Oil and Gas Markets Brief
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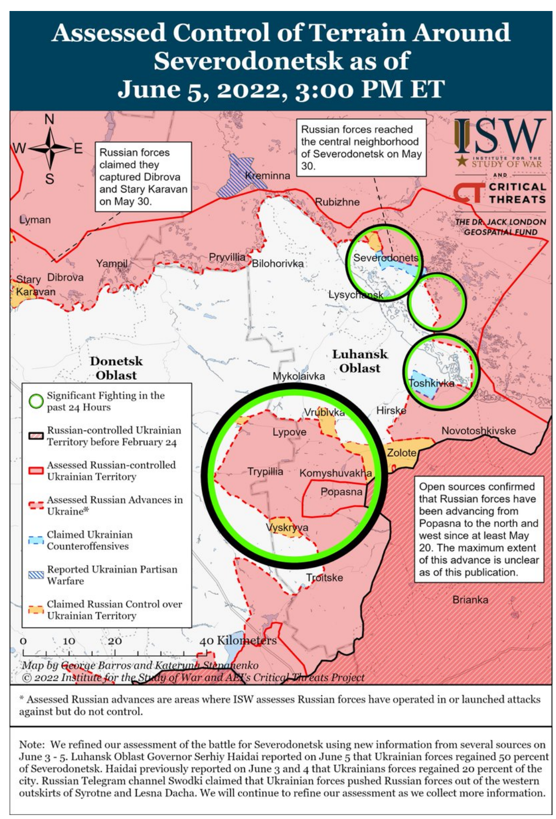
1.) The closing bell: oil futures prices closed trading day in another significant volatile mode, although marking another day of important rally with the Brent jumping to 123$ while the WTI also rallied to settle at 119.41$ as pressures on the demand side continues with China finally seemingly to awake from the long lockdown imposed on the surge of covid19 cases in Shanghai where ports are already retaking normal activity as Saudi Arabia anticipates renewed jumps on demand while there continues to be uncertainties on the supplies from Russia already experiencing a decline of its production as a consequence of ongoing sanctions as markets seem to continue its tight pace reflected in the protracted high levels of prices that started even before the start of the war in Ukraine and which it seems to end only with a progressive destruction of demand, although still is expected to expand at least around by 2.5 MMB during the rest of 2022 according to Platts Analytics. https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/oil/060722-high-oil-prices-tempering-outlook-but-supply-side-constraints-more-pressing-panel

On this, its important to add that Saudi Arabia recently hiked its official sales prices to Asia as a move anticipating a rebound of the demand from China now gradually reopening from the 2 months long lockdown in cities like Shanghai or Beijing while markets have taken the recent hike by OPEC+ after its recent meeting as not enough after it decided to hike its current output quota to 648.000 barrels per day for July and September as concerns still are in place regarding global stocks drainage and tight supplies and also regarding the growing demand that's still yet to come from China, India, as more countries are already flexbdlizing and opening their borders from theirs covid19 lockdowns, meanwhile its also important to mention the recent Goldman Sachs outlook and projections of oil prices estimating them to be over $140 as gasoline prices hit record highs in the US to $5 per gallon, just as the giant oil trading company TRAFIGURA also estimated a price of oil by $150 which would seem to prompt demand destruction after finally reaching that ceiling as the prices rally keeps unrelented. https://edition.cnn.com/2022/06/07/energy/oil-prices/index.html

Meanwhile, the dollar dropped slightly in today's trading session, closing at 102.37 in the dollar index, while the euro gained some to close trading session at 1.069 , coupled with gains for gold to trade at $1853, silver at 22.2$ and wheat also with significant losses of around 2% trading at $1074, while its important to mention that the ruble against the dollar firmed during trading session at 61 RUB-USD, amid the continuing pressure and demand by the Kremlin to pay for its gas and oil exports in rubles to its clients in Europe, palladium lost around 2% to wrap up trading session at 1961$ while platinum closed trading session at 1013 losing around 2%. Cryptos dropped once again with Bitcoin yet again below 30K and most of the rest cryptos dropping around 5% dragged by another significant drop of LUNA, while its important to highlight the outstanding record highs of the US oil giant EXXON stock price, jumping around 4% to end trading session at 103$

2.) Natural gas prices: natural gas prices also gained during Tuesday's trading session wrapping up at 9.33$ per MMBTu as the EU continues at odds finding ways to find a unified consensus to apply a full embargo against russian gas, despite news that GAZPROM is keeping its exports of gas to different European countries and with the US continuing to ramp exports of LNG to Europe although with the prospect for more sanctions on the way likely against Russia, fears remain over natural gas supplies as Moscow might continue to cut exports to other countries which is driving this current rally of prices.

3.) Geopolitical risks and developments: the war in Ukraine continues as Moscow ravages its way through the Eastern region (Donbass) as it is declaring liberated 97% of the Luhansk separatist republic while threatening to react to the US and Europe if they keep on sending rockets and weapons to the Ukrainian resistance as the war continues centered on the eastern side of the country as Germany seems to be taking a firmer stance on the defense of Ukraine and calling NATO for a more aggressive position and more air defense missions, meanwhile the International Atomic Energy Agency plans to send an international mission of experts to visit the Zaporizhzhia nuclear plant in Ukraine, deemed by the Zelensky government as not legal as it would legitimize the russian control of the plant



as the Kremlin seems not intent on quitting or declaring any ceasefire to the war anytime soon and continuing its hitting hard commodities prices so far.

Meanwhile the situation in the other geopolitical risky spot such as Libya continues since last April 18 where protestors continue having shutdown 2 field and 2 ports so far and where as a consequence the total oil output of country has been halved to around 600.000 barrels per day where despite the recent news on the reopening of the largest field of Al Sharara it was reported to have halted again after being stormed by gunmen which remains to be the same so far as there still is an unclear political outlook for the country severely damaging the continuing of its oil production so far.

To **watch this week:** the continuation of the war in Ukraine, the blockade of production in Libya, the evolution of the truce recently renewed in Yemen, the geopolitical dynamics in the Middle East as no clear path ahead seems to be for Iran and the US nuclear talks.