

### Dr. Carole Nakhle

Chief Executive Officer  
Cristol Energy



### Russian oil and gas supplies have not been interrupted despite the war.

This tells you one thing - how important these supplies are for Russia, economically speaking, because it is the primary source of revenue still coming to their coffers. And the sanctions placed on Russia so far have at large, protected oil and gas. Strategically, Russia knows that its oil and gas exports are perhaps the only strong economic card it has left which can influence European behavior. There seems to be agreement in the market that around 2.5 to 3 million barrels a day of Russian oil will eventually be lost but this is not necessarily the net amount globally, because we should factor in additional supplies coming to the market, whether in the form of SPR or from other producers. As far as gas is concerned, Europe is not considering an embargo. It's much more difficult to find an immediate alternative to gas or at least the infrastructure to get supplies from elsewhere. Russia also knows that and that's why they are keen on maintaining those supplies. They have sent some signals and we saw how they cut supplies to Poland and Bulgaria recently, but they chose two countries that rely more on coal and nuclear than natural gas.

### How do you interpret the turmoil in financial markets and what's to come?

We will need to see how bad the volatility gets - we are going to see more data, at least coming from the US, on how bad consumer sentiment is. There's jobless claims data coming out and that will have a certain impact on the market, whether it meets or exceeds expectations. I would say that the biggest factor that will continue to shape markets, global economies and geopolitics, is the war in Ukraine and how that develops and you can really expect the unexpected with this war. ■

*\*Paraphrased Comments*

Series Supported By:

