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The spectrum of sentiment in the oil market today implies further volatility.

There's uncertainty on energy markets and on the macro level across the board. The market welcomed the Fed decision this week to increase rates by 0.25% and was reassured by comments that the US economy can sustain further rate rises this year without falling into recession. But at the same time, we saw the IEA warning of dire consequences for the oil market because of a potential loss of almost three million barrels a day of Russian oil exports. And a day earlier, OPEC reiterated its view that everything is fine, despite uncertainties on Chinese demand and geopolitical risks. It will be interesting to see what the IMF publishes in April on its outlook for global economic growth. It had already downgraded its forecasts for the major economies back in January before the Russia invasion. So, while there's a lot of uncertainty in the oil market, the real wild card is the macroeconomic outlook and how that will spillover into oil demand.

Russia Ukraine war repercussions hitting critical food security

It's very unusual that wars at this scale can end with a switch of a button or a handshake. Even if a peace agreement is reached today, there will always be pockets of resistance. The longer the war drags on, the more the negative implications will be on the global economy, on geopolitics and on energy markets. And this conflict is happening between two important producers, the repercussions of which stretch beyond oil and gas exports. They touch an even more important aspect, that is food security. The longer these important supplies are disrupted, the more we're going to see spillovers into countries and economies that are, at the moment, not on the map in terms of being directly affected by the conflict. ■

**Paraphrased Comments*



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