Fujairah New Silk Road
WEEKLY NEWSLETTER

SEPT 30th 2021
VOL. 91

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AN EXCLUSIVE GULF INTELLIGENCE INTERVIEW

OPEC PLUS AGILITY REASSERTS LONG TERM MARKET CONTROL!

Dr. Carolyn Kissane, Academic Director, Center for Global Affairs, New York University

OPEC is playing the long game. It recognizes that it provides over 30% of the world's oil and so has a great deal of power with regards to where prices can go. It also does not want prices too high and would probably be happy with an average middle ground of around $70/bl-$75/bl. OPEC has become much more agile as an organization, responding to shifts in the market by cautiously managing production. The group is also more politically agile internally, resolving tensions such as those that we saw between the UAE and Saudi Arabia earlier this year and managing the whole question around Iran. Russia, as a significant player in the OPEC+ group, is similarly looking to the medium term. I expect it will play a 'last man standing' game with regards to its hydrocarbons. It already has a good market in China and Europe and realizes that for the next five years or more, demand is going to increase, and it wants to be the supplier to meet that. Another advantage Russia holds is not having regulatory or financial constraints on increasing supply, such as those incurred by US oil producers.

CONTINUED ON PAGE 3

Fujairah Weekly Oil Inventory Data

5,111,000 bbl	3,698,000 bbl	6,724,000 bbl
Light Distillates	Middle Distillates	Heavy Distillates & Residues



Source: FEDCom & S&P Global Platts

Fujairah Average Oil Tank Storage Leasing Rates*

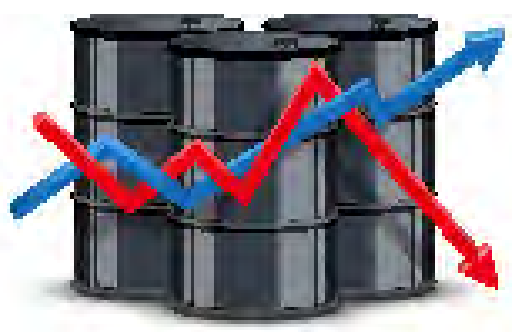
BLACK OIL PRODUCTS

Average Range
$3.54 - 4.38/m³

↑ **Highest: $4.50/m³**
↓ **Lowest: $3.40/m³**

GI Consultancy Intelligence Publishing

THE WEEK In Numbers



Weekly Average Oil Prices

Brent Crude:	$79.08/bl
WTI Crude:	$75.06/bl
DME Oman:	$76.65/bl
Murban:	$77.08/bl

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

Fujairah Weekly Bunker Prices

	VLSFO	MGO	IFO380
High	$574.00/mt	$686.00/mt	$500.50/mt
Low	$554.00/mt	$667.50/mt	$474.00/mt
Average	$563.00/mt	$678.50/mt	$487.50/mt
Spread	$20.00/mt	$18.50/mt	$26.50/mt

*Source: Ship and Bunker, *Time Period: September 22- September 29*

Fujairah Bunker Sales Volume (m^3)

1,752 180cst Low Sulfur Fuel Oil	**541,179** 380cst Low Sulfur Fuel Oil	**129,410** 380cst Marine Fuel Oil
2,215 Marine Gasoil	**28,662** Low Sulfur Marine Gasoil	**4,345** Lubricants

Source: FEDCom & S&P Global Platts

GI Consultancy Intelligence Publishing

Dr. Carolyn Kissane, Academic Director, Center for Global Affairs New York University

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How optimistic should we be about energy demand in the fourth quarter?

Dr. Carolyn Kissane: Many people thought that by now, a very strong rebound would be in play, but we still see a lot of countries where some of that demand is in question. If we look at demand for travel in the US, we're still not back to 2019 levels, even though we had expected that sector to have returned to a healthy 'new normal' by now. Instead, what we're seeing, with the uncertainty that the Delta variant has brought, is that domestic travel is about 18% below the same period in 2019. We're now looking to the Thanksgiving travel weekend (end of November) as the next indicator to see whether we will return to pre pandemic levels. But looking forward from here, the demand picture overall for oil appears to be more positive – the IEA expects an overall increase for 2021 and 2022.

How do you see the US relationship with OPEC going forward?

Dr. Carolyn Kissane: The relationship has always been a rather challenged one. It's the group that many Americans love to hate, partially because they don't really recognize the role that OPEC plays in managing the global energy market and also price. President Biden faced internal criticism earlier this year when he called on OPEC to increase production, while at the same time placing restrictions on US producers. But Americans are also very sensitive to the price of gasoline, so Biden has some support on that front while he tries to put forward a significant climate agenda.

What should we be keeping an eye on with US-China dynamics?

Dr. Carolyn Kissane: One thing to watch is how the US and China go into COP 26 - I'm less optimistic than I was for the Paris agreement in 2015 because there is such a high degree of tension between the two countries. The world has to find a middle ground, to support a larger scale renewable energy transition moving towards net zero while at the same time making sure that we remain energy secure because that's something that a lot of countries are grappling with. There are lots of questions about what's going to happen at COP 26 and a growing pessimism that countries are not going to come to the table with large enough commitments, that we're already behind on what was agreed to in Paris, and that the developed world has not met its commitments to helping developing countries finance their transition. The US and China are the world's two largest emitters so what they commit to really matters for the rest of the world. There's clear distrust on both sides - whether it be encroachment in the Middle East and Asia, the Belt Road Initiative, Hong Kong, the question of Taiwan etc. But one area where there has been a hopeful tone is around climate, and perhaps the two countries can find a cooperative stance. The other positive for COP 26 is that there are more actors this time around because companies have stepped up. It's no longer just about country level commitments, and we also have a very vocal youth movement. So, expectations are high.

Can Europe act as a band aid between the US and China on climate change?

Dr. Carolyn Kissane: Europe does have the most carefully outlined plan in this area so it could play a mediating role between the US, China and also Russia. But my concern is that we have so many other geopolitical concerns outside of the climate talks, such as the recent fallout between France and the US, UK and Australia alliance. And even if we look at developments within individual countries in Europe, like Germany, which has played a key role in terms of moving the energy transition forward, we now have a political transition there with Merkel making her exit. So, it's going to be interesting to see what happens with Europe.

Will high energy prices this winter prompt better diplomacy between countries?

Dr. Carolyn Kissane: There are serious concerns within Europe and Asia on higher energy prices ahead of winter. Will they have enough access to supply? Will they have to increase or turn on more idle coal plants? That's a big question - whether we're talking about Europe, China or different parts of Asia. When looking at energy suppliers such as Saudi Arabia and Russia, it's always a delicate balance because their budgets are so tightly intertwined with the revenues that they get from the sale of their hydrocarbons. But you would be hard pressed to imagine Russia turning off the gas or Saudi Arabia pulling another sort of spring 2020 and going head-to-head against Russia. Countries have suffered a lot during Covid-19, both from a humanitarian and economic perspective.

WATCH FULL INTERVIEW HERE

ENERGY MARKETS VIEWS YOU CAN USE

Maleeha Bengali
Founder
MB Commodity Corner

THE FED IS STILL SIGNALING IT WILL PROCEED WITH TAPERING OVER THE WINTER?

They are on track to taper close to November. It's important to keep in mind that they have two main objectives - employment and inflation. On the latter, they have met their goal, but employment is still lagging so there's a chance the Fed could pull back. The last jobs report was a lot lower than expected and they need to see one or two months of strong payroll jobs growth to proceed with tapering. Let's remember that even in the last week, the Fed increased the balance sheet by another $45 billion so QE continues. At some point, tapering is also going to be irrelevant because even if they do it, there's a net liquidity injection coming in. We need to put everything in the context of global liquidity - once we see a net reduction, that would be bearish.

IS THE ARGUMENT FOR INFLATION NOW FIRMLY EMBEDDED?

Inflation is definitely not transitory and the Fed is coming around to that. We feel inflation will stay a lot stronger for the next three to six months at least. The problem right now is that we are in a sort of stagflation environment, which is spooking markets, and we need that demand pickup to offset inflation not being transitory.

WILL WE SEE ANY RESPITE TO CHINA'S CURRENT ECONOMIC CHALLENGES?

China has been in a deleveraging mode since November of last year. What's interesting is that they're starting to inject liquidity now and we will likely see this continue into next year because they want to lend some support to the economy falling below trend growth. It's already given a bit of a bounce to copper prices and financial markets. Still, we don't expect a massive stimulus spend.

STATS TO WATCH FOR IN THE WEEK AHEAD?

The non-farm payroll growth numbers on Friday will be important for the markets as well as any further commentary from Fed members. October seasonality is also very interesting because usually September has end of quarter inflows from asset allocation pension funds that distort true fundamentals ahead of Q4 trade. Another development to keep an eye on will be how the Gulf of Mexico production resumes itself.

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

ARE WE GOING TO SEE CHINA RETURNING TO NORMAL GROWTH?

Even before covid, China's growth and its shift to the service sector was slowing, political centralization was tightening and there were big worries about financial instability. Now, we are in a return to even slower growth and the political campaigns are becoming all encompassing in an attempt to reassert control. But let's also remember there is no example of a heavy industrialized economy successfully shifting to a modern market service-oriented economy without going through a financial crisis and China will not be an exception to that. It seems to be getting into a more fragile situation as the economy develops and as the race between centralization and decentralization, and market and politics tightens.

WHEN DO WE EXPECT TO SEE TAPERING IN THE US OR ANY MOVE ON INTEREST RATES?

