be under the current circumstances. The deeply discounted crude remains attractive, and China is also importing Russian oil on sanctioned vessels flagged by the US, many of which are heading to the teapot refining region in China.

Would any intervention need to be very robust given how embedded this process is now?

Under maritime conventions, all ships have the right of innocent passage, so stopping vessels without cause—unless they are falsely flagged—is not an option. The most robust response currently available is to designate these vessels for sanctions, but this approach hasn't proven effective. Cracking down on Western maritime service providers hasn't yielded much either, as many are no longer involved in supporting these vessels. These tankers are often insured under unknown or non-Western entities and flagged by countries that are less regulated. For example, Panama, the world's largest flag state by shipping numbers, is making efforts to crack down on ships flagged under its registry that are carrying Iranian oil. However, when faced with such scrutiny, these vessels simply reflag to even less regulated jurisdictions. For US sanctions to stop the flow of Iranian oil, that would require the cooperation of China, which is unlikely to be part of any crackdown strategy. ■

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ADIPEC24 CURTAIN RAISER
ENERGY MARKETS OUTLOOK
Port of Fujairah
ميناء الفجيرة
Port of Fujairah
United Arab Emirates
"How to Navigate the Changing Winds & Opportunities of the Global South, its Geopolitics & Energy Chokepoints in 2025?"
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ENERGY MARKETS VIEWS YOU CAN USE

Mike McGlone
Senior Macro Strategist
Bloomberg Intelligence

It's just a matter of time before WTI crude drops to $56 per barrel.

Demand is declining, particularly in China, and on the supply side, OPEC has an overhang, US supply is on the rise; exports of US liquid fuels and crude oil could approach 3 million barrels per day next year—barring any disruptions. Overall, crude oil remains in a bear market, but this is not unique to oil. Copper is beginning to break down, grains have already done so, and iron ore prices are declining as well. Another area to watch is the US Treasury bond market. Ten-year yields recently hit 4.50% and are now around 4.28%. In comparison, China's yields are at 2.06%, and the top five countries' average is 100 basis points lower than the US. This divergence shows that US Treasuries are still priced for inflation and deficit spending.

Could stronger tariffs from the US threaten its economy from an inflationary point of view?

We all know tariffs are short-term drivers for the dollar and for inflationary pressures. However, in the context of the US economy, total trade accounts for only 10% of GDP, and the trade deficit is approximately $1 trillion annually. Compare that to a $63 trillion stock market. A 10% correction in equities would have a severe deflationary effect, far outweighing the impact of tariffs. The Federal Reserve is aware of this dynamic. That's why the stock market needs to stabilize or correct before inflation can meaningfully decline.

Are we witnessing a new surge in offshore drilling?

We're indeed seeing a return to a "drill, baby, drill" mindset, and it's accelerating an underlying dynamic: the growing surplus of supply relative to demand. This is evident in the US, Canada, Brazil, Guyana, and Mexico. But while offshore drilling may provide a temporary lift for oil and gas, the broader trend toward renewables is unstoppable. Globally, renewables are benefiting from massive deflationary forces, particularly in China, where the costs of solar panels and batteries are dropping rapidly. This is part of a broader paradigm shift toward cheaper, cleaner energy. In the long term, this transition will continue to reduce emissions and reshape global energy markets. ■

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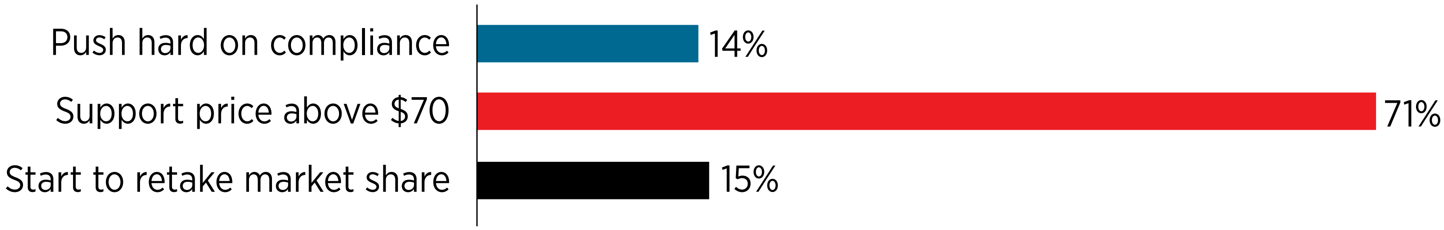
GI WEEKLY SURVEYS

What will Brent oil prices average in December?

