

DAILY ENERGY MARKETS FORUM

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OPEC + is still the biggest variable affecting where oil prices can go.

And looking at the groups' forecasts for the rest of year, we shouldn't expect major deviations for their output plans. The other variable is demand and if we look at the macro picture and IMF world economic forecasts, the numbers are heading in the wrong direction for major economies like the US, China and the UK. At the same time, we also see inflationary pressure increasing everywhere - stagflation is the biggest problem that could change the momentum in oil markets. Supply chains have also not been resolved with the current upturn in demand not helping in that regard.

What's causing the lack of investment into new oil and gas capacity?

Oil price direction is one variable - you need spot prices to be higher than index constructed prices for much longer than just one winter to encourage investment. But the other dimension is confusion and contradiction on the policy side. - investors receiving different signals on whether their projects will be profitable or not is not conducive to them committing their capital long term.

Market momentum in the coming week?

Volatility will continue but there hasn't been any major change to justify prices breaking away from the range in which they are trading. The gas shortage and storage situation in Europe will continue to be a concern, with some attention on whether Russia can or will play a role in resolving that, following President Putin's remarks. ■

**Paraphrased comments*

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