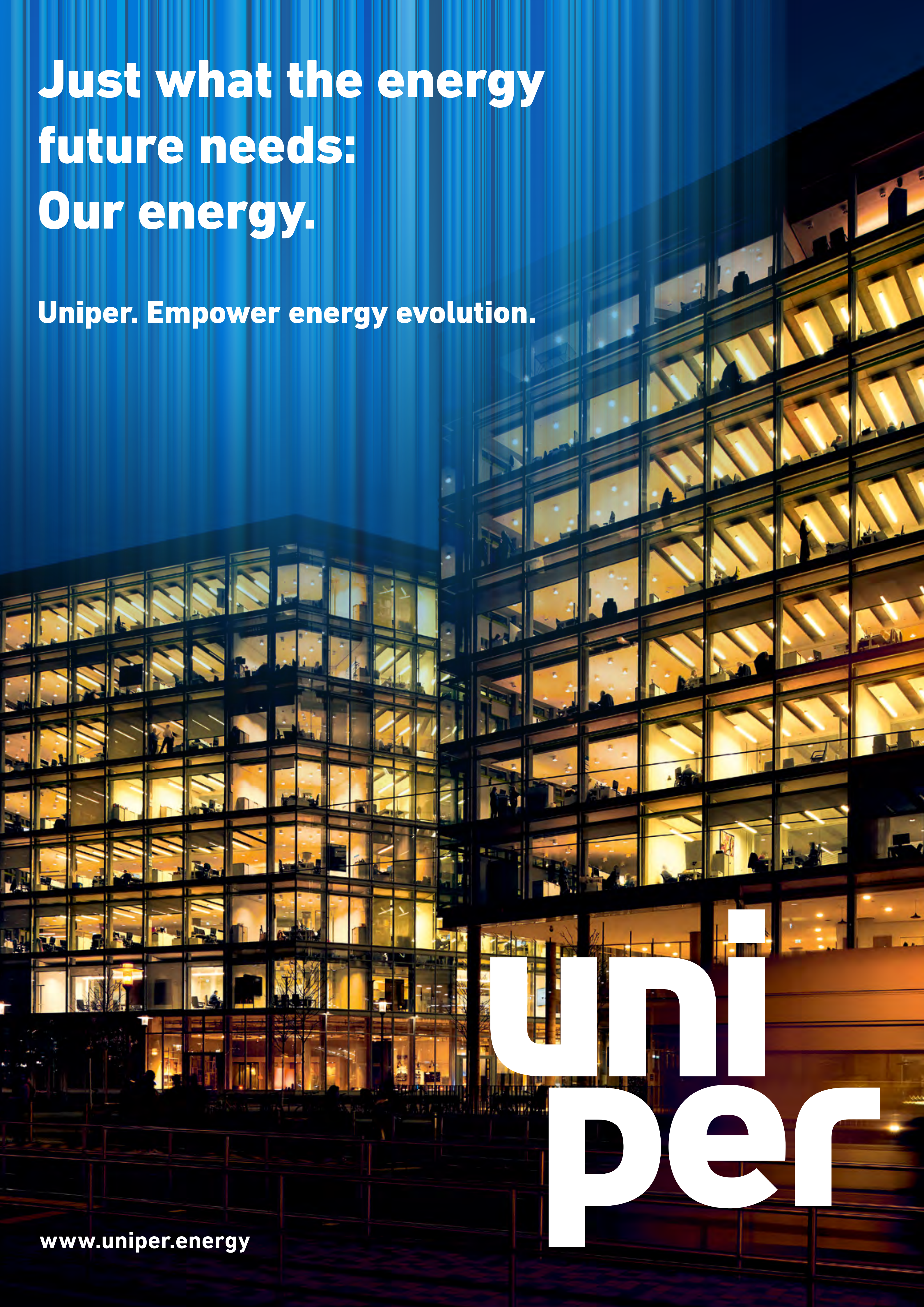
The Federal Reserve has a credibility problem. It has to show that inflation doesn't lift above its target of 2% although they probably would prefer rates of 3% or 4%. Another issue is one of asymmetry in their policy. Since at least the financial crisis of 2008, the Fed seems to have had a bias; when the economy and markets were weakening, they were quick to buy bonds and leave interest rates lower but when the economy was getting stronger, they were slow in tightening up and adjusting. They now need to convince everybody they mean business with tapering and that will probably start by November with interest rates being delayed a little bit.

ANYTHING TO STOP BRENT GETTING TO $80 PERHAPS AS SOON AS THIS WEEK?

What would stop it is a return to normality – an end to this relentless flow of disruption such as the hurricanes and outages we have seen. It looks as if the lasting damage from both hurricanes is US inventories drawing again and US demand could be strong enough to get us to $80. But the fundamental picture is also one of too much oil – we see the rig count reacting and price mechanisms kicking in, so sooner or later we could see the price spike and drop - there's a lot of volatility on the cards and it will be very much driven by what happens in the US because there's not much support coming from the Chinas of this world.

ARE WE STILL EXPECTING A RETURN TO THE TABLE FOR IRAN NUCLEAR TALKS?

There are a number of hot spots emerging globally. One is the Iranians trying to find their way back to normality and Biden trying to deal with it. Another is the impact of energy prices on growth and on inflation in particular and what that does to central bank policy. A third is what happens to Nord Stream 2 after the German election - we'll likely have to see some very swift action on this with the Russians and the Germans probably declaring victory over the US. And all of these are happening in the run up to COP 26 and winter, with high gas and power prices very much top of mind and threatening industrial production and competitiveness both in Europe and China.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ENERGY MARKETS VIEWS YOU CAN USE

Kate Dourian, FEI
MEES Contributing Editor & Non-Resident Fellow
The Arab Gulf States Institute in Washington

HOW COME WE SUDDENLY HAVE A SUPPLY SHORTAGE?
We've been warning about this since 2014 and 2015 so it's sort of a compounded effect. Add to that 2020 when the industry couldn't conduct proper maintenance and staff had to be pulled away from projects. We are in for period where supply is tight and going to be determining market direction because demand is coming back. Some estimates have demand returning to 2019 levels by mid-2022. OPEC and the IEA see it coming back by the end of next year. When we have a massive shock to the system, as we did in 2020, predicting demand patterns is very difficult. I think the forecasts were lower than they should have been to start with and we're now realizing that. We also have inventories that need to be filled at some point and we're coming into winter with stocks at low levels. The whole energy complex is up at historically high prices and it's likely to stay up.