How much geopolitical risk premium will be removed from current oil price if a ceasefire goes through between Israel and Hezbollah?

What will be the priority for OPEC+ in Q1 2025?



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FUJAIRAH SPOTLIGHT

Fujairah Crown Prince hails ENOC, Vopak Horizon Fujairah's energy sector contributions

H.H. Sheikh Mohammed bin Hamad bin Mohammed Al Sharqi, Crown Prince of Fujairah, commended the crucial role of ENOC Group and Vopak Horizon Fujairah Limited in advancing the energy sector and facilitating the storage and handling of petroleum products at local, regional, and global levels.

Source: Emirates News Agency-WAM

Crown Prince of Fujairah receives outgoing Kuwaiti Consul-General

H.H. Sheikh Mohammed bin Hamad bin Mohammed Al Sharqi, Crown Prince of Fujairah, today received in his office in the Emiri Court, Ali Salem Al Thayedi, Consul-General of the State of Kuwait to the UAE, who came to greet the Fujairah Crown Prince on the occasion of the end of his tenure.

Source: Emirates News Agency-WAM

FUJAIRAH DATA: Oil product stockpiles plunge to all-time low

Oil product inventories at the UAE's Port of Fujairah declined 15% in the week ended Nov. 25 to the lowest level on record, according to Fujairah Oil Industry Zone data published Nov. 27.

Source: S&P Global Commodity Insights

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MTF Storage Terminal

MENA TERMINALS FUJAIRAH FZC

Profile

MENA Terminals Fujairah is an independently owned and operated storage terminal located within the Fujairah Oil Industry Zone at the Port of Fujairah. Established in 2012, the terminal has been effectively catering to the storage requirements of major trading houses, multinational corporations, and medium-sized traders.

The terminal comprised of 14 tanks with a total capacity of 352,000 cbm, is capable of handling Class I, Class II, and Class III products ranging from light distillates like Gasoline all the way up to Middle and Heavy distillates like Gas Oils and Fuel Oils, respectively.

Equipped with the state-of-the-art technologies, the terminal can accomplish operations such as vessels and bunker barges loading and discharge, pipeline transfers with other terminals, inter-tank transfers, additive blending, cargo heating, circulation, and truck loading services.

MENA Terminals Fujairah is part of the Mercantile & Maritime Group, which specializes in oil and gas marketing & trading, shipping, logistics and consultancy services. The group offers a comprehensive range of services across the oil and gas value chain.

MENA Terminals Fujairah has a sizable landbank with the potential to add more than 1 million cbm of new storage capacity to its existing infrastructure. Anticipated developments within the Port of Fujairah and region are expected to create substantial storage demand going forward.

Terminal Highlights

- State-of-the-Art engineered Class-I Oil Storage Terminal.
- Strategically located at Port of Fujairah (PoF) - One of the largest bunkering ports in the world.
- Current operational capacity of 352,200 m³ with 14 tanks (Phase 1 & 2) with truck loading facility.
  - 230,246 m³ – Black Products (6 tanks).
  - 121,954 m³ – Clean Products (8 tanks).
- Connectivity with all berths of Port facilitating Vessel operations and Inter-terminal trade.
- Consistently best performing terminal in shipping operations against Port KPIs.
- Zero claim on contamination, product loss or vessel delays
- Zero Operational downtime given to effective Preventive maintenance.
- Efficient control on product loss.
- Pre-qualified by Oil Majors for storage.
- Dedicated team of well experienced and qualified oil industry professionals.

