GI Publishing Intelligence Consultancy

Nov. 9th, 2026

MONDAY MORNING QUARTERBACK

ENERGY MARKETS WEEKLY BRIEFING NOTE

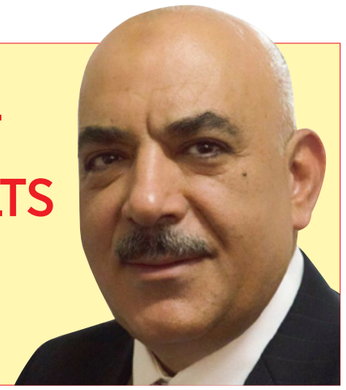
POST-US ELECTION ENERGY MARKETS OUTLOOK: "The Continuation of the Status Quo in Iran Conflict is the Most Dangerous Scenario for the Markets!"

The Monday Morning Quarterback Series is supported by:

ADNOC

GI EXCLUSIVE INTERVIEW

WITH WORLD'S TOP OIL ANALYST ON US MIDTERM ELECTION RESULTS



ANAS ALHAJJI
Managing Partner
Energy Outlook Advisors

From your perspective in Texas, how significant was the US election result, and what does it mean for the energy industry?

Anas: A political sea change does not necessarily produce an equivalent change in energy policy. Look at Norway: a left-leaning government supports the oil industry because it needs revenues to fund social programmes and because labour unions support the industry. Those unions generally lean left. Climate concerns and support for oil production therefore coexist.

Brazil offers another example. Lula changed his position and became more supportive of the oil business. These examples show how practical considerations can move governments towards the middle.

I see a similar convergence in Texas. Republicans had already moved towards positions associated with Democrats on data centres and the electricity grid, including restrictions on data centres. Democrats may place more emphasis on methane and other leaks, restoring attention to issues the Trump administration had sought to roll back from the Biden period.

But oil and gas are deeply embedded in the local economy. There are gas rigs around homes, including around where I live, and people understand the industry's importance. Consequently, I expect the impact on the energy sector to be limited, despite the political significance of the result.

Does Trump's electoral setback reduce his ability to prosecute the war, and what is the most dangerous scenario for 2027?

Anas: These are partly separate questions. My understanding is that the president has authority to launch military action for 60 days without returning to Congress, regardless of which party controls it.

There is also a question of political flexibility. Among senior Republicans, Trump could prove more flexible than many of the people around him. I associate some of that with his New York background. He may be more willing than his advisers to cooperate with Democrats and work out an arrangement.

However, the conflict around Hormuz and the Middle East is multidimensional, operates on several levels and involves multiple commodities. Resolving one dimension does not resolve the others. His ability to deliver a comprehensive solution therefore remains limited either way.

For 2027, I regard the continuation of the status quo as the most dangerous scenario. A settlement addressing one part of the confrontation cannot automatically be treated as a resolution of the whole conflict.

Should the Iran conflict be understood primarily through the nuclear issue, or through a wider geopolitical framework?

Anas: This is the central question we need to answer before discussing outcomes or solutions. Is the war about the Iranian regime and its nuclear programme? Or should we understand it alongside trade wars, sanctions, tariffs, Venezuela, the Panama Canal, the Red Sea, Greenland, Russia and China?

Those two frameworks lead to very different conclusions.

Nineteen years ago, I wrote an article titled "Iran Nuclear Program, The Never-Ending Crisis." The crisis is still continuing. That should encourage us to question whether the nuclear issue alone explains what is happening.

In June and July 2025, I also wrote that China was convinced the Strait of Hormuz would be closed by the United States rather than Iran. My question was: what did China know that we did not?

I also drew attention to wording in a US strategy document released in November. Previously, the emphasis had been on freedom of navigation through Hormuz; the wording I highlighted referred to keeping the strait open. I questioned the wider thinking behind that formulation.

We need to establish whether we are looking at a conflict focused on Iran or one element of a much larger strategic confrontation. If we accept that Ukraine can be understood as a proxy war between the United States and Russia, it is logical to consider whether Iran represents a proxy confrontation between the United States and China.

How do you interpret the election result in relation to the wider US political system, and what could happen to Trump next?

Anas: A president enters an existing system. He can influence it, but the system has its own direction and continuity. We should not attribute everything to Trump personally.

My interpretation is that the administration executed a plan whose origins extended beyond Trump. The execution was so poor that the system punished him.

MONDAY MORNING
QUARTERBACK
ENERGY MARKETS WEEKLY BRIEFING NOTE – Nov. 9th

I would therefore caution against reading the election result simply as an endorsement of Democratic ideas. I see it more as a rejection of how power was exercised. The United States has a history of the system pushing back when presidents go rogue, and that is how I interpret what happened here.

I expect Trump and his allies to move out of the picture over the next couple of years. We could see multiple resignations, potentially including his own. However, that remains uncertain, and Democrats are also threatening impeachment.

The possibility of an arrangement with Republicans concerning a pardon was raised in the discussion. My response is that the options remain open because the system contains many loopholes. We will have to see how those possibilities develop.

Could a meeting between Trump, Xi Jinping and Putin resolve the underlying confrontation?

Anas: The underlying issues are much bigger than a meeting between presidents.

When I use the expression "deep state," I define it here as the areas on which Democrats and Republicans agree. Presidents and their entourages arrive and leave, but these shared strategic positions endure.

Look at the continuity between the Biden and Trump administrations. Both supported LNG and the replacement of Russian gas in Europe. Both pursued pressure on China, whether through sanctions, tariffs or related measures.

These are examples of basic principles that survive changes in party control. That is why a presidential meeting alone cannot be expected to resolve the confrontation. We need to distinguish the influence of individual leaders from the longer-term direction of the US system.

Why is the Strait of Hormuz strategically important beyond oil and gas?

Anas: People focus heavily on oil and gas, but Hormuz also matters for other commodities and industrial supply chains with approximately 50% for sulphur, one-third for helium and one-third for fertilisers moving through the strait.

The wider argument is that the consequences extend beyond fuel supply into agriculture and manufacturing.

Higher prices have caused pain in the US, but I distinguish those short-term costs from what the wider system may regard as long-term strategic benefits. In my assessment, those benefits can be considered extremely valuable. That longer horizon belongs to the enduring system rather than simply to an individual president.

What is missing from the industry's discussion of resilience and diversification?

Anas: Throughout the ADIPEC conference, we heard ministers and companies talking about resilience and diversification. But these objectives are easier to describe than to deliver.

What does resilience mean in practice? It means redundancy. Redundancy means higher costs. The immediate question is: who will pay?

Diversification also has different meanings depending on where you sit in the market. For importers, it involves diversifying energy sources and imports. For exporters, it involves diversifying export routes.

Each of those choices carries a cost. The discussion needs to move beyond agreement that resilience and diversification are desirable and examine the economic consequences of implementing them.

Could greater optionality actually increase volatility and make forecasting more difficult?

Anas: Yes. When resilience and diversification are implemented together, we could end up with more volatility than before.

The reason is that optionality becomes available on both sides of the market. Importers have more choices about energy sources and suppliers, while exporters have more choices about routes.

For those producing forecasts, this makes behaviour much harder to predict. With so many options available to different participants, the difficulty is knowing which choices they will actually make.

Everyone is discussing resilience and diversification positively, but we need to investigate their combined effects more carefully. They could create problems that are not apparent today and that we recognise only after they emerge.

Is the use of US LNG as a geopolitical instrument a recent development?

Anas: No. My view is that the US weaponised LNG a long time ago. This connects directly to my earlier point about continuity across administrations.

Go back to 2014, when Putin annexed Crimea, and examine the Obama administration's plans to replace Russian gas in Europe. We should look at how that strategy developed and who was involved.

Obama was a Democratic president strongly disliked by Republicans, yet the LNG strategy illustrates how an energy objective can extend across party divisions. The use of gas supply as a strategic instrument should therefore be understood over a longer period, rather than attributed only to the current administration.

Can Democrats constrain energy supply through legal action even without sufficient legislative power?

Anas: The threat of lawsuits is always available. A party does not necessarily need a congressional majority to constrain an activity through the courts.

I cited the example of threats to sue companies receiving oil and diesel from Russia. In my account, those threats alone prompted the governor of New Jersey to tell ports not to allow the ships in.

The broader point is that legal pressure can affect commercial decisions regardless of whether those applying it hold a majority. Sometimes the threat of litigation is sufficient to restrain companies.

So, when assessing possible constraints on energy supply, we should consider legal action alongside legislation. Parliamentary strength is only one part of the picture. ■

OIL MARKET OUTLOOK 2027

Q&A Interview with 5 Senior Oil Traders

FREIGHT COSTS AND EFFECTIVE TANKER CAPACITY

Moderator: What is keeping freight costs elevated, and how much could they ease if shipping flows return to normal?

Answer: The question is how much vessel capacity gets tied up in moving the same barrel. When cargoes have to be handled twice, lightered or transferred ship to ship, vessels spend more time on each delivery. Sanctions also take vessels out of the pool available to parts of the market. If flows return to normal, those extra steps should unwind and freight should take a much smaller share of the cost.

Moderator: It is estimated that oil demand has collapsed about 3 million barrels a day lower this year -- How much could come back & how much reflects a structural change?

Answer: Roughly 1.5 million barrels a day of that was in China, where some of the change is behavioural. Of the remaining 1.5 million, about 750,000 barrels a day was in developing Asian markets that struggled with supply and prices. The other 750,000 was in the West, where higher prices reduced consumption. In the US, for example, people drive less when gasoline gets expensive.

That demand loss helped balance the market. We also drew about a billion barrels from inventories. Without both adjustments, the supply situation would have been harder to manage.

Moderator: Has that left the market more vulnerable to the next increase in demand?

Answer: Spare capacity across the system has been drawn down. We're in a slightly easier period now that gasoline season is over, but product demand could pick up again around February or March. The question is whether refineries can keep up. Western refiners have pushed their plants hard and postponed maintenance to keep products flowing. Some work that would have been done in September has been moved to March. That catch-up could keep product markets tight going into summer.

WHAT DIESEL AND JET FUEL TELL US ABOUT DEMAND

Moderator: How do you assess supply and demand when prices and flows are changing this quickly?

Answer: We start with what customers are actually buying. At the beginning of the year, we expected a modest decline in French diesel demand, in line with the trend in some developed economies. After this year's price increases, the decline looks closer to 8–9%. In Western Europe, we thought jet fuel demand could grow about 5%. Even with strong summer travel, flight cancellations mean it now looks closer to flat.

Hedging matters for the year ahead. Some airlines came into this year with as much as 80% of their fuel exposure hedged. With less protection going into next year, airlines may add or cancel flights more quickly in response to fuel prices. That makes it harder to forecast jet demand from the top down.

Moderator: Does your own assessment broadly support the estimate of 3 million barrels a day in lost demand?

Answer: Yes, it's roughly where we are as well. We see it across several markets. Given the supply and logistics problems, that adjustment in demand was part of what kept the market in balance.

EUROPE'S REFINING MARGINS

Moderator: What will drive Mediterranean refining margins over the next 12 to 24 months?

Answer: Some of the demand loss reflects physical shortages. In some markets, refiners simply cannot get enough crude to run their plants at normal rates. Europe has had to contend with disruptions to Black Sea supplies, flows from the Gulf and routes through Suez. More oil spends longer at sea, which raises costs and leaves traders exposed for longer. The price of getting a finished product to the consumer also includes refining, transport and taxes.

I'm constructive on European refining margins because the region has lost capacity and still needs the products. If the war in Ukraine ends, reconstruction could add demand for liquid fuels. Margins of $20–$30 a barrel are very high, but I'd expect margins to stay above the levels we were used to over much of the past decade.

MONDAY MORNING
QUARTERBACK
ENERGY MARKETS WEEKLY BRIEFING NOTE – Nov. 9th

Moderator: Should European governments do more to support refining capacity?

Answer: Yes. Europe still needs liquid hydrocarbons, and refiners need room to invest in their plants and adopt new technology. Refining also gives Europe some of the industrial expertise it would need for large hydrogen projects, from engineering to financing and execution. A hydrogen economy may take longer than five to ten years to develop, but refineries can help build some of the capacity it would require.

DEMAND RECOVERY AND THE COST OF REBUILDING STOCKS

Moderator: Where do you see the oil balance heading next year, and how much of the lost demand could return?

Answer: We're broadly in the same range on demand loss, perhaps a little below 3 million barrels a day, although we would split it differently by region. In China, electrification is part of the story alongside price, so some of that demand loss could persist.

High prices give producers an incentive to invest and maximise output. More supply could return if the conflict eases. On the demand side, countries also need to rebuild strategic reserves, and recent disruptions may encourage some to hold more stock. The market looks somewhat long going into next year, but the timing of supply returning and governments restocking could make it volatile.

Moderator: At what price would buyers such as China start rebuilding inventories?

Answer: There isn't one price that applies to everyone. It depends on how much stock a buyer already holds, how much it can store and what it costs to carry those inventories. Broadly speaking, I'd expect prices to come down before we see significant restocking.

Speaker 1: It also depends on whether you're talking about crude or refined products. Domestic pricing drove a lot of the stock draws in Asia and will influence when buyers replenish. With inventories already low, there's less room to use the same buffer if another shock hits.

Moderator: In this environment, what gives a trading company a competitive advantage?

Answer: Access to capital and financing helps you expand internationally and reduce risk across the supply chain. It also lets you build a broader portfolio. LNG is a good example. Buyers increasingly value suppliers that can draw cargoes from several locations and keep deliveries going if one source is disrupted.

OIL ABOVE $100 AND THE PRICE CONSUMERS PAY

Moderator: With oil above $100 a barrel, how far could prices fall if conflicts ease and disrupted barrels return?

Answer: If conflicts are resolved and oil flows more freely, the market could be well supplied next year. That would give price-sensitive demand room to recover. Some markets are shifting towards electric vehicles, but we still see underlying growth in liquids demand.

