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Expectations for the Dec 4th OPEC+ meeting?

There's a good chance they might stick to what they had announced last time, particularly if they keep their gloomy outlook for demand. Privately, some of the OPEC+ members feel that the 2mbd cut was too much but publicly, they have put on a united front. And with their demand forecast recently revised down again, that by itself could provide them with the support they need to justify their cuts. But the biggest wildcard today is demand, with China the largest component. We've heard about a bit of easing of lockdowns but that could mean that infections are going to spread more rapidly, and that increases the likelihood of more lockdowns even if they are short lived, and that by itself creates uncertainty.

Will the US midterm election result influence Biden's energy policy?

It will be interesting to see whether Biden now softens his stance on SPR releases, or towards OPEC+ and prices at the pump. The US has really politicized this topic, putting all the blame on Russia so far. In terms of any impact on domestic energy policy, I don't expect them to show a more lenient stance on the oil industry. They want companies to invest but then they threaten them with the idea of windfall tax. What people don't realize is that in the US, the tax system on oil is already much more complicated than elsewhere. And on top of everything, they then subsidize demand and tame energy prices. It's contradictory. ■

**Paraphrased Comments*