SHOULD OPEC ADD MORE THAN 400,000 BD TO CALM THE MARKET DOWN?
If required, the likes of Saudi Arabia and the UAE will have to act as swing suppliers, but they don't particularly like to do that. Russia says it's going to be at record levels next year. But if you look at other countries like Kuwait, their capacity is at its lowest in 10 years because they've delayed so many projects. There's a need for investment across the board just to maintain production capacity and this hasn't been done in several countries. Many OPEC members can't meet their quotas and for example Iran's not coming back any time soon. So, many unknowns on the supply side.

THE UK SEEMS TO BE HAVING ITS OWN ENERGY CRISIS?
It's not just about a gas shortage in the UK. It's about Brexit. It's about lorry drivers not being available. Supply chains are affecting all commodities. There are low stocks of gas across Europe. The Russians have their own internal storage to think about and to ship to China. They're meeting their commitments, but not going beyond that. Even China is dipping into its stock. The shortage of gas globally means people are burning liquid fuels. Coal is even coming back when we're supposed to be phasing it out. Everybody's burnishing their environmental credentials ahead of COP 26, but the reality is that we are in this spiral where demand needs to be met more immediately.

Omar Najia
Global Head, Derivatives
BB Energy

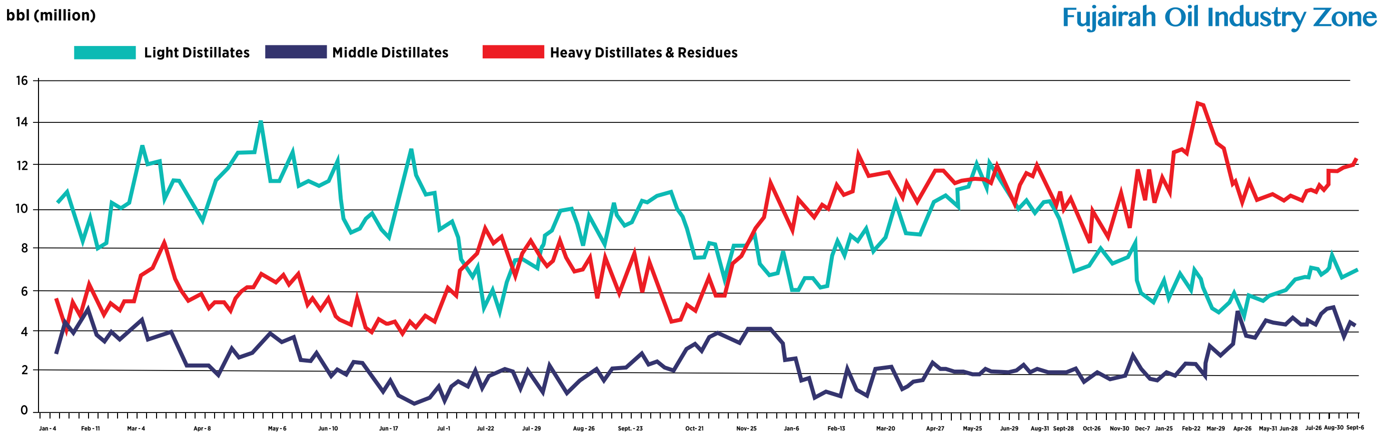
WILL WE BREAK THROUGH $80 ON BRENT THIS WEEK?
Our next target on WTI is 82.60 at some point. The problem today is that you have to make a case for selling and right now, the trendline is up, regardless of what happens in the interim this week or next. Inflation in the West is now running between 4% and 6%. Oil prices are part of that and in fact still looking extremely cheap against other asset classes. And it's not just crude that's looking stronger. It's coal, it's cracks, it's products and tenders for jet fuel with the resumption of transatlantic travel. The other interesting note is that the value of LNG cargoes is going up, in a range of between $85 and $100 million, because the flat price is rising. To finance these is expensive with banks cutting back on credit so it means that a lot of this demand is going unsatisfied and people are getting anxious.

IS THE MARKET AT ALL FRAGILE IN BEING EXPOSED TO A 'BLACK SWAN' EVENT?
The only Black Swan that we have and that people haven't seemed to notice is to do with renewables. Energy has to be cheap, transportable and reliable, with an ability for redundancies and storage to be built in. On all those fronts, renewable energy fails completely due to expense.

WILL THE SUPPLY TIGHTNESS WE'RE SEEING TODAY BALANCE OUT IN Q4?
Markets are about sentiment and risk appetite - greed versus fear - as opposed to anything to do with hurricanes or fundamental supply. Look at the Fed - every time they say they want to taper, the market knows that they're not going to and that is then accepted and greed takes over again. We've thrown everything at equities and commodities – Covid, a collapse in demand etc. - and it has had absolutely zero effect.

Fujariah Weekly Oil Inventory Data

منطقة الفجيرة للصناعة البترولية
Fujairah Oil Industry Zone



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 15.533mn barrels, rebounding from their recorded lowest levels last week. Total stocks rose by 535,000 barrels with overall stocks up 3.6% week-on-week. The total stock build was driven by a rebound in stocks of middle distillates while light distillates posted a smaller build and heavy residues posted a draw.
- Stocks of light distillates, including gasoline and naphtha, rose by 154,000 barrels or 3.1% on the week to 5.111mn barrels. Regional demand was seen to be picking up with an increase in demand from Pakistan reported. "We are starting to see slow improvements... spot tenders in Pakistan and cargoes are heading there" a source said. Next door, in India, the world's third-largest energy consumer, sources expect domestic demand for motor fuels to increase as pandemic movement restrictions continue to ease.
- Stocks of middle distillates, including diesel and jet fuel, rose by 637,000 barrels or 20.8% on the week to 3.698mn barrels. The gasoil complex East of Suez remained characterized by a backwardated market with tight supply and expectations of improving demand continuing to boost sentiment, trade sources said. As with gasoline, market sources expect demand to rebound as coronavirus-related movement restrictions ease.
- Stocks of heavy residues fell by 256,000 barrels or 3.7% on the week to 6.724mn barrels. In the bunker market in Fujairah the market remained buoyant with activity in the high sulfur market strong, sources said. "The delivered high sulfur fuel oil market is faring better than the marine fuel 0.5%S market," a trader said. During and outside the MOC Sept. 28, the offers for delivered marine fuel 0.5%S fuel in Fujairah were heard between $562/mt and $570/mt. The lower end of the price range was for product deliverable from Oct. 1 onward. The same grade was assessed at $561/mt Sept. 28, down $1/mt on the day, Platts data showed. A 700 mt parcel of marine fuel 0.5%S deliverable on Oct. 2 priced at $562/mt was heard concluded at Fujairah Sept. 28. The price in Fujairah is a $5/mt discount to Singapore delivered bunkers, a level unchanged week on week.

Source: S&P Global Platts

OIL COMMENTARY

BY MATT STANLEY
SENIOR BROKER
STAR FUELS

End September, end Q3 and plans are being formed for Christmas. I can scarcely believe that. Brent is trading this morning at $78.60/bl down 0.04 and WTI is trading at $74.92/bl up 0.09. There was a notification that came through on my phone last night, just after EIA data reported builds on US crude and product stockpiles, that sums this market up perfectly "Oil ignores weekly U.S. weekly build to focus on Goldman's $90/bl call". I mean, I'm not really sure what I can add to that? It's absolutely spot on. If we dissect that sentence in to two - then we can see exactly what the push and pull factors of this market are right now. On one hand you have the people who are looking at the facts, the truth, and the reality of the markets. This, it turns out from experience, is quite a lonely place to be and not a very popular spot. A bit like Margate and I like Margate. Then you have the other side. The place that looks at Margate and its Scenic Railway and laughs in its face whilst wearing stupid VR glasses and bumping into things. This side is where it doesn't really matter what's going on. It doesn't matter that US oil production is back to pre-Ida levels. Nor does it matter that there is still some 300k b/d of USGC refining production still down. Oh, hang on, nor does it matter that these two issues combine and manifest themselves into crude oil stocks building last week. A nice place to be that "... to focus on Goldman's $90/bl call". Here's the thing. Will the market persist with this seemingly nothing but upward trajectory it has been on for more or less that past 12 months? My answer is yes, it absolutely will. OK fair enough, there have been some corrections along the way but in all honesty the lowest Brent has traded in 2021 has been $50.70/bl and that was at the start of the year and looking back nobody can argue that supply cuts and discipline thereof have worked wonders to not only provide support but to get oil prices back to three-year highs. What's the next move I hear you ask? Ah, there be a little meeting on Monday with OPEC+, apparently they will maintain the planned return of 400k b/d. Arguably the world needs more oil than that, so I wouldn't be surprised if we see the market pop its head above $80/bl again if no more oil is bought back. Oh, remember the OPEC+ meeting is over Zoom by the way. Because we are still in a pandemic. Just saying.

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ENERGY MARKETS COMMENTARY WEEK IN REVIEW

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GIQ Weekly Surveys

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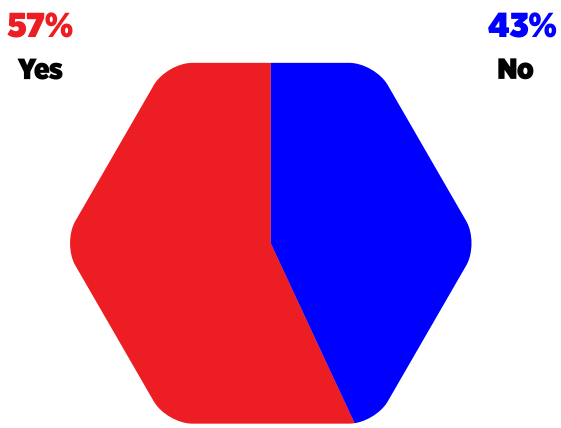
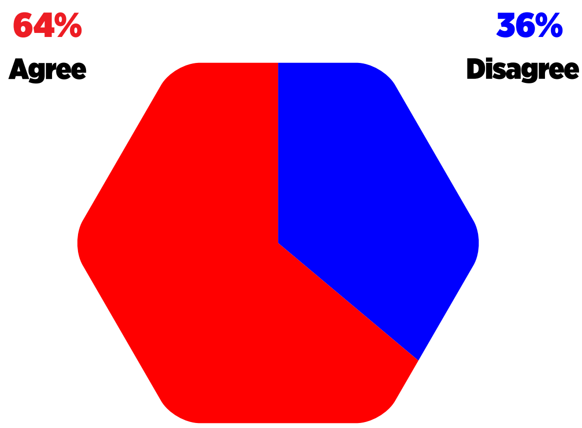
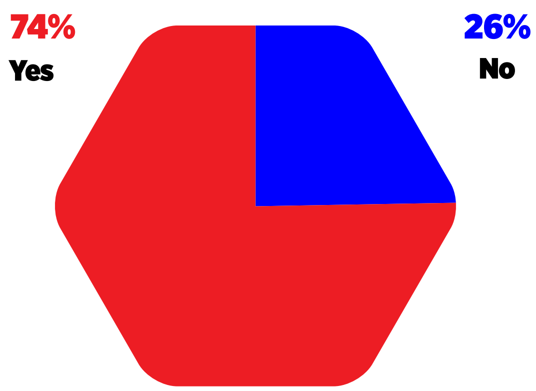


