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Was the OPEC plus decision a week ago the right call after all?
OPEC said it wanted to remain cautious about the demand outlook, but the OECD has just doubled its forecast for US economic growth for 2021 from 3% to 6% and only in the span of two months. This is largely based on the fiscal stimulus bill passing in Congress and a largely successful vaccination rollout. That growth is going to have a positive spillover effect on the rest of the world and especially on the US' trade partners Canada and the EU. What OPEC did last week was to add to this positive sentiment. However, we must not look at the short term - we still don't have a stable direction and we should expect more volatility in the months ahead.

What will be the macroeconomic consequence of the US budget deficit?
As soon as the economy really picks up and unemployment is eradicated, we will probably see taxation creeping back in and possibly higher taxation on certain sectors. The oil and gas industry would be an easy target in this regard.

Will OPEC plus finally pull the trigger on output cuts on April 1st?
If they had stuck to their original schedule set in April 2020, by now we would have no more than 5mn barrels a day of cuts to be relaxed through to April 2022. Instead, we have an extra 3mn barrels a day that they're going to roll over for several months to come. At some point, they will have to relax production - when there's a combination of high prices and massive spare capacity, discipline weakens. And despite the talk of more caution within the shale sector, it's never that black and white. These are aggressive investors and risk takers and when prices increase, they won't just sit back and watch. ■

**Paraphrased comments*