Under those conditions, I would expect prices to move back towards $70–$80 a barrel over time. Low inventories and concerns about supply reliability could slow that adjustment. Buyers may also change how they manage stocks after what they've experienced.

Moderator: How freely is oil flowing today, and how much does Brent tell us about what buyers are actually paying?

Answer: Brent has become a weaker guide to the price consumers pay. You have to account for physical crude differentials, freight, refining and final delivery. Freight on some routes has risen to around ten times its previous cost. A Brent price of roughly $104 can translate into a distillate price around $180 a barrel.

A lot of oil is still moving, even with attacks on vessels and pockets of shortage. Sometimes the product is available but buyers struggle to pay the delivered price. The industry has kept cargoes moving with relatively lean inventories, but the system remains tight. If the conflict persists, there's very little room for another disruption.

EUROPE'S ENERGY TRANSITION AND THE LONGER-TERM MARGIN OUTLOOK

Moderator: Once the immediate product shortages ease, do you expect Europe to accelerate the energy transition again?

Answer: I expect the transition to return to the EU policy agenda, with more attention to what each market can realistically do. High diesel and gasoline prices already improve the case for alternatives such as electric vehicles. But Europe's energy needs vary considerably. Growing economies in southeastern and central Europe will continue to rely on liquid fuels and gas even as they add renewables. Oil at $70–$80 could also bring some demand back.

Moderator: Do you expect refining margins to remain elevated over the longer term?

Answer: Yes. For a complex refinery, the mid-cycle margin moved from around $3–$5 a barrel to perhaps $5–$8. We've seen spikes as high as $45 over the past year. My longer-term view is that margins are unlikely to fall below $10–$12. Equipment, labour and financing all cost more, and margins will have to support the investment needed to keep refineries running. ■

(Source: Nb. The transcript was captured from a conference panel discussion conducted in Abu Dhabi within the framework of the Chatham House Rule, and the speakers answers were edited for clarity and for removal of repetition.)

OUTLOOK FOR LNG MARKET 2027

Q&A Interview conducted with 5 Senior LNG Industry Stakeholders

Moderator: The LNG glut has been predicted for years, yet it keeps getting pushed back. If the market does tip into oversupply, what will matter most in staying competitive, and how has that changed since the early days of LNG?

Answer: We keep hearing that the LNG glut is coming, but it keeps being pushed back. If the market does become oversupplied, relationships are what carry you through the cycle. In the early days, LNG was a point-to-point business. The same vessels ran between the same terminals, and prices were reviewed every five years. Today, buyers have less certainty about their own demand because markets have liberalised and they have more energy sources competing for a share of the mix.

The advantage now is being able to draw on supply from several regions and deliver a cargo on 45 days' notice when a buyer needs it. That takes an integrated supply chain across shipping, trading and regasification.

Moderator: LNG production is expanding. Are we building enough carriers to transport it?

Answer: Fleet capacity is one of the key things we track. For years, shipowners charged a fee per tonne to move cargo from one point to another. Increasingly, freight itself is something you can trade and manage as part of a portfolio. Shipping providers also need to follow their customers into new markets and extend their services along the logistics chain. That can mean floating storage, potentially floating storage and regasification, and LNG bunkering.

SUPPLY DISRUPTION AND THE MARGINAL CARGO

Moderator: How much LNG supply has the Middle East conflict taken out of the market, and what can we say about when it might return?

Answer: Oil markets have been more flexible in getting supply to buyers. More LNG carriers have been getting through the strait in recent months despite renewed attacks on ships, but flows are still well below February levels. The market is still missing a substantial amount of its usual supply.

What surprised me in Asia was how calmly major buyers were managing. They were finding the cargoes they needed because suppliers could redirect volumes and buyers could adjust demand. Prices around $30 per million British thermal units are still extremely high. With European storage low, some had anticipated prices closer to $40. So far, flexibility on both sides has helped contain that pressure.

Moderator: What determines where the marginal LNG cargo goes -- is it price, contractual relationships or shipping economics?

Speaker 4: All three matter. Safe loading and passage come first. After that, a portfolio typically includes term commitments, spot trades and uncommitted volumes that can be sold elsewhere. The market has moved beyond a simple producer-to-consumer relationship. Some buyers also produce or trade LNG and can manage their own balance.

The US is a major source of marginal supply, but a US cargo may head towards North Asia even if the immediate economics favour another destination. The buyer may want to keep the cargo available until it knows whether it needs it. It can still divert the vessel if circumstances change. That flexibility can be worth paying for.

TRANSIT RIGHTS AND MARITIME SECURITY

Moderator: Can a coastal state impose a toll on vessels transiting a waterway?

Answer: In my view, a coastal state cannot impose a transit toll on passage through an international strait where the right of transit passage applies. Canals and waterways governed by specific treaties can operate under different rules. In straits such as Hormuz, Bab el-Mandeb and Malacca, transit passage is central to freedom of navigation. Coastal states can help manage navigation through traffic separation schemes and address environmental concerns.

Moderator: Could a toll in one strait set a precedent elsewhere?

Answer: Yes. There is a distinction between controlling a strait and denying others its use. Sea control requires a sustained physical presence. Disrupting navigation can be much cheaper. Mines, drones or missiles can interrupt traffic, and non-state actors can also do it. The economic consequences spread well beyond the countries bordering the strait, which makes the international response important.

LONG-TERM CONTRACTS AND THE NEXT WAVE OF PROJECTS

Moderator: Are buyers still willing to sign long-term LNG contracts, and what terms are they looking for?

Answer: The crisis has shown buyers what it means to rely on a volatile spot market. Some are waiting for prices to soften, but many see the value of having firm long-term supply to fall back on. They want more flexibility in pricing and delivery. Asian buyers that once relied heavily on Brent-linked pricing are looking at a mix of benchmarks, including JKM and Henry Hub. They also want room to divert cargoes and manage deliveries as their needs change.

I expect more long-term deals. How the market looks in five to ten years will depend on how quickly supply and demand grow.

Moderator: How important are those commitments for getting new LNG projects financed and approved?

Answer: Some developers have the capacity to take a final investment decision before they have firm sales for most of the output. Many need binding contracts to proceed. If buyers want dependable supply into the late 2030s, they need to start committing now to projects that can take investment decisions and begin delivering in the early 2030s.

SHIPPING CAPACITY THROUGH 2030

Moderator: What is the biggest shipping risk to LNG growth through 2030?

Answer: I would watch vessel availability. Around 300 carriers are expected to be delivered by roughly 2030, and an estimated 80–90% are already committed under long-term contracts. At the same time, perhaps 100–150 vessels in the existing fleet could be retired or scrapped. Older steam-turbine and tri-fuel diesel-electric ships can be more expensive to operate.

Distance matters as much as volume. If disruptions force ships onto longer routes, the same tonnes of LNG require more vessel days. The headline fleet count can therefore overstate the capacity available to move cargoes.

THE PRICE OUTLOOK AND THE TIMING OF A GLUT

Moderator: What would an LNG glut mean for prices, and does it still make sense to invest in new supply?

Answer: We look at scenarios built around winter temperatures and the course of the Middle East conflict. In the tightest scenario, a cold winter coincides with continued disruption. Europe enters winter with low storage and comes out with inventories even lower. The roughly 20 million tonnes of additional supply we see coming in 2027 may be insufficient to bring prices down under those conditions.

We could see another 40 million tonnes after that, but timing matters, including how easily Qatari volumes can reach buyers. Continued disruption could keep a premium in the market and push the expected glut further out.

For developers, it is difficult to time an investment around a forecast glut. Some can proceed and secure buyers later. Others need firm commitments upfront. There is a substantial pipeline of potential projects, and the developers that can execute at scale are more likely to bring their volumes to market.

TRADING OPPORTUNITIES ACROSS ASIA AND EUROPE

Moderator: What are buyers looking for in spot and flexible LNG deals in Asia?

Answer: The commercial challenge is to secure cargoes from suppliers, deliver them competitively to customers and make a margin in between. Optionality helps when the contract works for both sides. If you exercise a right at the moment it hurts the customer most, you may capture value on that cargo while making it harder to extend the relationship.

Henry Hub, TTF, JKM and Brent respond to different market pressures. Those differences create opportunities to structure contracts around what each side values, source cargoes from several locations and reduce shipping costs.

Moderator: Are similar opportunities emerging in Europe or Indonesia?

Answer: We see scope to develop the Atlantic market alongside Asia. European buyers spent years moving towards TTF-linked pricing, but some are now considering a wider range of options. We see opportunities for European deliveries priced against JKM, an Asian LNG benchmark. That gives buyers a different exposure to global gas prices.

BYPASS ROUTES AND EUROPE'S SUPPLY CHOICES

Moderator: Can contingency pipelines bypass vulnerable waterways and bring down the risk premium on cargoes from the region?

Answer: Pipelines can shift the risk, and the infrastructure itself remains exposed. Much of the region's bypass capacity is designed for oil. LNG requires a different and more complex chain of infrastructure.

Some chokepoints can be bypassed at a cost. Ships can reroute around southern Africa to avoid Bab el-Mandeb, but that adds distance and brings other risks, including piracy in parts of the wider region and severe weather around the Cape of Good Hope. Hormuz presents a harder problem for LNG because there is no comparable maritime detour. Diversifying supply can reduce a buyer's exposure, but keeping the strait open remains critical.

Moderator: Could Russian gas return to Europe in greater volumes?

