

Daily Energy Markets

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Dr. Carole Nakhle

Chief Executive Officer
Crystol Energy



We should not rule out OPEC adding more oil to the market.

OPEC has been loyal to its core objective of maintaining market stability so if this is now under attack and there's a potential structural destruction of demand and encouragement of supplies from outside the organization. they have to act.

Should we expect Iranian oil soon given positive talks in Vienna?

When it comes to Iranian oil, there are certain barrels that will come straight away that have been stored in ships, but we shouldn't expect miracles immediately if a deal is reached. Yes - it will help to dampen anxiety about supply and perhaps dampen the climb in prices, but it would take time to restore production to pre sanctions levels.

Should we be worried about Russia cutting off energy supplies?

If Putin retaliates against sanctions and cuts off oil and gas supplies, that would create mayhem, at least in the short term in terms of panic. People will build inventories and we will see further upward pressure on prices and a negative impact on the global economy. We sometimes forget that both Russia and even more so, Ukraine, are important exporters of grains such as corn and wheat, and metals and products needed to produce microchips such as palladium. So far, we haven't seen supply disruptions from Russia. It didn't retaliate after the annexation of Crimea and the consequent imposition of sanctions. Economically, Russia could sustain sanctions and cut off energy supplies for a while but if it goes into a fully-fledged war, it will be very costly for the country. ■

**Paraphrased comments*



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