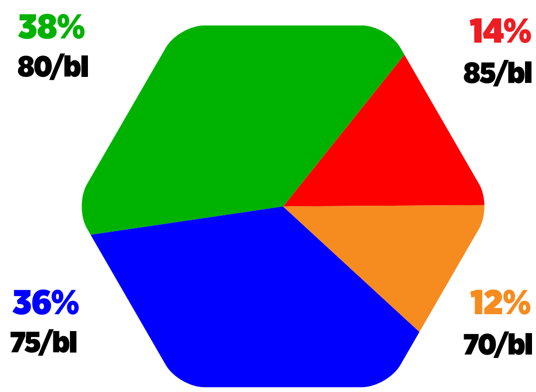
Global oil demand seen reaching pre-pandemic levels of 100mn b/d by Q1 2022?



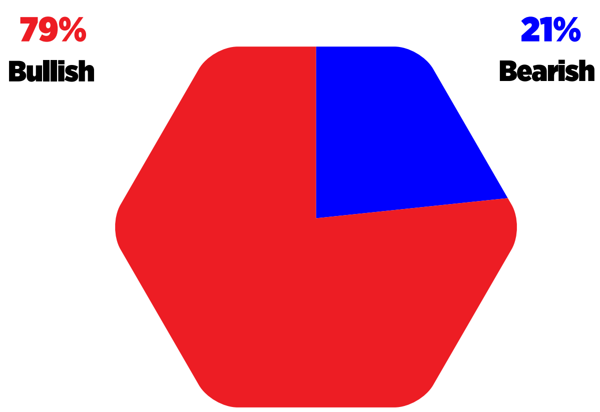
Should OPEC+ states with spare capacity boost oil supply to cover for member countries failing to meet production quotas?

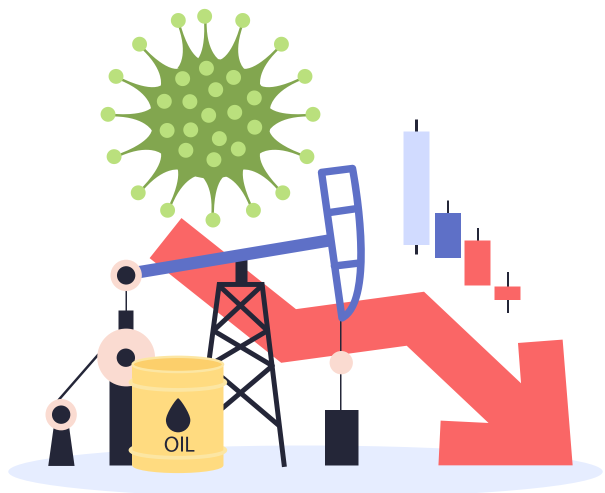


What will Brent crude average in Q4?



Will continued supply disruptions and bottlenecks be bullish or bearish for oil prices?





Source: GIQ

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ENERGY MARKETS VIEWS YOU CAN USE

Marc Ostwald
Chief Economist & Global Strategist
ADM Investor Services International

HOW HAVE WE SUDDENLY BEEN CAUGHT IN AN OIL SUPPLY SHORTAGE?

This has been building for a long time due to a combination of factors - infrastructure issues related to power supplies, OPEC's strategy and the underinvestment since 2014. We were not prepared, and I don't think it's going to be transitory. We're also probably going to be in for a lot more volatility in energy and other commodity prices simply because there is too much money floating around.

SHOULD OPEC PLUS BE GUARANTEEING ITS OVERALL PRODUCTION COMMITMENT?

Yes, because we've got inflation pressures in all the nondiscretionary areas - energy, food, housing – and that is calamitous as it could bring the world economy to a grinding halt. We know that Saudi Arabia is always the balance producer, and the UAE is not far behind in taking up that baton. Russia has the quota to produce more but it's just not doing it. But the real supply issue is that we don't have the capacity to get everything from A to B and these bottlenecks are not going to go away, possibly until the end of next year. Prices are going to remain high simply because there are shortages of everything everywhere.

ARE GOVERNMENTS FACING A FIGHT AGAINST STAGFLATION?

The inflation pressure is there but economies aren't stagnating. We're basically going to get a slower growth recovery than we expected because of the supply problems. That then runs the risk of an inventory buildup that could lead to an inventory bust because when things start to normalize, people will have hoarded too much.

HOW SERIOUS ARE CHINA'S POWER SUPPLY CHALLENGES GOING INTO WINTER?

This problem is a familiar one and China hasn't planned sufficiently. It's been trying to manipulate its commodity prices - metals, energy, food, agriculture - and is in a situation now where if they get something under control, the problem spills over elsewhere. China is having to rely on coal simply because the gas price is too high. It is a concern and comes at exactly the wrong moment because the Chinese economy has clearly lost a lot of momentum. The only thing which was keeping it going was the industrial production side.

Kevin Wright
Lead Analyst APAC
Kpler

ARE VACCINATION RATES AND DEMAND SHOWING ANY IMPROVEMENT IN ASIA?

Not really. When it comes to Covid policy, Singapore is a good example of rhetoric not matching action. And if we look at Thai jet fuel, passengers through airports in August were at 365,000 - the lowest since May 2020. So, demand is not improving on that side at all. And if we look across at the larger nations, China crude imports in September were 8.7 million bd; that's compared to six months ago when it was consistently importing just over 10 million bd. If China is backing off, then that's a poor sign for the rest of the region. On the clean products side, exports of gasoline and diesel are way down on what we've seen over the last 18 months. So, all in all, relatively bearish signals in key economies across the region.

IS ACKNOWLEDGMENT THAT INFLATION IS HERE TO STAY A SIGNIFICANT SHIFT FOR MARKETS?

We've reached a situation now in so many markets and with so many commodities and sectors, where supply chains are creaking on the demand for end-user goods, and that's all knocking into inflation, going to fairly high numbers in the US and the UK and other places. But bear in mind, it's about a disruption to distribution and not actual supply issues.

IS THERE A REQUIREMENT FOR OPEC PLUS TO CALM THE MARKET WITH SUPPLY?

There needs to be a sympathetic approach on the fundamental priorities of managing price and consumers. Given that OPEC has effectively restricted supply over the last year and a half, and that is what has driven this price rise that we've seen, we have to expect that the group has some sense of responsibility and may see a need to increase output as they said they would. Otherwise, it starts to push through to the major customers and actual buyers of crude from Abu Dhabi and Saudi etc. So, the signals from OPEC need to be pretty positive next week when they meet, in terms of increasing production.

ENERGY MARKET NEWS

RECOMMENDED READING

1. OIL PRICES SLIP AS US INVENTORIES RISE, DESPITE OPEC'S SLOW ROAD TO ADDING SUPPLY
2. OPEC+ SEEN STICKING TO NOV OUTPUT PLANS, DESPITE $80 OIL
3. IRAN READY TO EXAMINE GAS CONTRACTS WITH IRAQ AMID INTERMITTENT SUPPLY
4. CHINA'S POWER CRISIS HITS MANUFACTURING
5. OIL TANKER MARKET SET FOR ANOTHER YEAR OF DISAPPOINTING PROFITS
6. US ASKS CHINA TO REDUCE OIL IMPORTS FROM IRAN
7. GLOBAL SUPPLY DISRUPTIONS COULD STILL GET WORSE
8. GLOBAL COAL EXPORTS CONTINUE TO LAG PRE-PANDEMIC LEVELS
9. CAN THE US AVOID ANOTHER GOVERNMENT SHUTDOWN?
10. QATAR SIGNS 15-YEAR DEAL TO SELL CHINA 3.5 MIL MT/YR LNG

RECOMMENDED VIDEOS & REPORTS

- CHINA'S SHANDONG PRIVATE REFINERIES TO KEEP MINIMUM THROUGHPUT
- EIA: WEEKLY PETROLEUM STATUS REPORT
- EIA: US CRUDE, FUEL STOCKPILES RISE AS PRODUCTION RETURNS
- UN SAYS LEBANON'S ECONOMIC CRISIS BLIGHTS SYRIAN REFUGEES
- DALLAS FED ENERGY SURVEY
- CHINA'S BELT & ROAD PLANS LOSING MOMENTUM AS OPPOSITION, DEBT MOUNT

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"Energy and oil demand have picked up significantly in 2021, after the massive drop in 2020, and continued expansion is forecast for the longer-term."

– H.E. Mohammad Sanusi Barkindo, Secretary General, OPEC

Source: OPEC

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Fujairah Spotlight

Port of Fujairah Expecting Record Throughput for Liquid Bulk in 2021

The Port of Fujairah, the world's third-biggest bunkering hub, is expecting a record year in throughput for its liquid bulk volumes as the facility continues to grow its services and terminals boost their operations, its business development manager said Sept. 28. "Liquid bulk is outperforming our expectations," Martijn Heijboer told the Fujairah APPEC virtual workshop 2021 organized by the Dubai-based Gulf Intelligence. "Depending a bit on how Q4 is going to be, it is going to be another record year in terms of throughput [of liquid bulk] handled through the port and but also for Fujairah overall."

Source: S&P Global Platts

National Bank of Fujairah Raises Paid up Capital to 2bn AED

NBF held its General Assembly Meeting (GAM) today remotely through Webex application, where shareholders authorized the Board of Directors of the bank to finalize and execute an increase in paid up capital of the Bank by way of issuing 85,238,116 bonus shares from retained earnings, to bring the total paid up capital to AED 2 billion. The shareholders also approved the appointment and remuneration of the Internal Shari'a Supervision Committee member for NBF Islamic, the Islamic Banking Window of NBF, for a period of three years in line with the regulations issued by the Central Bank of the United Arab Emirates (CBUAE). In addition, the shareholders approved amendments to the bank's Articles of Association to include the provision of banking products and services in compliance with Islamic Shari'a in accordance with the applicable laws.

Source: Gulf News

Fujairah 'Not Approached' for Alternative Bunker Fuels

The Middle East's prime bunkering centre at Fujairah, UAE, has not been approached by any counterparty about offering alternative marine fuels, the Port of Fujairah harbour master Mayed Alameiry said. The port received queries from many companies about the possibility of storing LNG as marine fuel, but not 'green fuels' like hydrogen, ammonia or methanol. "When we are talking about some of the fuels, the infrastructure is not there," Alameiry said at a Gulf Intelligence workshop on the sidelines of the Asia-Pacific Petroleum Conference (Appec) 2021. "These fuels are too premature to have them in the market as they carry their own risks," he said. "I do not see them being used in the next few years because the majority of tonnages are burning heavy fuel oil or shifting towards LNG."

Source: Argus

Digital Transformation: National Bank of Fujairah's New Pathways to Banking

Technology and society are evolving at a never-before-seen pace, which puts businesses in an era of digital Darwinism. In the rapidly unfolding future, banks need to transform themselves with a new mindset, completely different concepts of leadership, and innovative business models. Since the pandemic and subsequent restrictions, there has been rapid adoption of digital banking — a trend that is expected to continue as new technologies and products improve options for customers. At National Bank of Fujairah, the transition to digital that started before the pandemic is now accelerating, making digital the preferred choice for consumers. The Rise of Digital Banking The bank's technological overhaul, which is part of a digital strategy dating back to 2015, has already resulted in lower transaction costs, improved operational efficiency through automation and optimisation, and a substantial increase in online banking. Moreover, customers are conducting a wide range of their day-to-day banking activities, such as applying for cards and financing or paying bills via online banking channels.

Source: The National

GIQ EXCLUSIVE SOUNDINGS

Oil Rises Amongst Rapid Demand Recovery Combined with Supply Shortages

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.

- Richard Redoglia, Chief Executive Officer, Matrix Global Holdings
- Victor Yang, Senior Editor, JLC Network Technology
- Carole Nakhle, Chief Executive Officer, Crystol Energy
- Bill Spindle, Council on Foreign Relations International Affairs Fellow in India
- Ali Al Riyami, Consultant & Former Director General of Marketing, Ministry of Energy & Minerals, Oman
- Andrei Belyi, PhD, Professor, Founder & CEO, Balesene OÜ
- Frank Kane, Senior Business Columnist, Arab News

Richard Redoglia, Chief Executive Officer, Matrix Global Holdings
"It's the new world order. We've never seen in the history of this market where year over year, demand is lower, and we have backwardation. It's happened because OPEC wants it to happen and because those on the green argument side believe that they have the best path forward."

Victor Yang, Senior Editor, JLC Network Technology
"China has plenty of stocks and is still releasing some to help cut crude costs, but that hasn't had much of an impact on the market because the volumes released are small. Independent refiners are still short on crude quotas."

Carole Nakhle, Chief Executive Officer Crystol Energy
"I strongly believe that OPEC+, particularly Saudi Arabia, have the capacity to put more oil on the market. I'm not worried about it and those countries that are struggling to meet their quotas is nothing new here. They have struggled to attract investments. It was a problem that was going to happen."

Bill Spindle, Council on Foreign Relations International Affairs Fellow in India
"India is obviously incredibly dependent on oil imports. They were vocal earlier about prices, but it didn't really get them very far. Higher prices are really going to pinch the economy there which was already pinched going into the Covid-19 crisis."

Ali Al Riyami, Consultant & Former Director General of Marketing, Ministry of Energy & Minerals, Oman
"For the past two months there has been a shortage of oil exports from some OPEC member countries. I thought during this period countries that have extra capacity like Saudi Arabia and Russia would cover the gaps, but they have not. There is something fundamentally missing in the meetings they are having."

Andrei Belyi, PhD, Professor, Founder & CEO Balesene OÜ
"Russia is willing to see oil prices rise, but not too much. There is a common understanding between Russia and OPEC members on the need to keep production quotas. However, the more interesting aspect about Russia is what's happening with Natural Gas. Natural gas price hikes push oil demand up."

Frank Kane, Senior Business Columnist, Arab News
"OPEC+ has a plan and they are going to stick with it. There is a meeting next week where I suppose they could do something as they don't have to stick to this 400 bbl per month target. However, that is the current plan, and they don't like changing their mind and tend to stick to the script."

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ENERGY MARKETS FORUM NEW SILK ROAD LIVE

GI Consultancy Intelligence Publishing

TOP 10

SEPT 26th - SEPT 30th

MARKET OBSERVATIONS FOR THE WEEK

1. There is no example of an economy moving from “Industrial” to “Service” without passing through a financial crisis, and China won’t be an exception.
2. US FED may still back away from Tapering if US job-reports over next few months don’t deliver the necessary greenlight.
3. Challenges to Global economic recovery has moved from bottlenecks to shortages, which could prove to be a much more difficult problem to solve.
4. All markets are rising and there is nothing on the horizon to stop them as long as FED keeps juicing the engines.
5. There is a short fuse for the panic button to be detonated in this market, indicating wild swings of volatility.
6. Global oil demand seen reaching pre-pandemic levels of 100mn b/d by Q1 2022 - much earlier than previously expected only a few months ago.
7. OPEC+ is unlikely to react to Brent hitting \$80/bl even though some producers are not able to meet their supply quotas.
8. Inflation pressures are bedding into all the non-discretionary areas -- food, energy and housing.
9. China appears to be facing a new problem every week - they address one issue and another pops up -- what will be next?
10. Chinese power plants face an existential threat from record coal prices and restrictive electricity tariffs.

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