Answer: Some Russian gas continues to reach Europe, and the scope for greater volumes depends in part on what happens in Ukraine. North Africa and North America have helped diversify European supply. If the gap between supply and demand widens and the pressure on consumers intensifies, I think some European buyers could seek more Russian gas again. ■

(Source: Nb. The transcript was captured from a conference panel discussion conducted in Abu Dhabi within the framework of the Chatham House Rule, and the speakers answers were edited for clarity and for removal of repetition.)

GULF INTELLIGENCE: TOP100 Energy Analysts
Roundtable Discussion on the impact of the US Midterm Election Results?

Moderator: What did voters signal in the US elections?

Answer 1. It was an historic night. What struck me was the strength of the backlash against what voters had seen over the previous six months. But I would be careful about drawing a straight line from a Republican setback to weaker support for oil. Look at Norway and Brazil. A left-leaning government can back the industry because it needs oil revenues to fund social programmes, because organised labour supports the jobs, or because its position changes once it has to govern.

Answer 2. The vote had a strong domestic component, but international issues were part of it. Tariffs and the treatment of allies had consequences for household budgets. There was also pushback among Latino voters over how immigration enforcement was handled, particularly its militarisation. The Iran war and the cost of energy brought those issues together. Voters could register dissatisfaction with foreign policy through the issues they felt most directly at home.

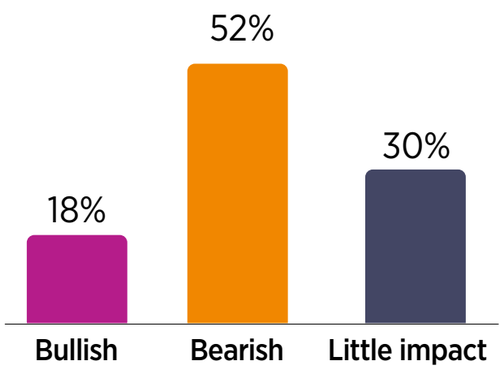
Answer 3. I welcomed the result, and I also saw it as a setback for the technology executives and financiers who backed the administration. For the Gulf, it raises a practical question about where to put capital. I'm all for investing in data centres. Why should the UAE and Saudi Arabia put so much of that investment into American facilities when they can build capacity here? The region has suffered economically from the war and will also need capital for repair and reconstruction.

Moderator: How much does the result constrain the president before January?

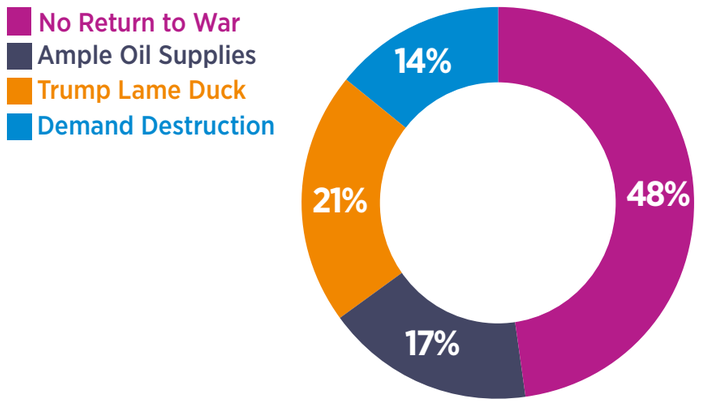
Answer 1. The president still has room to act in the short term, regardless of who controls Congress. He may also turn out to be more flexible about working with Democrats than some of the people around him. But there are limits to what that flexibility can achieve. The conflict around Hormuz operates on several levels and affects several commodities. A deal that addresses one part of the conflict may leave the others unresolved.

Answer 2. In terms of where the election takes the conflict, it's as good as a coin toss. My impression from contacts in Washington is that decisions are concentrated in a small circle around the president, and even senior officials outside it have limited visibility. He could try to head off a political battle before January by replacing a senior figure closely associated

How will US election results impact energy markets?



What is the main reason Brent crude oil has dropped 25% over last 2 weeks?



MONDAY MORNING
QUARTERBACK
ENERGY MARKETS WEEKLY BRIEFING NOTE – Nov. 9th

with the war. I'd read that as a positive signal for peace, but it's an intuition. He could just as easily double down.

Answer 3. Having a majority in the House or Senate is one thing. Being able to pass legislation and get things done is another. The system was designed to require consensus. A change in control may make it harder for the administration to advance its programme, but that tells us very little about what Congress will be able to put in its place. For businesses, a period in which little legislation moves can be easier to manage than a rush of new policy.

Answer 4. There is a window for the president to act before January, and his long-standing position on Iran gives me reason to take the risk of escalation seriously. At the same time, officials know they may be called before congressional hearings once the new Congress is seated. That prospect can influence what they do now. For the Gulf, congressional pressure could also translate into more diplomatic activity and a stronger push for the administration to work with regional partners.

