

DAILY ENERGY MARKETS FORUM

NEW SILK ROAD



Consultancy
Intelligence
Publishing

EXCLUSIVE SERIES

VIEWS YOU CAN USE

Dr. Carole Nakhle
Chief Executive Officer
Crysol Energy



What's been spurring stronger oil prices this past week?

The upward pressure on the price is not really a reflection of strong fundamentals. It's likely to fade away and it's going to leave us in a weaker spot than we were in a few months ago. The data today is showing that all the enthusiasm that we saw in the second and third quarters of this year seems to have been replaced by a warning about outsized risk. There's a relative slowdown in the momentum of the recovery and economic growth globally. China began to slow down before anybody else and the US Fed is now reflecting a kind of dampening sentiment across businesses, in addition to what we've seen with consumers. The question is, where would prices have been without the disruption of hurricane IDA in the US Gulf coast?

Where do things stand today on inflation concerns?

Inflation is not a good recipe for the economy. On the contrary, it's a source of concern. It has been on our mind, at least from the beginning of this year, becoming more and more problematic. Central banks all around the world have been saying that it's manageable and that it's been triggered primarily by supply chain constraints. However, they are gradually changing their perception of the structural damages made and on the increase in prices and cost of imports. I see inflation slowing down the momentum of the recovery.

Does OPEC Plus need to look at releasing any extra oil anytime soon?

Only if they want to see prices crashing down. There's no justification for it. The demand outlook does not look as strong as people expected. On the contrary, if you look at the various forecasts today, they have been revised downwards compared to previous ones. ■

**Paraphrased comments*

Series Supported By:

