Oil majors slash output to help Kazakhstan comply with OPEC+ deal

International oil companies producing in Kazakhstan have started to make painful cuts in output, following government orders to help the country meet its commitments under a global deal to reduce supplies. The government signed a decree on Monday to cut output from May, having pledged to reduce output by 390,000 barrels per day (bpd) this month and next under a deal with the OPEC+ group of producers aimed at reviving global oil prices.

Petrobras looks to China's 'teapots' to keep oil exports flowing

Brazil's state-run Petrobras sees no need for cuts in oil production, executives say, as the market for its crude remains robust in China, while domestic demand for fuel picks up amid social distancing fatigue in Latin America's largest economy. On a Friday earnings call with analysts, executives credited the company's strong relationship with independent refineries in China's Shandong Province, known as "teapots," for allowing Petrobras to export a record amount of crude in recent months, even as some economies are effectively shut.

First U.S. crude oil shipment heads to Belarus this week -Pompeo

The first shipment of U.S. crude oil is heading to Belarus this week, fulfilling a commitment made in February, U.S. Secretary of State Mike Pompeo said. The shipment involves by U.S. firm United Energy Trading, with the assistance of U.S. firm Getka and Polish partner UNIMOT.

Iran news agency warns U.S. against any move on fuel shipment to Venezuela

An Iranian news agency close to the elite Revolutionary Guards said on Saturday there would be repercussions if the United States acted "just like pirates" against an Iranian fuel shipment to Venezuela. A senior official in President Donald Trump's administration told Reuters on Thursday the United States was considering measures it could take in response to Iran's shipment of fuel to crisis-stricken Venezuela.

U.S. oil & gas rig count plunges to record low for 2nd week -Baker Hughes

U.S. energy firms cut number of U.S. oil and natural gas rigs operating to an all-time low for a second week in a row as producers slash spending on new drilling after oil prices collapsed due to a slump in demand caused by global lockdowns to stop the coronavirus pandemic. The rig count, an early indicator of future output, fell by 35 to a record low of 339 in the week to May 15, according to data from energy services firm Baker Hughes Co going back to 1940.
The worst may be behind us': U.S. ethanol industry says inching back from collapse
The U.S. ethanol industry is showing some signs of recovery as government officials ease stay-at-home orders that depressed fuel demand, while a vote Friday in Congress could bring the industry one step closer to federal aid, industry officials said. Fuel demand collapsed by about a third with the spread of the novel coronavirus this spring, and U.S. ethanol production capacity halved as around 150 facilities either idled or reduced rates.

Speculators raise bullish U.S. crude bets to most in a year -CFTC
Hedge funds and other money managers raised their bullish bets on U.S. crude futures and options to the highest level in more than a year during the latest week, the U.S. Commodity Futures Trading Commission (CFTC) said on Friday. The speculator group raised its combined futures and options position in New York and London by 15,514 contracts to 356,984 during the period ended May 12, the most since April 2019.

COLUMN-Recovering oil demand could drive market into deficit by July: Kemp
U.S. petroleum consumption has started to rise as the economy emerges from lockdowns imposed to control the spread of the new coronavirus, giving the oil industry hope it has come through the lowest point in the cycle. Similar recoveries in fuel consumption are expected at varying rates across the other major economies as they gradually emerge from lockdown and are likely to push the oil market into supply deficit in the third quarter.

Iran's OPEC governor dies after brain haemorrhage
Iran's OPEC Governor Hossein Kazempour Ardebili has died of a brain haemorrhage two weeks after falling into a coma, the semi-official news agency ISNA reported on Saturday. "Kazempour Ardebili ... passed away in a Tehran hospital a few hours ago," ISNA reported, without providing more details.

Blackstone shale oil venture Gavilan Resources files for bankruptcy
Blackstone Group's Gavilan Resources LLC filed for Chapter 11 bankruptcy late on Friday, citing this year’s oil price collapse and a bitter legal battle with a partner. Formed following the $2.3 billion acquisition of Texas shale oil properties in 2017, Gavilan listed secured debt of more than $550 million in its filing in U.S. Bankruptcy Court in Houston.

Barclays raises oil price outlook as falling output offsets demand hit
Barclays Commodities Research on Friday raised its oil price forecasts for this year and 2021, buoyed by supply cuts to balance the demand erosion caused by coronavirus-led restrictions. In recent days, several OPEC nations including Saudi Arabia said they will cut output more than originally pledged.

Venezuela’s PDVSA creates new ports unit amid company shakeup
Venezuela’s state-run oil company Petroleos de Venezuela has created a new unit to run its oil terminals, according to a copy of the government’s official gazette seen by Reuters and a person with knowledge of the matter. The launch of the new unit, PDV Puertos S.A., comes after socialist President Nicolas Maduro last month named a new PDVSA president and oil minister to try to revive the once-prosperous OPEC nation’s crude output, which has fallen to decades-lows due to years of underinvestment and mismanagement as well as U.S. sanctions.

MARKETS TODAY

OIL: Oil prices jumped by more than $1 a barrel to their highest in more than a month, supported by ongoing output cuts and signs of gradual recovery in fuel demand as more countries ease curbs imposed to stop the coronavirus pandemic spreading.

FOREX: The dollar held its ground as concern about global tensions with China overshadowed improving sentiment from easing coronavirus lockdowns, while talk of negative interest rates pushed the pound to an almost two-month low.

EVENTS SCHEDULED FOR THE DAY (GMT)
1400 US NAHB Housing Market Indx for May: Expected 33; Pior 30
TECHNICAL CHARTS
NYMEX Crude | NYMEX RBOB Gasoline | NYMEX Heating Oil | ICE Brent Crude | ICE Gas Oil | ICE Heating Oil

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