



Daily Energy Commentary

The following report is a summary of all market moving commentary and data for energy related products.



16th March 2011

Both WTI and Brent Crude futures have surged higher during the Asian and European sessions, partly buoyed by a strong rebound from the Japanese equity markets (Nikkei 225 +5.68%) and also from the deteriorating situation in Bahrain.

MENA REGION CRISIS

Bahrain:

- Protests continue despite additional troops arriving from GCC member states.
- Fitch cut Bahrain's credit rating by two notches to BBB from A-, and warned of further downgrades.
- Bahrain closed its stock exchange as country's default risk rose to a two-year high amid unrest.
- Reports of deaths of both protestors and security forces.

Libya:

- Pro Gaddafi's forces have pushed eastwards towards the Libyan rebel stronghold of Benghazi.
- Gaddafi's son, Saif, said that all will be over within 48 hours.
- The French Foreign minister has said that several Arab countries are ready to take an active role in a military operation against Libya.

Elsewhere in the region:

- Protesters in Damascus call for freedom in rare display of dissent against Bashar al-Assad's Baathist regime.
- At least 120 people in Yemen have been hurt during protests in the west of the country.

In other Oil & Gas News:

- Nigeria's foreign minister has said that Nigeria plans to expand crude output capacity to 4mln BPD from 2.5mln BPD, and plans to expand crude reserves to 40bln barrels. He also said that his country is trying to expand output to meet any global shortfall; however it will not do so on its own. He added that OPEC may meet to assess demand-supply situation after Japan crisis.
- According to China's NDRC, China's inventories of refined oil products at the end of February increased by 3.94mln tonnes from the beginning of this year.

Yesterday's API Inventory Data:

	Actual	Previous
US API Crude Oil Inventories W/W (Mar 11)	91K	3820K
US API Gasoline Inventories W/W (Mar 11)	-458K	-3743K
US API Distillate Inventory W/W (Mar 11)	531K	-1473K
US API Cushing Crude Inventory W/W (Mar 11)	-1078K	1653K

Looking ahead to today's DoE Inventories:

	Expected	High	Low	Previous
US DOE Crude Oil Inventories W/W (Mar 11)	1300K	3500K	-1400K	2516K
US DOE Gasoline Inventories W/W (Mar 11)	-1500K	1600K	-5000K	-5494K
US DOE Distillate Inventory W/W (Mar 11)	-1400K	0K	-2600K	-3977K
US DOE Cushing Crude Inventory W/W (Mar 11)	-	-	-	1693K
US DOE Refinery Utilisation W/W (Mar 11)	0.00%	1.00%	-0.65%	1.10%

Weather news:

The Weather Insight forecast sees temperatures for the next 6-10 days in the US to be 2.5F below the 10-year average for this time of year and 2.2F lower the 30-year average.

- Northeast: forecasts that temperatures have risen 0.2F over the last 12 hrs
- Texas: forecasts that temperatures have risen 1.6F over the last 12 hrs
- Southeast: forecasts that temperatures have risen 1.4F over the last 12 hrs
- West: forecasts that temperatures have fallen 1.4F over the last 12 hrs

The NHC reports no tropical cyclones at this time.

		NYMEX WTI			Nat Gas			
		Last (USD)	Change (USD)	Volume	Last (USD)	Change (USD)	Volume	
Contract	Apr11	98.7	1.52	34544	Apr11	3.981	0.04	1981
	May11	99.53	1.55	19313	May11	4.054	0.042	1048
	Jun11	100.07	1.49	6392	Jun11	4.123	0.043	272

Prices taken at: 1044GMT

Sources: RTRS / Sources / Al Arabia/ Al Jazeera