

# DAILY ENERGY MARKETS FORUM

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### The market trend looks negative on concerns of the rise in the Delta variant?

Prices are now going in the opposite direction to what was predicted only a few months ago when everybody was talking about a tight market, pent up demand and economic growth roaring back with a vengeance by the summer. Still, where we are today around \$70 for Brent, is a long way from the beginning of the pandemic, so that's positive. In terms of where we're going next, for the rest of August and maybe well into September, uncertainty and volatility will continue as long as we have countries recovering at different speeds and a divided outlook on stimulus and commodity prices.

### Should agencies revise their 2H 2021 demand forecasts downwards?

What's happening now is a realisation in the US, the UK and Europe, that at some point we have to learn how to live with the virus. There is also still some resistance towards vaccination, particularly in the US. The positive news is that developed economies, have recently agreed to support poorer countries in their vaccination roll outs. Without this, the uneven global recovery we have today will be accentuated and the virus will not come under control.

### Do the recent hostilities in the Gulf put a floor on prices?

The new Iranian President is trying to convey a message of power to the rest of the world. Maybe this is their way of negotiating better terms to the nuclear deal if they want to stick to it. But the impact on the market is minimal. The focus remains on demand, not supply, and Iranian barrels have been returning gradually anyway. In terms of geopolitical premium, you don't feel that in a market which is well supplied while uncertainty around demand remains. ■

*\*Paraphrased comments*

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