Operational Excellence

- Multipurpose Class-I switchable tanks with Internal Floating Roofs
- State-of-the-Art Terminal Automation System
- Best in class pumping capacity amongst FOIZ terminals with 4,500 and 3,000 m³/hr flowrates for black and clean products, respectively.
- Two jetty lines (30'' each) for black products capable of 4,500 m³/hr flowrates per line
- Four jetty lines (24'' each) for clean products capable of 3,000 m³/hr flowrates per line
- End-to-end piggable pipeline between the Port Jetties and the terminal
- Cone-bottom and fully strippable product tanks
- Efficient product blending and heating capability
- Dedicated matrix manifold for positive segregation of black and clean products
- All pumps equipped with Variable Frequency Drives for optimized flow rates.
- Redundant critical utilities & equipment in place to ensure business continuity.

Fujairah Weekly Oil Inventory Data

FOIZ
منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone

TOP TAKEAWAYS

- Total oil product stocks in Fujairah fell to a record low of 14.235 million barrels with a draw of 2.531 million barrels or a move down by 15.1% week-on-week. This is the lowest level recorded for total stocks since publishing of them began in January 2017. The previous record low was on February 14, 2022 when they stood at 14.266 million barrels. The weekly stocks movement in Fujairah saw a large draw for heavy residues while middle distillates and light distillates posted small builds.

- Stocks of light distillates, including gasoline and naphtha, saw a build of 123,000 barrels or move up of 2.2% on the week to 5.823 million barrels. The East of Suez gasoline market was finding support driven by stable demand and tighter regional supplies, sources said. India's gasoline exports declined 10.22% month on month but surged 66.65% year on year to 1.118 million mt in October, supported by stronger domestic demand, provisional data from the Petroleum Planning and Analysis Cell showed. India's gasoline demand rose 8.37% month on month and 8.65% year on year to 3.412 million mt in October, bolstered by increased travel during the Diwali holiday and the post-monsoon season. There were no gasoline imports recorded in October into India, compared with 64,000 mt in September.

- Stocks of middle distillates, including diesel and jet fuel rose as they posted a build of 222,000 barrels or a rise of 11.6% on the week to 2.141 million barrels. The middle distillates market saw Singapore looking to arbitrage flows to support demand requirements. "North Asia is still tight, not much quota left [from China], then [supply from] the Arab Gulf and India should be crucial," a trader said. In tenders, Indian Oil Corp offered 31,500-38,500 mt of high-speed diesel for loading over Dec. 15-16 from Chennai. The tender closes Nov. 27, with same-day validity.

- Stocks of heavy residues saw a draw of 2.876 million barrels, or a fall of 31.4% on the week to 6.271 million barrels. The bunker market at the port of Fujairah was seeing healthy prompt availabilities amidst a slowing of demand. On Nov. 26 Fujairah-delivered marine fuel 0.5%S was heard offered at $544-$551/mt with the lower range of offers for product deliverable from Dec. 1 onward. Platts eventually the grade at $546/mt Nov. 26, an $8/mt decrease on the day.

Source: S&P Global Commodity Insights

ENERGY MARKETS NEWS

1. OIL EDGES LOWER AFTER JUMP IN US GASOLINE STOCKS, OPEC+ SUPPLY DECISION IN FOCUS
2. TRUMP'S PROPOSED TARIFFS ON CANADA WOULD DRIVE UP PUMP PRICES, ANALYSTS WARN
3. GOLD FALLS ON DOLLAR STRENGTH, INFLATION DATA SPARKS CAUTION ON FED RATE CUTS
4. UAE'S OIL GIANT LAUNCHES $80-BN CHEMICALS AND GREEN ENERGY FIRM
5. XI EXTENDS CONGRATULATIONS ON INT'L DAY OF SOLIDARITY WITH PALESTINIAN PEOPLE
6. JAPAN SEEN REAPING RECORD TAX REVENUES IN FISCAL 2024
7. VOTERS AIR FRUSTRATIONS AHEAD OF IRISH GENERAL ELECTION
8. RUSSIA'S FUEL EXPORTS JUMP TO 8-MONTH HIGH
9. CHINA'S CUT TO COAL POWER SHARE IS A RARE BUT KEY CLIMATE WIN
10. ASIAN STOCKS SUBDUED, DOLLAR DRIFTS AHEAD OF US THANKSGIVING

RECOMMENDED VIDEOS AND REPORTS

'NO-ONE WILL WIN' - CANADA, MEXICO AND CHINA RESPOND TO TRUMP TARIFF THREATS
GOLDMAN SACHS: OPEC+ CUTS PROVIDE NEAR-TERM UPSIDE TO OIL PRICES
THE LEBANON CEASEFIRE IS A RESPITE, NOT A SOLUTION FOR THE MIDDLE EAST
ENERGY THIS WEEK: TRUMP TARIFFS HIT OIL PRICES
THE FAMILIES FLEEING DELHI TO ESCAPE DEADLY SMOG
THREE AMERICANS RELEASED IN US-CHINA PRISONER EXCHANGE
ADANI ALLEGATIONS SHINE SPOTLIGHT ON INDIA'S CLEAN ENERGY CONUNDRUM
IRON ORE MOVES SIDEWAYS AS SOLID STEEL OUTLOOK COUNTERS SOFT CHINA DATA
CHINA'S STATE MEDIA PRAISE SOME US FIRMS AMID FEARS OF A NEW TRADE WAR
HEDGE FUNDS PILE IN AS GASOLINE INVENTORIES HIT SEASONAL LOW
CHINA'S INDUSTRIAL SECTOR POSTS LARGE PROFIT DECLINE IN OCTOBER

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Energy Markets Commentary
Week in Review

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SOUNDINGS WEEK IN REVIEW

"Market In Consensus That OPEC+ Will Rollover Cuts Into 2025!"

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.

US TARIFFS

"Under Trump 1.0, tariffs were largely about trade. This time, it's become about immigration, drugs and security. So, to some extent, the threat is less in terms of actual trade, but on the other hand, because it's been deployed as a weapon to resolve other issues, it becomes more of a threat."

Marc Ostwald, Chief Economist & Global Strategist, ADM Investor Services International

REFINED PRODUCTS

"There's ample supply of downstream products. Stocks have been tightening in the US a bit but that's now starting to build. We've got reasonably high stocks of diesel gasoil in Europe for winter heating. We're expecting some improvement in crude runs as we go into December, but typically Q1 runs are lower than Q4 by around one million barrels a day."

Alan Gelder, Downstream Global SME, VP Refining, Chemicals & Oil Markets, Commodities Research, Wood Mackenzie

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SOUNDINGS WEEK IN REVIEW

CHINA ECONOMY

"More stimulus will be needed in China come Q1. Chinese equities have had a very strong run in the last couple of months, but what happens with GDP, whether the government can reengage the economy's internal engines, and whether the world returns to an insatiable appetite for finished commodities, remains in to be seen."

Peter McGuire, CEO, XM Australia

OPEC+ VOLUMES

"Compliance with official quotas is quite good, although there are still a couple of outlier countries running output up. We do have offsetting risks that could materialize, such as potentially lower Iranian production when Trump takes office. Overall, I wouldn't expect a huge change in OPEC+ compliance going forward."

Jamal Qureshi, Managing Director, Analysis & Strategy, Petro-Logistics

OPEC+ CUTS

"We're expecting a rollover of the OPEC+ cuts. If you just look at the crude balance and then extend that to the liquids balance, it's a no-brainer in that sense. We're looking at a very oversupplied market going into Q1 and for all of 2025. Supply growth is around 3 million b/d year on year 2024 into 2025."

Janiv Shah, Vice President, Oil Markets; Refinery and Crude Balances Lead Rystad Energy

OPEC+ VOLUMES

"The market is very sensitive at the moment. We don't think OPEC+ will bring back oil at any stage next year. We see them continuing to kick that can down the road, as well as the issue of quotas within the group."

Matt Stanley, Head of Market engagement, EMEA & APAC, Kpler

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