

The closing bell: oil futures closed slightly down during trading session on Thursday after another day of swings with the Brent wrapping up at 107.77\$ per barrel while the West Texas Intermediate (WTI) closed trading sessions at 106.3\$ per barrel of around 1% as there remains the pernicious mixture of the ongoing lockdowns in China after a recent statement by the government on restricting travels of residents overseas keeping still its tough no covid policy, the still unfolding consequences of the recent hike of interest rates by the Fed of 50 bps and after a recent report by the OPEC of its monthly report for May reflected a slight drop of global oil demand for the 2nd quarter of 2022 due to the war in Ukraine and the consequences its having on the prices of oil, gas and other commodities, causing current levels of oil prices and problems with global supply chains resulting in different shortages of commodities and other key materials.

In this sense, its worth mentioning some of the points reflected in the OPEC Monthly Oil Market Report, such as the OPEC production for April rose 153.000 barrels per day to 28.6 MMBPD based on secondary sources, global oil demand was revised down to 3.3 MMBPD to average 100.3 MMBPD, non OPEC supply growth was cut by 0.3 down to 2.4 MMBPD comprising the output of the total non OPEC producing countries, Russia's production for April was down 210.000 barrels per day, while the production from another key oil producer such as Saudi Arabia was up for April to 10.4 MMBPD. For the detailed OPEC May 2022 MOMR here's the link: <https://momr.opec.org/pdf-download/>.

Meanwhile, the dollar spiked significantly in the index to end trading day at 104.8 while the russian ruble appreciated further to 63.3 rubles per dollar as more European buyers of russian gas allegedly have been opening accounts in rubles in the GAZPROMBANK for their payments of russian gas as per the demand by the Kremlin prompting these recent improvements in the value of the russian currency, while at the same time other key commodities such as gold reversed previous gains to drop around 2% to close trading session at \$1822 per troy ounce, silver trading with losses at \$20.6, wheat also experiencing gains standing at \$1169, platinum dropping around 6% standing at 931\$ and palladium also with losses of around 6% to end up trading day at \$1904, as commodities got hit significantly amid the continuation of the sell off that started this week.

Natural gas prices: natural gas prices gained around 1% to end up trading session at \$7.71 per MMBtu after news that Ukraine announced it was stopping sending russian gas via one of the pipelines that runs through its territory with impact on

physical supplies to Europe alleging that Russian military forces occupying territory were interfering with operations while Ukraine said gas volumes could be shifted instead to the Sudzha transit point further west in territory it controls as the war slowly threatens to further interrupt more gas exports to European countries despite GAZPROM has not stopped so far its supplies ever since the war began and also on reports that Russia stopped exports of gas to Poland in the continuation and escalation of the use of gas as a consequence of the war in Ukraine and retaliation by the Kremlin on the recent sanctions and on the announcement that Finland is speeding up its access to NATO, seen as a direct threat to the security of Russia.

Geopolitical risks and developments: the war in Ukraine continues with Moscow days centered on its efforts to consolidate its control in the city of Mariupol as it tries to wipe off the last vestiges of resistance prompting thousands of evacuations from the location as Europe continues to send more weapons to Ukrainian resistance as Russia keeps on blaming any country opposing its aggression against Ukraine as nazis as there are now reports that Russia is sending forces stationed in Syria to support its military invasion in Ukraine. Also, new developments showed that Finland stated that it wants a speedy access to NATO which clearly was seen by the Kremlin as a security threat and which could mean possibly a new stage in the war and escalation of hostilities in other countries and directly involving NATO in the war which could have wider dangerous consequences for Europe and the world.

Keep an eye on: as oil markets continue through an intense volatile stage keep a close watch on the dynamics of the war in Ukraine, the path of the nuclear talks between Iran and the P4+1 and the recent wave of protests in the oil key province of Khuzestan, the situation in Libya as potentially there could be a reopening of all blocked facilities still amid a blockade by recent protests and also keeping a close watch on the geopolitical dynamics in the Middle East specifically Saudi Arabia, Iraq, the elections next Sunday in Lebanon and the geopolitical implications as the Iranian proxy Hezbollah is poised to consolidate more power in the country amid the proxy struggle between Iran and Saudi Arabia in the region.