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Oil prices have broken away from the \$10 range that we saw quite predominately throughout the month of April and most of March.

This was expected. The war in Ukraine is getting more heated with additional measures and sanctions imposed on Russia, we're heading closer to the holiday and driving season in the Western world, and people are questioning how sustainable China's Covid policy can be, given its emphasis on supporting economic growth. So, there's not much to put downward pressure on prices today, but I would not rule out a reversal of that if we get gloomier macroeconomic data in the coming months.

EU fractures are clearly starting to emerge on Russia energy sanctions?

These will persist because we have a very diverse group of countries, not only in terms of their dependance on Russian oil and gas, but also in their historical relationship with Russia. We also need to think about what's already happening in these economies. The refugee problem is perhaps the biggest humanitarian crisis in Europe since World War Two and that by itself is having a major impact. One can understand where Italy and Hungary are coming from in a way.

Are central bankers across the world any closer to tackling inflation?

The Fed's policy of trying to balance between taming inflation and not slowing down the economy, has already been factored in. OECD central banks still seem to be hoping that the inflationary pressure will start to ease as we approach the end of this year. We may see demand correct on the back of these high commodity prices as they take a larger toll on consumption and household incomes. We're also now seeing a protectionist movement growing on food exports, for instance in some Asian countries. So, not only are we seeing a reversal vis a vis climate change or investment in oil and gas, but there's also a major reversal in the globalization trend that has been around for decades. We will have to see how that impacts global trade and global economic growth. ■

**Paraphrased Comments*

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