Energy Intelligence

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INTERNATIONAL OIL DAILY®

CONTENTS

- Saudis Hold Fire on Supply, Warn on Capacity
- Russia Leaves Europe in Dark Over Gas Supplies
- EU Signs Gas, Green Energy MOU With Azerbaijan
- IEF Chief: Oil Market May Need More Supply
- China's Products Exports at Seven-Year Low
- Iraq's Karbala Refinery Nears Completion
- Austria's OMV Poised to Exit Yemen
- IEA Chief Offers Europe Tips to Avoid Gas Crunch
- Renewed Supply Jitters Push Oil Prices Higher

In Brief

- India's July Fuel Demand Weakens
- UK Weighs Power Market Overhaul

Data Snapshot

- Oil and Gas Prices, Jul. 18, 2022
- Equity Markets, Jul. 18, 2022

Saudis Hold Fire on Supply, Warn on Capacity

Saudi Arabian officials on Saturday stressed the need for more upstream investment to resolve oil market pressures, saying that the kingdom would add some oil production capacity but has limits.

Speaking during a visit by US President Joe Biden, Saudi Crown Prince Mohammed bin Salman said that “unrealistic energy policies” would lead to further inflation and that the kingdom was already doing its part to boost its production capacity.

“The kingdom will contribute to this field to increase its production capacity to 13 million barrels per day, and after that the kingdom will not have any additional ability to increase production,” Prince Mohammed said at a regional gathering attended by Biden.

No Firm Commitment

In talks with the US, Saudi officials — as expected — also held back from making any explicit commitment to supply additional barrels to the current oil market.

In his speech, and in closed-door discussions with Biden on Friday, Prince Mohammed did not make any promises that Saudi Arabia would produce more oil, sources familiar with the matter told Energy Intelligence.

US officials have said they do not expect an immediate move to increase production from Biden's trip, but are hopeful of action in the medium term — including possibly from September.

The Opec-plus alliance next meets on Aug. 3. The group's current production cuts, dating from April 2020, expire in August. According to Opec-plus delegates, there are still no proposals on what oil policy for September will look like. Members have a few options for increasing global oil supplies, depending on market conditions.

“We [the US and Gulf states] agree on the need to ensure adequate supplies to meet global needs. Energy producers have already increased production and we look forward to seeing what’s coming in the coming months,” said Biden in a speech during the summit.

Washington and Riyadh on Friday did sign an agreement in which Saudi Arabia "committed to support global oil market balancing for sustained growth." The agreement also said they had discussed "further steps" to "help stabilize markets considerably."

Capacity Crunch

State Saudi Aramco had previously announced plans to increase its current stated production capacity of 12 million b/d by 1 million b/d by 2027, which sources close to the projects say is on track. In laying out that Saudi Arabia plans to hold its capacity at 13 million b/d, Energy Intelligence understands that Prince Mohammed wanted to drive the point home that other countries need to step up in their responsibility for energy security by investing in the upstream sector and technologies to produce cleaner fuels.

Prince Mohammed was speaking at the so-called GCC+3 summit in Jeddah, attended by the six Gulf Cooperation Council members (Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Bahrain and Oman), along with Iraq, Egypt and Jordan.

Saudi Foreign Minister Faisal bin Farhan al-Saud made a similar point on the need for upstream investment to ensure energy security, particularly for developing countries, when speaking to reporters in Jeddah on Saturday at the close of the summit

“There is a real danger in the future that there will be no spare capacity,” Prince Faisal said. He argued that the kingdom was taking a balanced approach, investing in the upstream and in renewable energy.

In recent months, consumer states including the US have urged Saudi Arabia and other Gulf producers to increase their production as Russian supplies came under sanctions pressures.

But Gulf states have not rushed to max out production capacities, arguing that prices are being impacted by factors such as geopolitical tensions and general underinvestment in the upstream sector.

Within the Opec-plus group, the two members that hold the lion’s share of spare capacity are Saudi Arabia and the UAE.

Prince Faisal also told reporters Saturday that oil supply was not discussed at the summit, and that Opec-plus would continue to monitor the market and set policy accordingly. “We listen to our partners and friends from all over the world, especially consumer countries,” he said.

“But at the end of the day, Opec-plus follows the market situation and will supply energy as needed.”

Security Partnership

Biden, speaking Saturday, emphasized “how closely interwoven America’s interests are with the successes of the Middle East” — and said the US “will not walk away and leave a vacuum to be filled by China, Russia, or Iran.”

To that end, Biden said the US would not allow foreign or regional powers to jeopardize navigation through the Strait of Hormuz and the Bab al-Mandab — and had established a new naval task force to work in partnership with Gulf navies in the Red Sea.

Asked about US concerns about China or Russia filling a vacuum in the region, Prince Faisal said, “I don’t see a zero-sum game,” adding that the kingdom does not have to decide on having just one ally.

Biden noted that as the US continues to work closely to counter threats posed to the region by Iran, Washington is also pursuing diplomacy over Iran’s nuclear program — although talks here have largely stalled.

Transition Role

The US and Saudi Arabia also pledged in their Jul. 15 agreement to “work together as strategic partners in climate and energy transition initiatives, recognizing Saudi Arabia’s leading role in the future of energy,” with Washington commending the Saudi Green Initiative and Saudi-led Middle East Green Initiative.

Producer states felt sidelined at UN climate talks in Glasgow in November 2021 and have been arguing for a stronger say in the energy transition.

Amena Bakr, Jeddah

Russia Leaves Europe in Dark Over Gas Supplies

Recent signals from Russia indicate that it is not in any hurry to reverse a recent sharp cut in gas supplies to Europe as the region scrambles to build up storage volumes ahead of the coming winter.

