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The global economy isn't in great shape, nor is the outlook very positive.

China is looking fragile and inflation numbers in the US are prompting the Fed to talk about being more aggressive. Meanwhile, in Europe, the ECB has said it can't start tightening up monetary policy because it can't afford it and we have a resurgence of COVID numbers. The ultimate question is whether global growth will return to 2019 levels and the answer is probably not because the instruments of economic policymaking have been exhausted.

Is the US wise to be considering releasing SPR reserves?

It is off the mark. We have already seen oil prices stabilizing. The key thing to remember is that these prices are politically motivated – OPEC is in control. Existing spare capacity is still way higher than the expected increase in demand to come for 2022. Secondly, SPR releases prevent supply from coming forward because they cool down prices temporarily. That then takes away the carrot for private producers to produce more. Biden really hasn't had a coherent message in the energy space. He is surrounded by people who know a lot about climate, but very little about oil and gas.

Main takeaways from the COP 26 meeting?

One is that oil and gas company representatives are voicing out that they are happy to accept a carbon price but want to be allowed to keep producing what's required to meet demand. Secondly, strong voices are finally being raised, including from the developing world, that we cannot see the energy transition as a free ride into a good future, where everybody creates green jobs and it's cost free. Energy transition is not simply about fuel substitution.

US data to look out for in the coming week?

We've got inflation data and employment data. The former is now 6% for this year, and if it continues to go up, voices in the US will become stronger. Biden on the other hand will be keen to make sure that the central bank doesn't turn too hawkish which is not very healthy. The dollar is going up for very good reason and interestingly so is gold because inflation fears persist. Normally they move in opposite directions. This inflation problem could be around much longer than it needs to be and that's the point at which trouble really starts. ■

**Paraphrased comments*

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