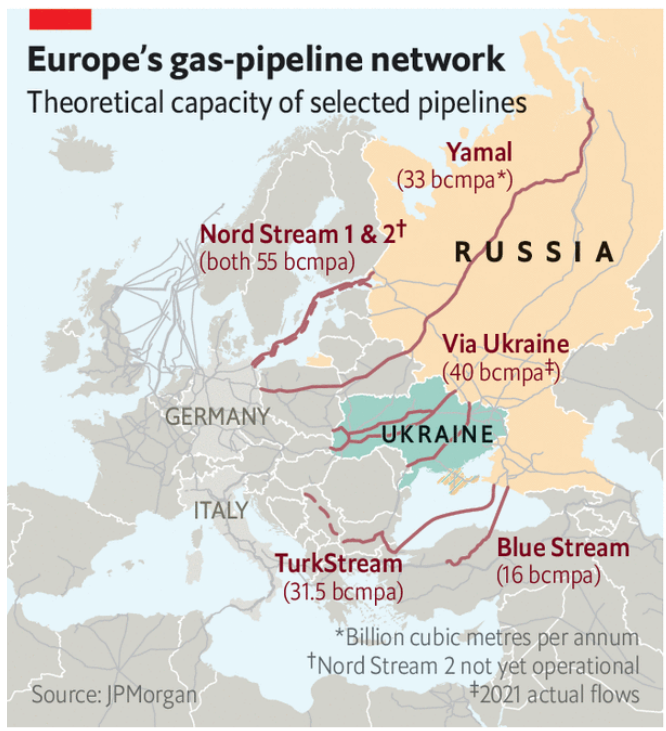
Geopolitical, Security and Political Risks for Oil and Gas Weekly Monitor

Jose Chalhoub
Political Risks and Oil Analyst

Global oil and gas markets close another week significantly plenty of volatility although still keeping their record high prices as supply and storage capacity remain the biggest concern amid an ever growing demand while there continues to be significant disruptions and threats to new interruptions of both oil and gas supplies significantly caused by the reverberations of the war in Ukraine and the recent acute retaliations the Kremlin is carrying out against the EU for their support to Ukraine using gas as a tool. On this here are the most significant geopolitical and political risks and threats this week:

1.) Ukraine: the war in Ukraine continues with Russia still determined to control all regions of Eastern Ukraine as President Zelensky keeps on calling and requesting for more weapons with Washington and NATO carrying out more military and financial aid prompting the recent swift response by Moscow through GAZPROM of cutting gas exports via the key gas pipeline NordStream to Germany and impacting other countries such as France, Italy, Austria and also Czechia after recently having cut off supplies to Poland and Bulgaria, prompting a spike in natural gas prices heightening tensions between the EU and Moscow while deepening the energy crisis in the continent, as GAZPROM stated that its ramping up gas exports to China after China and Russia announced the strengthening of their bilateral ties.