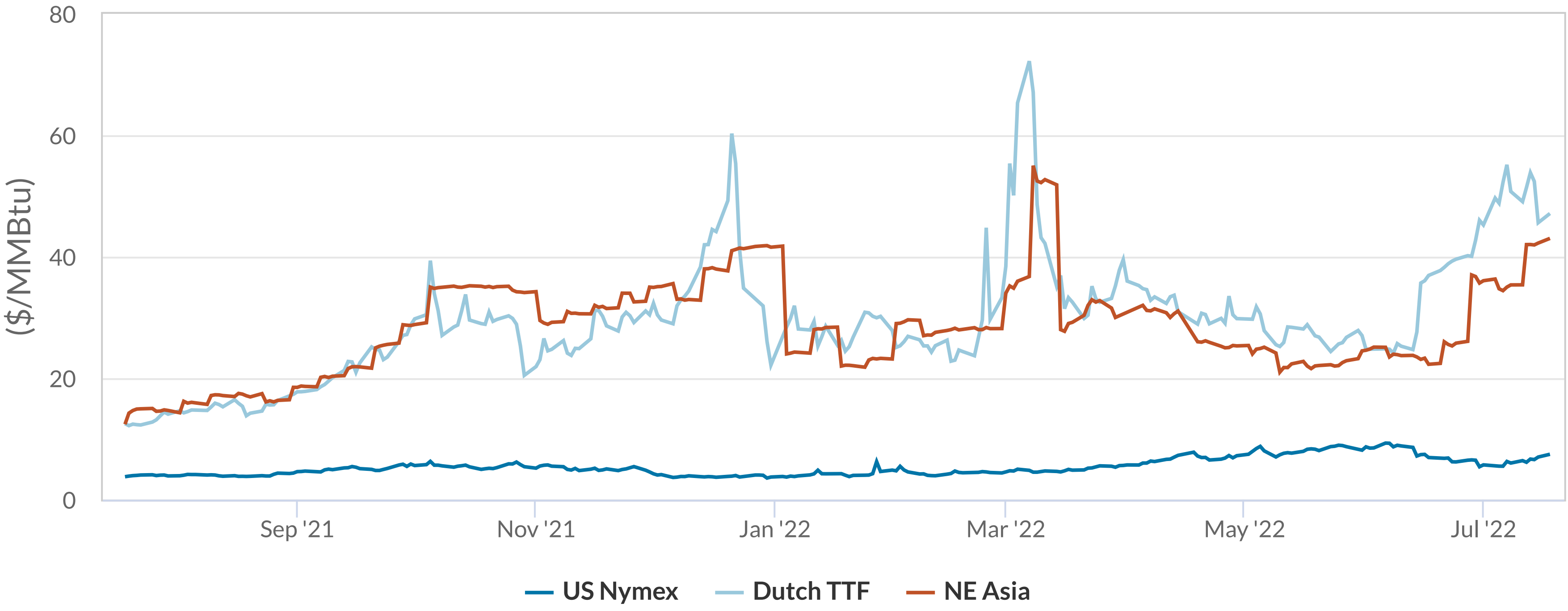
Reuters reported on Monday that struggling German utility Uniper had received a "force majeure" notice from Russian gas giant Gazprom, asserting that shortfalls in its deliveries of gas since mid-June were caused by reasons beyond its control.

Separately, Uniper said on Monday that it had fully utilized a €2 billion ($2 billion) credit facility from German economic development bank KfW, in response to "the ongoing supply shortfalls of Russian gas."

The company is also seeking financial support from Germany's federal government.

Germany is Europe's biggest importer of Russian gas and Uniper imports more Russian gas than any other German company.

GLOBAL GAS PRICING



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Customers Kept in the Dark

In mid-June Gazprom reduced deliveries of gas to Germany via the Nord Stream 1 pipeline to around 68 million cubic meters per day — about 40% of its capacity — citing delays in the return of a turbine from Canada after repairs.

And on Monday, Jul. 11 Gazprom closed down the pipeline completely for 10 days of scheduled maintenance.

Canada granted a sanctions waiver, allowing the turbine to transported to Germany — which reportedly occurred on Sunday.

But Gazprom appears to be keeping its European customers in the dark about when the turbine could be reinstalled at the pipeline's Portovaya compressor station in Russia — as well as if and when export volumes might pick up again.

Moscow maintains — somewhat implausibly — that it is not using its gas exports to Europe as a weapon in retaliation for EU sanctions against Russia in response to that country's invasion of Ukraine.

The sharply restricted flows of Russian gas in recent weeks have propped up European gas prices and they pose a threat to the EU's goal of increasing its gas storage volumes to 80% by the end of October.

European politicians are concerned that energy shortages and the resulting high prices could weaken the bloc's willingness to keep supporting Ukraine as Russia continues to wage war on the neighboring country.

Moscow Unconcerned

Russian presidential aide Maxim Oreshkin said over the weekend that the low flows of gas to Germany via Nord Stream 1 are of no great concern to Moscow.

"They took [the turbine] to Canada, it got stranded there. Well, you don't want it — we don't need it," he said.

So far at least, high prices for oil and gas have blunted the impact of western sanctions against Russia, with the country's earnings from exports of oil and gas holding up much better than many pundits had expected.

Moscow also insists that as Europe dials down its purchases of Russian oil and gas it will simply divert its exports to other markets, especially in Asia.

Gazprom said on Sunday that its gas exports to China hit a new daily record, without providing figures, as it ramps up volumes under existing contracts.

However, in order to replace the gas volumes that it has been shipping to Europe in recent decades, it would need to negotiate new contracts and build new infrastructure — something that would take years.

Europe, meanwhile, is striving to reduce its dependence on Russian gas, but that too will take several years.

Staff Reports

EU Signs Gas, Green Energy MOU With Azerbaijan

The EU has signed a memorandum of understanding (MOU) to double its imports of gas from Azerbaijan to 20 billion cubic meters per year in "a few years," European Commission President Ursula von der Leyen said in Baku on Monday.

Von der Leyen's trip to the Azeri capital comes at a critical moment for the EU, with Moscow's war in Ukraine prompting the bloc to reduce its heavy dependence on Russian gas and seek out dependable, long-term alternative supplies.

She said imports of Azeri gas, via the "southern corridor" pipeline network via Turkey to southeast Europe, would increase to around 12 Bcm/yr in 2023 from 8 Bcm/yr in 2021 and compensate for reduced supplies of Russian gas.

"The EU has therefore decided to diversify away from Russia and to turn to more reliable, trustworthy suppliers," she said.

The EU began importing Azeri gas in late 2020 with the start-up of the Transadriatic Pipeline (TAP) that runs almost 900 kilometers from the Greek-Turkish border via Albania to southern Italy.

The TAP consortium has previously sounded out market interest in doubling the line's capacity to 20 Bcm/yr, but the response was muted.

The MOU signed in Baku also included a commitment to increase cooperation in renewable energy, Von der Leyen said, citing Azerbaijan's "tremendous" potential in wind, solar and green hydrogen.

"Gradually, Azerbaijan will evolve from being a fossil fuel supplier to becoming a very reliable and prominent energy partner for the EU," she said.

Von der Leyen also said that Azerbaijan would reduce methane emissions "throughput the entire gas supply chain," and urged the former Soviet republic to join the global methane pledge.

Azerbaijan is targeting net zero emissions by 2050, and has signed deals with Masdar of the United Arab Emirates and Acwa of Saudi Arabia to build onshore solar and wind plants.

BP, which operates Azerbaijan's two big offshore oil and gas projects — Azeri-Chirag-Guneshli and Shah Deniz — submitted a de-carbonization "masterplan" to the government in May to assist in the country's energy transition efforts.

Paul Sampson, London

IEF Chief: Oil Market May Need More Supply

Oil markets may require additional supply soon, especially as demand in China and other Asian countries return to pre-pandemic levels, says Joseph McMonigle, the secretary general of the International Energy Forum (IEF).

However, given the limited spare capacity available, this might be a tough task for Opec-plus alone, McMonigle told Energy Intelligence in an interview.

McMonigle said the markets have been much tighter as demand has come "roaring back" but he added that supply has not kept pace.

Furthermore, a recovery in China from Covid lockdowns earlier this year may give demand an additional boost and cause prices to spike higher again. "I think there will be a need for more supply at some stage," McMonigle said.

However, given that spare capacity within the Opec-plus alliance is limited, Gulf states are being cautious about using what remains available.

"This is a tough needle for Opec and the Saudis to thread here. They want to be responsive to the market, but at the same time they don't want to do something on spare capacity that's going to end up being bullish for prices. So you truly do want to have some spare capacity," he said.

McMonigle added that a lack of upstream investment in the US is contributing to the current energy crisis, and that the responsibility of building new capacity cannot be borne by Opec states alone.

"So the discussion really needs to be broader and not just focused on Opec and the GCC, it needs to be about non-Opec," he said.

McMonigle noted that while demand in the US has regained pre-pandemic levels, US supply is still lagging behind because of a lack of investment.

The IEF is an intergovernmental organization with 71 member countries that seeks to promote dialogue on energy matters. Its secretariat is located in Riyadh.

US Hopeful on Supply

Sources familiar with the matter said Saudi leaders did not promise to supply more oil to the market in talks with US President Joe Biden in Jeddah on Friday.

But Energy Intelligence understands that additional supply would not be completely out of the question for the kingdom at some point, if there were a clear market justification for it and if it occurred within the context of Opec-plus.

"Based on what we heard on the trip, I'm pretty confident that we'll see a few more steps in the coming weeks," Amos Hochstein, the senior US State Department adviser for energy security told CBS television on Sunday.

Biden attended a summit of Arab leaders in Jeddah on Saturday where he met with the leaders of other Gulf Cooperation Council (GCC) oil producing countries, including the United Arab Emirates (UAE) and Kuwait.

"It's not just about Saudi...We met with the GCC, and with Saudi Arabia. I'm not going to go into how much spare capacity there is in Saudi Arabia and in UAE and Kuwait etc. But there is additional spare capacity. There is room for increased production," Hochstein said.

Saudi Foreign Minister Faisal bin Farhan al-Saud told reporters that oil production was not discussed at the summit.

Opec-plus is scheduled to hold its regular monthly ministerial meeting on Aug. 3 where the alliance is expected to set a new policy for September, after the big production cuts it implemented in 2020 expire at the end of August.

Amena Bakr, Jeddah

China's Products Exports at Seven-Year Low

China's exports of transportation fuels — gasoline, diesel and jet fuel — fell by 10.2% in June versus May to a meager combined total of 1.58 million tons, extending a recent sequence of monthly declines.

The sluggish volumes in recent months left China's exports of transportation fuels during the first half of this year almost 55% below the same period of last year at 11.9 million tons.

That is the lowest January-June tally since 2015, when Chinese refiners were starting to ramp up their exports of products.

Diesel Takes a Hit

China's diesel exports plunged by 84.2% in the first half of this year, from the corresponding period of 2021, to 85,000 barrels per day.

The country's cap on exports of products, and especially diesel, has kept Asia-Pacific products markets tight at a time when demand has been recovering strongly while facing competing demand from Europe and the US.

The government decided last summer to start capping exports of transportation fuels to discourage refiners from overproducing, while also forcing them to cap their carbon emissions.

There is talk that China could even ban exports of gasoline, gasoil and jet fuel by 2025, or even sooner.

The low exports are not only limiting supplies to the region. They are also preventing Chinese refiners from drawing down product inventories, and forcing them to further cut crude throughput, at a time when demand in China is only starting to recover from Covid-19 lockdowns in the second quarter of this year.

Chinese refinery throughput tumbled 8.7% from the first quarter of this year to 12.94 million b/d in the second quarter, Energy Intelligence calculates, based on data released by the National Bureau of Statistics on Friday.

Outlook

The government allocated an additional 4.5 million tons of export quotas for transportation fuels in a second batch of quotas granted in early June. A third batch for another 5 million tons was allocated to state refiners and private giant Zhejiang PetroChemicals at the end of the month.

However, the volumes allocated will likely be too small to have a significant impact on the domestic market and on other Asia-Pacific products markets.

China's combined export quotas for gasoline, gasoil and jet total 22.5 million tons so far this year — well below the 29.5 million tons of quotas issued in January 2021 and subsequently topped up in August 2021.

CHINA'S JUNE 2022 REFINED PRODUCTS EXPORTS

Product	Jun '22 (million tons)	Jun '22 ('000 b/d)	May '22 ('000 b/d)	M-o-M %Chg.	Y-o-Y %Chg.	H1'22 (million tons)	H1-o-H1 %Chg.
Gasoline	0.7	206	229	-10.2%	-50.0%	5.6	-41.8%
Diesel	0.3	82	29	184.2	-86.1	2.1	-84.2
Jet	0.5	137	207	-33.7	-43.2	4.3	14.9
Gasoline + Diesel + Jet	1.6	425	465	-8.6	-199.0	11.9	-54.7
Total*	**3.2**	**NA**	**NA**	**-14.4%**	**-50.0%**	**36.5**	**-40.7%**

*Includes other refined products. Source: Chinese customs

Maryelle Demongeot, Singapore

Iraq's Karbala Refinery Nears Completion

The commissioning of the long-delayed 140,000 barrel per day Karbala refinery could begin in October, providing a welcome domestic outlet for additional Iraqi crude and slashing Baghdad's costly fuel import bill.

The $6.4 billion construction contract was awarded to a South Korean consortium led by Hyundai E&C in 2014 and was supposed to take four and half years to complete. But mismanagement, late payments and the Covid-19 pandemic all contributed to the delays.

Iraq hopes to finally start sending crude to the refinery in October, Oil Minister Ismael Ihsan said during a visit to the plant on Monday. When it is up and running, the plant will allow the country to reduce its imports of refined products by 60%, the minister added.

Iraq's domestic refining throughput topped 600,000 b/d in May, for the first time in a year, but its existing refineries are old and have a fuel oil yield of more than 50%, necessitating imports of gasoline and diesel to meet domestic demand.

The country is thought to spend about $3 billion a year on fuel imports, despite being Opec's second-largest producer. It currently exports around 3.8 million b/d of crude oil.

State marketer Somo imported around 14,000 cubic meters of gasoline and around 9,000-10,000 cubic meters of gasoil daily in May, according to a company official.

The Karbala refinery is Iraq's largest downstream project.

But another long-delayed downstream venture also due for completion this year is the new 70,000 crude distillation unit being built by Czech firm TechnoExport at the Basrah refinery, which should raise the plant's capacity to 280,000 b/d.

If both projects are completed, in addition to savings on imports, they will give Iraq welcome new outlets for its crude oil production, which has been constrained by aging export infrastructure that prevented the country from hitting its Opec-plus output targets in recent months.

Deputy Prime Minister Ali Allawi said last month that he did not foresee Iraq's production capacity rising to more than 6 million b/d over the next five years — from around 4.5 million b/d now — because of the export infrastructure constraints.

Simon Martelli, London

Austria's OMV Poised to Exit Yemen

Austria's OMV is poised to exit Yemen, becoming the last Western oil and gas company to give up operatorship of a producing upstream asset in the war-torn Mideast country.

Pakistani engineering firm Spec is tipped to take over operatorship of the S-2 upstream block, which OMV had acquired back in 2003.

Yemen has produced less than 100,000 barrels of oil per day for the last eight years, while TotalEnergies' Yemen LNG plant suspended operations in 2015.

OMV had hoped to expand production at S-2 to 30,000 b/d, but in recent years output ranged from 10,000 b/d to 15,000 b/d, and it has recently dipped even lower.

The Austrian company confirmed that it is "in a sales process of our Yemen business" as part of a "strategy of reducing the share of oil in the portfolio."

It did not disclose the identity of a potential buyer. Spec declined to comment.

OMV's move comes amid concerns that a hard-won truce in the Yemen war won't be renewed when it expires at the end of this month.

Last year Australian minnow Petsec relinquished operatorship of its S-1 Block, formerly held by Occidental Petroleum.

Local firm Octavia Energy took over operatorship of S-1, having previously taken over Block 9, by buying its Canadian operator Calvalley.

Petsec has retained a minority stake in S-1 and in Yemen LNG.

If the truce in Yemen ends and the war flares up again, there could be a surge in cross-border attacks, such as the aerial strikes by Houthi rebels that hit both the United Arab Emirates and Saudi Arabia.

In recent remarks to the UN Security Council, UN Special Envoy for Yemen Hans Grundberg warned that the gains of the past few months are under threat.

"In the last weeks, we have seen worrisome escalatory rhetoric by the parties questioning the benefits of the truce — a dangerous move that I ask both sides to refrain from," he said.

"Let us be clear, the alternative to the truce is a return to hostilities and likely an intensified phase of conflict with all of its predictable consequences for Yemeni civilians and regional security."

Rafiq Latta, Nicosia

IEA Chief Offers Europe Tips to Avoid Gas Crunch

The head of the International Energy Agency (IEA) has warned that despite some progress on diversifying its gas supplies, Europe is in an "incredibly precarious situation" with more work needed to prepare itself for "a long, hard winter."

IEA Executive Director Fatih Birol posted a commentary on the IEA's website on Monday, proposing measures that could be taken in the short term to prevent a "major gas crunch" — focusing in particular on steps to reduce demand.

"The first immediate step towards filling European gas storage to adequate levels before winter is to reduce Europe's current gas consumption, and to put the saved gas into storage," Birol said on Monday.

Birol proposed the following five measures:

- Introduce auction platforms to encourage industrial gas consumers to offer up some of their contracted gas supply to the highest bidder.
- Use less gas for power generation by temporarily increasing the use of coal and oil and accelerating deployment of low-carbon sources, including nuclear power, where feasible.
- Promote coordination between gas and electricity operators across Europe, including coordination on mechanisms to "shave" peaks in demand.

- Reduce household electricity demand through public information campaigns to encourage behavioral change.
- Harmonize emergency planning across the EU at the national and European levels.

Birol said in his commentary that after Russia's Feb. 24 invasion of Ukraine, "nobody in Europe or elsewhere could be under any illusions about the risks around Russian energy supplies."

Flows of Russian gas to Europe have fallen steadily since the second half of last year, with a particularly sharp decline in recent months.

European leaders believe that Russia has deliberately limited its exports of gas to the region to gain political leverage after the US and Europe imposed tough sanctions on Moscow in response to its war in Ukraine.

The EU has set a target of filling gas storage facilities to 80% of capacity by Nov. 1 of this year and to 90% of capacity by the same date in subsequent years.

But Birol said Europe cannot achieve those goals by relying on additional purchases of gas from other suppliers. "These supplies are simply not available in the volumes required to substitute for missing deliveries from Russia," he added.

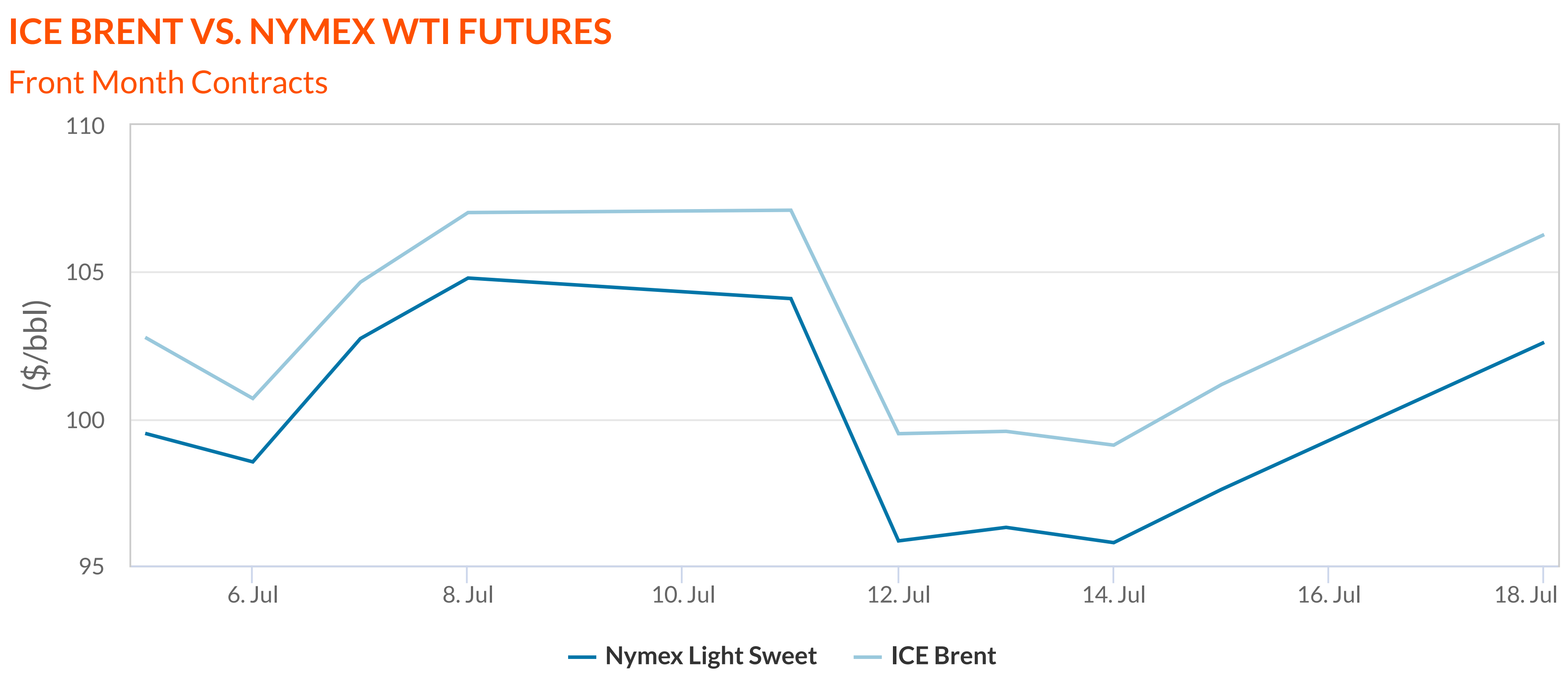
Birol said public awareness campaigns could play a significant role in driving down demand. "Simple steps such as turning down the heating by a couple of degrees in Europe can save the same amount of natural gas that is supplied over the winter by the Nord Stream pipeline," he added.

Tom Pepper, London

Renewed Supply Jitters Push Oil Prices Higher

Oil futures started the week on the rise as fresh concerns about short-term supply inundated markets, sending US benchmark West Texas Intermediate back over the $100 per barrel threshold.

In London, the September contract for ICE Brent rose by $5.11 to settle at $106.27 per barrel. On Nymex in New York, the August contract for WTI jumped by $5.01 to close at $102.60/bbl.



Russia's Gazprom declared force majeure on a contractual natural gas delivery to a European client, Reuters reported, while a heat wave rolled across the continent and forced at least one energy supplier to tap already low gas reserves.

A combination of low gas storage and high prices will likely force some European countries to turn to oil products and coal to generate sufficient energy this winter, which is feeding into pricier barrels in the near term. The predicament led the chief of the International Energy Agency, Fatih Birol, to declare on Monday that "the world is experiencing the first truly global energy crisis in history."

Only three months remain before many places in Europe start to turn on the heat, and gas volumes tucked away in storage are low. Gazprom, which supplies about one-third of Europe's gas, has also minimized exports to the region due to pipeline maintenance amid other reasons.

Winter Worries

If Europe does not have sufficient gas to make it through winter, then supplies will have to be rationed to large industry users and alternative sources found, including fuel oil. That is demand positive.

At the same time, rationing will trigger recessionary moves such as shutting in the manufacturing base and widespread layoffs, which will lead to demand erosion.

How this tug-of-war plays out will be critical in upcoming weeks and months. To be sure, oil markets have been contending with supply tightness for months, particularly as refiners have been running hard to meet summer demand and replenish stocks.

The tightness is starting to show at the front of the price curve. The spread between the September and October contracts for Brent, the world's leading benchmark, grew to $4.44 on Monday, the highest level for a non-closing day since Mar. 10. By contrast, the spread between the January and February 2023 contracts is $1.42, although this, too, is still indicative of a highly backwardated market that squeezes premiums for buyers — i.e., refiners — keen on ensuring oil deliveries in the next few months.

The differential between Brent and WTI also continues to grow, and at one point on Monday surpassed $7 before settling at around $6.80.

Depending on shipping rates, this differential could open the arbitrage trade between the Gulf of Mexico and Europe.

Gary Peach, New York

IN BRIEF

India's July Fuel Demand Weakens

India's fuel demand contracted sharply in the first half of July as monsoon rains disrupted transportation, according to preliminary sales data from the country's state-owned refiners.

Diesel sales fell 13.7% to 1.6 million b/d while gasoline sales shrank 7.8% to 757,000 b/d during the first 15 days of July compared with June, the data showed.

India's annual monsoon rains — which account for 70% of the South Asian nation's annual rainfall, covered the entire country as of Jul. 2, about a week ahead of their normal schedule.

The heavy rains disrupt traffic and hence the consumption of transportation fuels. The monsoon rains had already arrived in Kerala in Southern India by May 29.

Jet fuel sales fell by 6.3% during the first half of July to 134,000 b/d as ticket prices surged as the result of a spike in jet fuel prices.

Refiners, which revise jet fuel prices every two weeks, cut prices by 2.2% for the second half of July to 138,148 rupees ($1,728) per kiloliter for New Delhi airport on Jul. 16. This was just the second price cut this year.

Although there was no change in prices on Jul. 1, refiners had raised their prices by 16% for the second half of June, taking them to a historical high.

INDIA REFINED PRODUCT SALES OF STATE FIRMS

('000 b/d)	Jul 1-15 '22	Jun 1-15 '22	M-o-M %Chg.	Jul 1-15 '21	Y-o-Y %Chg.
Gasoline	757	821	-7.8%	614	23.2%
Diesel	1,608	1,864	-13.7	1,267	26.9
Jet Fuel	134	143	-6.3	75	78.7
LPG	965	891	8.3%	845	13.1%

Source: State oil refiners, Energy Intelligence calculations

Rakesh Sharma, New Delhi

UK Weighs Power Market Overhaul

The UK government said on Monday it was looking at ways to change wholesale electricity market rules so that natural gas no longer plays a dominant role in setting the nation's power prices.

The government said "proposals out for initial consultation include exploring changes to the wholesale electricity market that would stop volatile gas prices setting the price of electricity produced by much cheaper renewables."

It said it was looking for ways to introduce incentives for consumers to use cheaper electricity when there is plenty of wind and sunshine, and reform markets so that technologies such as energy storage are better supported.

Just after noon on Monday, the UK electricity generation mix comprised roughly 50% renewables and other low-carbon sources, and 48% gas.

Over the last year, gas accounted for only 40.8% of the electricity generated in the UK, but it is gas that typically sets wholesale prices.

Jason Eden, London

DATA SNAPSHOT

Oil and Gas Prices, Jul. 18, 2022

All data are produced by Energy Intelligence in cooperation with Refinitiv.

CRUDE OIL FUTURES

($/bbl)	Chg.	1st Mth.	2nd Mth.
ICE Brent	+5.11	106.27	101.86
Nymex Light Sweet	+5.01	102.60	99.42
DME Oman	+5.30	105.86	100.46
ICE Murban	+5.38	108.95	102.18

INTERNATIONAL SPOT CRUDES

($/bbl)	Chg.	Price	Prior Close
Brent (Dated)	+5.02	117.27	112.25
Dubai	+4.30	102.60	98.30
Forties	+4.13	122.37	118.24
Bonny Light	+4.13	126.97	122.84
Urals	+4.13	88.02	83.89
Opec Basket*			104.39

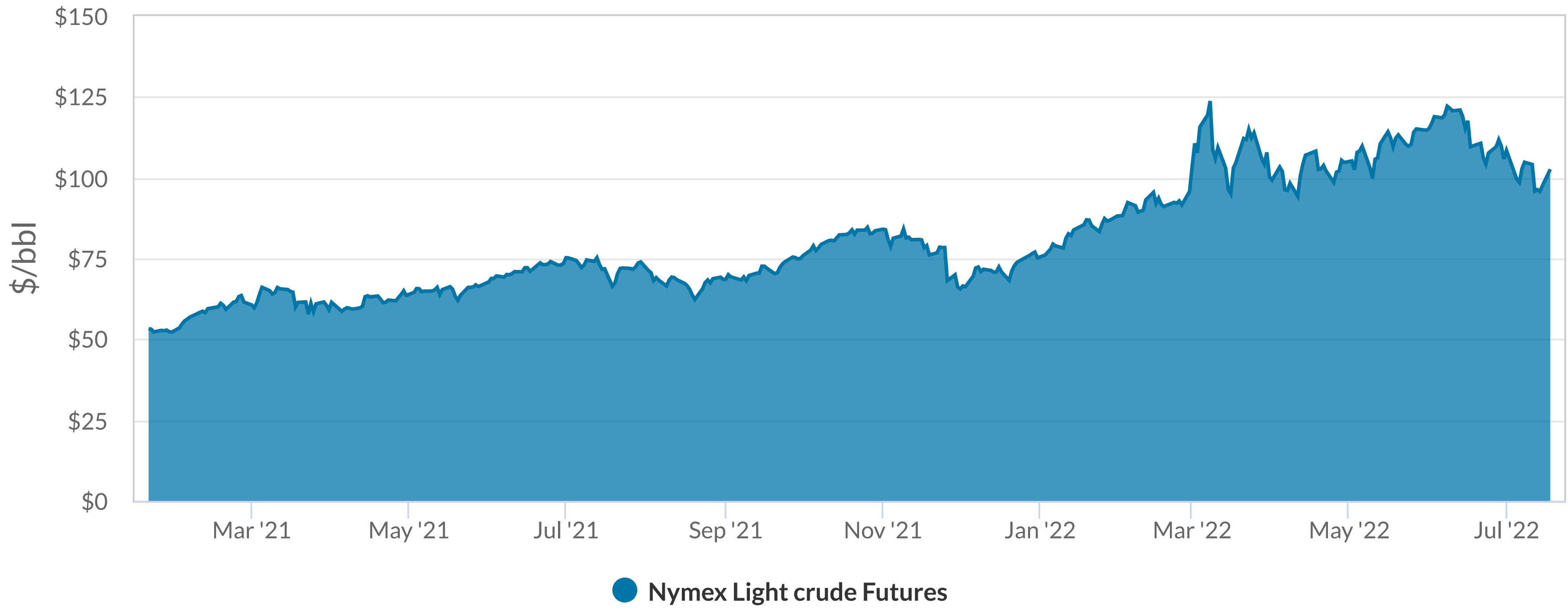
*Opec price assessed.

NORTH AMERICAN SPOT CRUDES

($/bbl)	Chg.	Price	Prior Close
WTI (Cushing)	+4.89	104.48	99.59
WTS (Midland)	+3.29	104.48	101.19
LLS	+4.89	106.58	101.69
Mars	+5.09	101.33	96.24
Bakken	+4.89	108.48	103.59

ICE BRENT CRUDE FUTURES

NYMEX LIGHT CRUDE FUTURES



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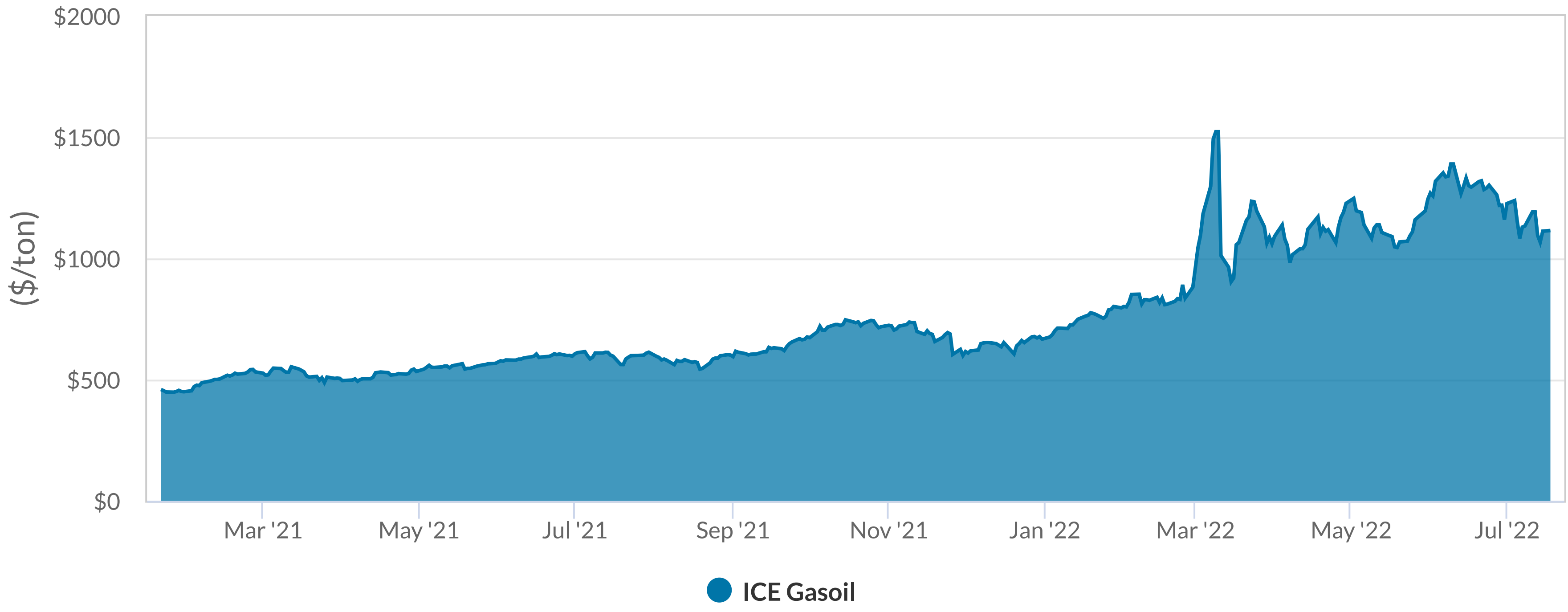
REFINED PRODUCT FUTURES

Nymex	Chg.	1st Mth.	2nd Mth.
Gasoline (¢/gal)	+5.11	326.43	312.04
ULSD Diesel (¢/gal)	-4.35	365.55	358.81
ICE			
Gasoil ($/ton)	+2.75	1115.25	1089.75
Gasoil (¢/gal)	+0.88	355.95	347.81

ICE GASOIL FUTURES



NYMEX GASOLINE FUTURES

US SPOT REFINED PRODUCTS

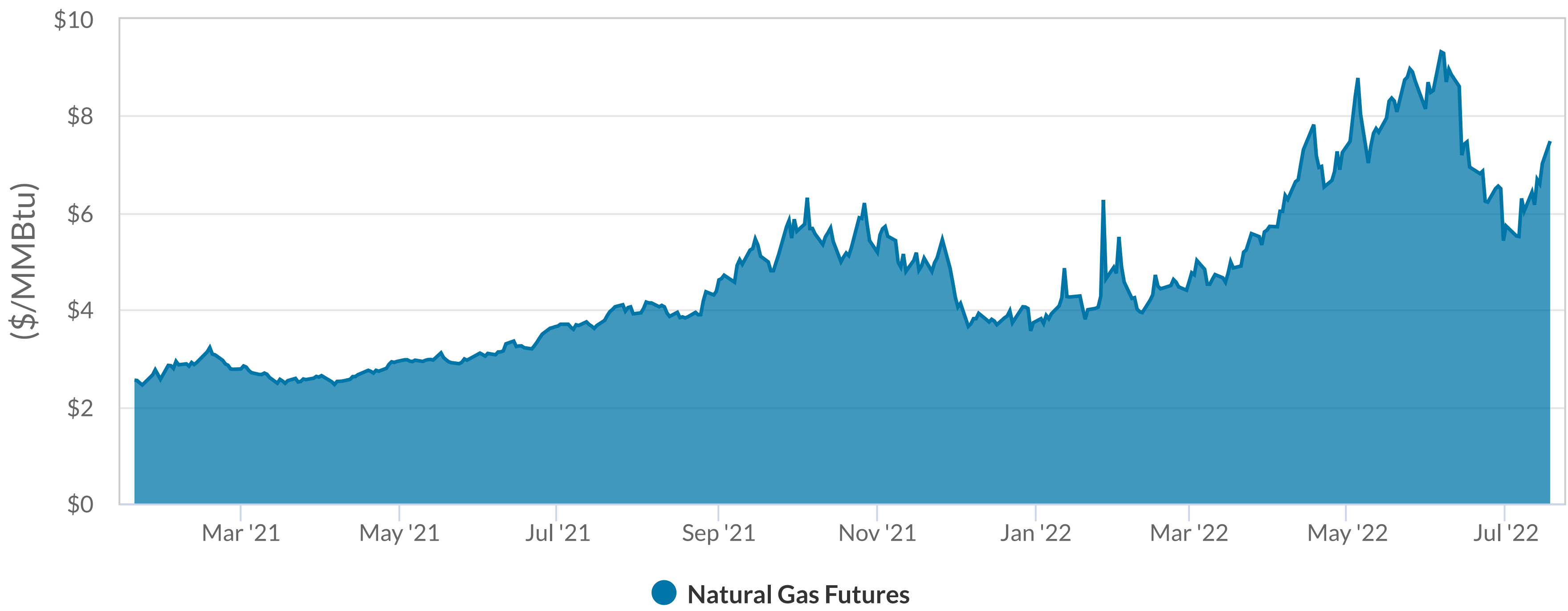
New York (¢/gal)	Chg.	Price	Prior Close
Regular Gasoline	+5.36	347.22	341.86
No.2 Heating Oil	-7.66	354.50	362.16
No.2 ULSD Diesel	-7.66	371.25	378.91
No.6 Oil 0.3% *			107.53
No.6 Oil 1% *			95.98
No.6 Oil 3% *			81.63
Gulf Coast (¢/gal)			
Regular Gasoline	+5.36	314.97	309.61
No.2 ULSD Diesel	-7.66	362.00	369.66
No.6 Oil 0.7% *			97.83
No.6 Oil 1% *			97.83
No.6 Oil 3% *			77.73

*Price in $/bbl. Percentages refer to sulfur content.

INTERNATIONAL SPOT REFINED PRODUCTS

Rotterdam ($/ton)	Chg.	Price	Prior Close
Regular Gasoline	+19.70	1073.50	1053.80
ULSD Diesel	-12.25	1131.00	1143.25
Singapore ($/bbl)			
Gasoil	+2.36	136.34	133.98
Jet/Kerosene	+1.81	135.35	133.54
VLSFO Fuel Oil ($/ton)	+20.32	885.33	865.01
HSFO Fuel Oil 180 ($/ton)	+38.91	504.90	465.99

NYMEX NATURAL GAS FUTURES



Refinitiv

NATURAL GAS PRICES

($/MMBtu)	Chg.	Price
Henry Hub, Nymex	+0.46	7.48
Henry Hub, Spot	+0.98	7.56
Transco Zone 6 - NY	+1.67	7.76
Chicago Citygate	+0.88	7.35
Rockies (Opal)	+0.90	7.35
Southern Calif. Citygate	+1.34	8.69
AECO Hub (Canada)	+0.40	3.93
Dutch TTF (euro/MWh)	+4.25	158.50
UK NBP Spot (p/th)	-12.00	161.00

US/Canada spot prices from Natural Gas Week

Equity Markets, Jul. 18, 2022

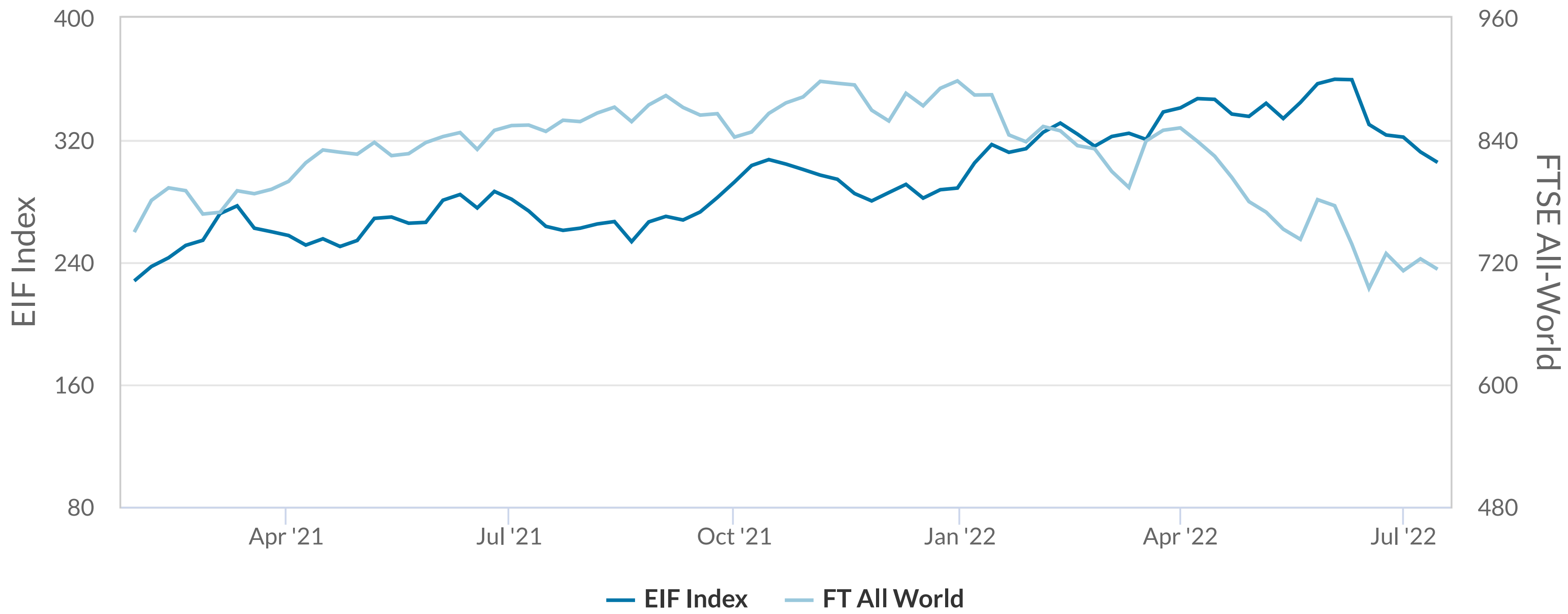
All data are produced by Energy Intelligence in cooperation with Refinitiv.

EQUITY MARKET INDEXES

	Chg.	Index	YTD %Chg.
EIF Global*	+4.73	305.33	+5.83
S&P 500	-32.31	3,830.85	-20.08
FTSE All-World*	+12.71	713.12	-20.87

*Index for previous day

EIF INDEX



EIF Global Oil and Gas Index of 21 traded equities