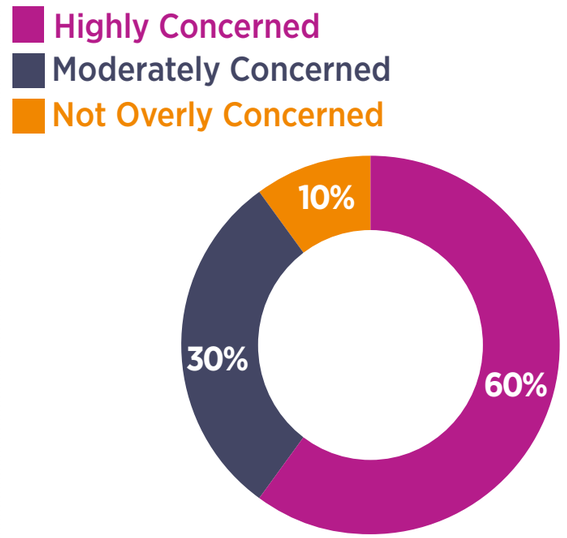
Moderator: How is the result likely to land in the Gulf?

Answer 1. What struck me at the Manama Dialogue was how openly people criticised the US role in the region. The questions were direct. Do you care more about Israel's security than the region's security? Are we partners? Is this an alliance? The US reiterated that it was committed to the region and wanted to work with its partners. But those questions are usually asked in private, and here they were being asked in front of hundreds of delegates. The worst scenario now is a dramatic move before January that widens the war.

Answer 2. Regional leaders in politics and industry are good at reading domestic politics in other countries. I expect they'll adapt quickly, and they may already have started. They'll need a wider set of relationships, but they're pragmatic about where they invest. The US is still a worthwhile market, and Democrats also want investment coming into the country. That shared interest gives both sides something to work with, even if the politics make the hill a little steeper to climb.

Answer 3. The pressure on GCC governments may ease. Some of the positions they were pressed to take weren't welcomed by their leaders or their populations. But less pressure from Washington won't resolve the underlying crisis. Oman has worked behind the scenes, including with Pakistan, to bring the Americans and Iranians back into dialogue. So far there have been no tangible results. A change in Congress may bring something new to the discussion. The test is whether it helps the parties return to talks.

How concerned should the global oil market be about inventory depletion?



Moderator — How might Tehran interpret the result?

Answer 1. If I'm the Iranian leadership, I'd be very happy. I think they'll read it as a big victory and see little reason to do anything dramatic. The president might escalate, or he might not. Tehran can play it cool, wait out the current Congress and see what the next one does. In the meantime, I'd expect Iran to keep pressure on shipping and constrain some oil flows while stopping short of a complete blockade. That keeps the tension up while Washington weighs its next move.

Answer 2. We spend a lot of time asking whether Washington is ready to make a deal. Why assume the US is in the driver's seat? Iran's demands have largely held since the conflict began. There have been indications that it might make some nuclear concessions, but there's little evidence of a broader shift. Iran didn't trust the US before the election, and a change in who holds office is unlikely to undo that. We've repeatedly heard that a deal is close, only to find the sides are still far apart.

Answer 3. Tehran may welcome the result, but a different administration in Washington wouldn't necessarily find it easier to make a deal. The demands coming from Iran are difficult for any US administration to meet, and the hardliners have gained ground. The Iranian public is under

What impact would a Republican MAGA party civil war have on oil markets?



serious economic pressure, but the people making decisions may have more financial room to wait than the state of the wider economy suggests. I think they may still have roughly a year's room, although I could be wrong and it could take longer.

Moderator: Is the likelier outcome a deal, an escalation or a prolonged stalemate?

Answer 1. I don't think the election is the straw that breaks the camel's back. The administration had reason to anticipate a setback and still proceeded with military deployments. The president had also telegraphed much of his foreign policy, so I'd be wary of reading every headline or oil-price move as evidence of a change in strategy. I wouldn't expect the election alone to produce a quick return to a nuclear agreement.

Answer 2. We keep saying the status quo is unacceptable, but it could last longer than either side would like. If negotiations can't break it, does that eventually mean another round of fighting? That could be in two weeks, two months, six months or much longer. The timing is hard to call, and I don't think the answer depends entirely on who is in the White House. It also depends on whether either side is willing to move on demands that have held throughout the conflict.

Answer 3. Unsustainable things can go on for quite a while. The earlier maximum-pressure campaign didn't really cost the US anything. This one does. It's still difficult to get ships through the Gulf, prices are elevated and Iran is under economic pressure. I think both sides can wait at least until January. After that, the question is whether the US comes under enough pressure to wind down the operation and reach an agreement that gets more ships through the Strait, instead of continuing to rely on escorts.