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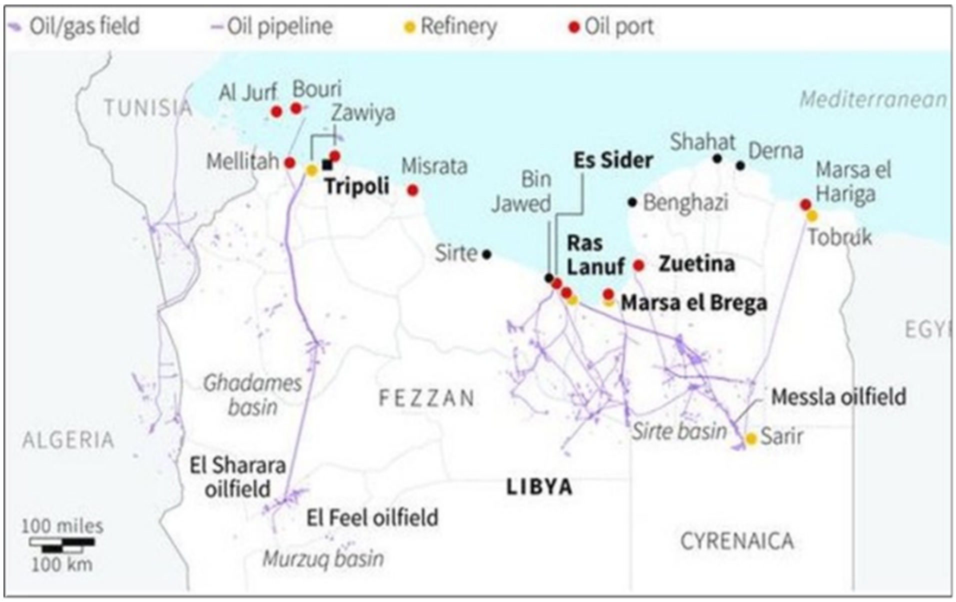
2.) Iran: despite the recent statements by Iranian authorities about the alleged renewed negotiations with the EU to get a nuclear deal with the so called P4+1, there hasn't been any new outcome or results on this while recently Washington announced a new package of sanctions against different petrochemical entities from the country ahead of the coming visit by the US President Joseph Biden to Saudi Arabia, the West Bank and Israel and adding new obstacles to any possible nuclear deal with Tehran. In any potential lifting of sanctions, Iran might deliver an extra 1.2 to 1.5 MMBPD to an already tight market.



3.) Libya: the country now has seen its oil production impacted to only producing 100.000 barrels per day down from previously producing 1.100.000 barrels per day as the situation of shutdown and blockades of wells and ports continue amid the still persisting political standoff facing 2 clashing governments, one based in the capital backed by the UN and the other based in the eastern side of the country in Tobruk with a significant impact on the dynamics of its oil industry.

4.) Venezuela: President Nicolas Maduro started an international tour to countries in Eurasia that will take him to Turkey, Algeria, Iran, Qatar and Kuwait as his government is seeking to reinforce ties and gaining support to his administration while also seeking for fresh new investments as the economy still is not finding ways to pick up completely while the local oil sector still faces important problems and where in his trip to Tehran, it was signed a 20 year agreement between Iran and Venezuela reinforcing the bilateral relationship of both countries under sanctions by the United States.

5.) U.S.A: the Biden administration and the oil industry in the country seem to be in a visible standoff after recent statements by President Biden blaming high gasoline prices on the oil companies and refiners while pointing to EXXON specifically claiming their significant earnings and exploring ways to apply windfall taxes prompting harsh reactions by both CHEVRON and EXXON authorities slamming the current WH oil and energy policy as Washington seems to be in a desperate way to tame down gasoline prices, releasing repeatedly oil from its Strategic Petroleum Reserves and blaming also current spikes of prices on the current war in Ukraine by Russia as the midterm elections are right close in November, an important test to his current government.

6.) Colombia: the second round of presidential elections will be held next June 19th with the leftist candidate and former Bogota mayor Gustavo Petro and the right wing candidate Rodolfo Hernandez to participate with expectations that Petro might take victory this time being the first time ever a leftist candidate wins an election in a country where one of his iconic governmental offer is to slash down investments in the oil industry known for his anti oil and gas positions which could threaten the recent improvement of Colombia's oil production and markets overall.

Assessment: Overall, geopolitical risks affecting current global oil and gas markets so far, critical to monitor regarding its potential or direct impact on supplies, as world markets are facing increasing demand for this year and next year with an OPEC+ already repeatedly stating that its facing important problems with its overall supply and reporting for the month of May an under compliance of 176.000 barrels per day which if adding to them the current forced disruptions in critical spots such as Libya (already down almost 1MMBPD) and any potential threat of disruptions on countries such as Saudi Arabia, Iraq to name some while coupled with the coming effects of further vanishing of russian oil off the markets, the situation might worsen even more in the coming months.