Answer 4. The status quo may be the most dangerous scenario. How we define the conflict matters. Is it about Iran and its nuclear programme, or should we look at it alongside trade disputes, sanctions and wider competition with China? Those are different starting points and lead to different ideas about what a settlement would have to achieve. Hormuz also matters for commodities beyond oil and gas, so restoring some oil flows would only address part of the problem.

Moderator — Can the election restore trust in the US as a partner?

Answer 1. A change in politics doesn't automatically restore trust. Once you've seen how quickly a decision made elsewhere can affect something you rely on, how do you go back to the same arrangement? I raised Ukraine's reliance on Starlink because it illustrates what's at stake when critical systems depend on an external provider. If that service can be interrupted when you need it most, partners have to reconsider how much exposure they're prepared to accept.

Answer 2. The shift in perceptions goes beyond the Gulf. I've seen survey evidence suggesting that some people in democracies such as Australia regard aspects of Chinese foreign policy as more predictable than US policy. That distinction matters to partners trying to plan around Washington's decisions. These perceptions are also finding their way into domestic politics, so the trust issue may persist beyond a single election cycle.

Moderator: What does the result mean for Europe's energy relationship with the US?

Answer 1. I think many European leaders were relieved by the result. But Europe has effectively swapped dependence on Russian pipeline gas for greater dependence on US LNG, and the regasification infrastructure it's building deepens that commercial relationship. The immediate concern is winter. We don't know how cold it will be, and storage

MONDAY MORNING
QUARTERBACK
ENERGY MARKETS WEEKLY BRIEFING NOTE – Nov. 9th

What is main reason that Brent crude oil prices have dropped 6% since reaching 6-month high on Oct. 23rd?



levels, particularly in Germany, aren't where you'd want them. When European buyers seek new contracts, they're competing with Asian buyers. Constraints on Qatari supply make that competition more consequential.

Answer 2. I see Europe differently. In much of Europe, governments increasingly see wind, solar and electrification as part of the answer to energy insecurity. Voters have also experienced drought, low river levels and wildfires, which shape how they think about energy. When diesel gets more expensive, some households look at buying an electric car or installing a heat pump. For those voters, greater energy security can mean having more control over what they consume and how they power their homes.

Answer 3. There are areas where US policy has carried across administrations. Both parties have supported a larger role for US LNG in replacing Russian gas in Europe, and both have taken a tougher position on China, even if their tools differ. Presidents come and go, but those areas of agreement can endure. I'd be careful about expecting a change in Congress, or a single meeting between leaders, to reverse policies that have support on both sides.

Moderator: Does the election change the outlook for oil prices and demand?

Answer 1. Gulf transits may stay somewhat constrained. Crude is probably in a better position than refined products, where I still see a problem. If there's no further escalation, no further blockade and no further damage to the GCC oil industry, some risk comes off the table. That's conditional on what happens to shipping and infrastructure. The election result on its own doesn't tell us that those risks have passed.

Answer 2. The bigger question is what this crisis has done to structural demand. One industry estimate put demand destruction at around 3 million barrels a day, and getting back to 2025 levels could take well over a year. At the same time, transport electrification is changing the outlook for road-fuel demand in China, which drove a substantial share of global oil-demand growth. Inventories and supply buffers help explain why prices didn't hit some of the more extreme forecasts. The change in demand deserves at least as much attention.

Answer 3. My reading is bearish for oil if the result helps the war wind down. The reason matters. If the political shift lowers the risk of further escalation, some of the pressure on prices may ease. That's the outcome I'm hoping for, but it depends on what happens in the conflict from here.

Answer 4. People are tired of high energy bills and struggling to pay them. Look at Southeast Asia and the pressure from energy costs, or at rising food costs here. We keep talking about resilience and the new normal, but how long can households absorb this and still live comfortably? I don't think it's sustainable. The pressure is coming from several directions, and I think those economic pressures will push governments to look for a way out.

Moderator: Could a new Congress change US energy supply policy?

Answer 1. The ability to use or threaten litigation is always there, regardless of who has a majority. Take cargoes of Russian oil or diesel. The threat of a lawsuit can affect whether a company will receive a cargo or whether a ship is allowed into port. In practice, that can restrain activity even when there aren't enough votes to pass new legislation. So, the balance of seats is only one part of the answer. You also have to watch how legal pressure is applied. ■

(Source: Nb. The Energy Markets Roundtable was conducted in Abu Dhabi on Nov. 5th and attended by 30 leading international analysts who spoke within the framework of the Chatham House Rule, and their answers were edited for clarity and removal of repetition. The Survey Questions were conducted with 100 energy market stakeholders between Nov. 2-6)


GI
Publishing
Intelligence
Consultancy