

INSIDE OIL - ASIA

FRIDAY, SEPTEMBER 20, 2019

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TOP NEWS

Real crunch from Saudi Arabia's oil outage has yet to be felt

Saudi Arabia's ability to avert a global oil supply crunch will only become clear in a few weeks, because for now its crude held in storage can fill the gap and mask the scale of damage to its facilities, traders and analysts say. Riyadh says production will be back to normal levels in two to three weeks, which means restoring output to about 10 million barrels per day (bpd), after Saturday's attacks on two sites that usually process and clean up about 5.7 million bpd.

Storm disrupts U.S. Gulf Coast energy operations from refineries to terminals

Energy infrastructure on the U.S. Gulf Coast was hit hard by Tropical Storm Imelda on Thursday, as flooding forced a major refinery to cut production and a key oil pipeline, terminals and a ship channel in Texas were shut, according to sources familiar with operations. Torrential rain has inundated the Gulf Coast from Houston to western Louisiana for a second straight day. The National Hurricane Center forecast the storm could drop up to 40 inches (102 cm) of rain along the southeastern coast of Texas through Thursday night.

ANALYSIS-Saudi attacks rattle shippers' plan to switch fuels

Refinery outages in Saudi Arabia following weekend attacks on its oil facilities could deal a blow to the shipping industry's preparations for the biggest switch in fuel standards in decades. Saudi Aramco, the state-run oil company, shut an estimated 40% of its refining capacity, roughly 1 million barrels per day (bpd), following Saturday's missile and drone strikes on a major oilfield and the country's largest processing plant.

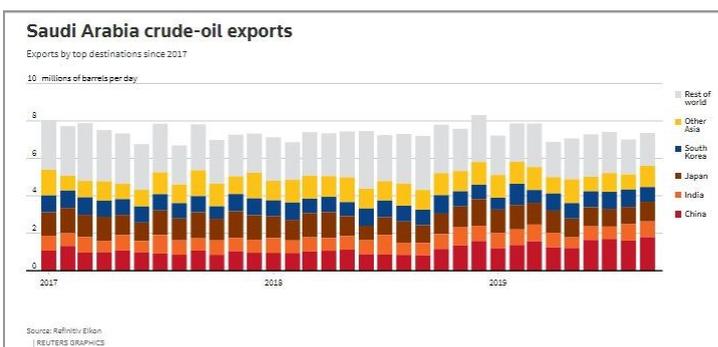
'Very engaged' Trump talks biofuels policy with U.S. oil-state senators

President Donald Trump on Thursday discussed biofuels policy with senators from U.S. oil states, including Louisiana Senator Bill Cassidy, who said the president was engaged on the issue that has pitted Big Oil and Big Corn against each other. The oil industry is opposed to the Trump administration's tentative plan to boost annual ethanol usage mandates.

COLUMN-Oil traders reassess interruption of Saudi output: Kemp

Brent oil futures prices have gyrated wildly as traders have tried to assess the impact of last week's attacks on Saudi Arabia's oil infrastructure on the actual availability of crude. Brent's six-month calendar spread surged to a backwardation of more than \$5.50 per barrel on the first trading day after the attacks, the highest for six years, showing oil traders were anticipating severe shortages in the very short term.

CHART OF THE DAY - INTERACTIVE



Oil theft cost Nigeria \$1.35 bln, group urges legal task force

Nigeria lost \$1.35 billion to oil theft in the first six months of this year and needs a legal task force with special courts to tackle it, a government committee said on Thursday. The committee, set up to investigate theft from the miles of pipelines that snake through the country's swampy, oil-rich Delta region, said the theft will only grow if the government does not take special action to combat it.

Libyan state oil firm rejects eastern parallel board for oil firm

Libya state oil firm NOC rejected on Thursday a decision by the country's eastern parallel government allied to commander Khalifa Haftar to name a new board for a state fuel distribution firm in the east. State oil firm NOC in Tripoli, which is home to the internationally recognised government, strongly condemned the move as an attempt to divide the country and to set up an illegitimate entity to export oil, a statement said.

Brazil's Bolsonaro wants probe of potential gas station 'cartel', reviving old debate

Brazilian President Jair Bolsonaro said on Thursday that potential price fixing in the gas station industry needs to be investigated, reopening an old debate in Brazil over prices at the pump. Bolsonaro said on Facebook Live that gas prices at refineries are below what they were in the middle of last year even after state-run oil firm Petroleo Brasileiro SA hiked gas and diesel prices this week in response to an attack on Saturday on oil facilities in Saudi Arabia.

Occidental Petroleum recommends lowering threshold for special meetings

Occidental Petroleum Corp, which is locked in a battle with activist investor Carl Icahn, plans to make it easier for shareholders to call special meetings and would create new board committees, according to securities documents filed Thursday. The changes would include lowering the threshold to call a special meeting from 25% to 15% of shares outstanding, and forming a board committee on sustainability and shareholder engagement as well as an integration committee that would focus on Occidental's recent acquisition of rival Anadarko Petroleum Corp.

Petrofac sells remaining stake in Mexico oilfields to Perenco

Oilfield services company Petrofac Ltd said on Thursday it would sell the remaining 51% interest in its Mexican oilfields for \$276 million to Anglo-French oil and gas company Perenco. Petrofac, which had offloaded a 49% stake in the operations to Perenco last year, said the sale includes interests in onshore fields Santuario and Magallanes as well as offshore field Arenque and that it plans to use the proceeds to cut debt.

Asia Gasoil Weekly - September volumes seen at 4.3-4.4 mln mt to date

Asian gasoil exports for September are seen at 4.3-4.4 million metric tonnes (mt), with full month volumes projected at 7.5-8.0 million mt, based on assessments by Refinitiv Oil Research. To read more, [click here](#).

MARKETS TODAY

OIL: Oil prices were on track for a more-than-7% jump this week, their biggest in months, as early trading saw gains extended on fresh tensions in the Middle East after a key Saudi Arabian supply hub was knocked out in an attack last weekend.

FOREX: The dollar nursed losses against most major currencies, as central banks in Switzerland and the UK refrained from following the Federal Reserve in cutting rates, while risk appetite ebbed on caution about U.S-China trade talks.

EVENTS SCHEDULED FOR THE DAY (GMT)

0600 DE Producer Prices MM for Aug: Expected -0.2%; Prior 0.1%

0600 DE Producer Prices YY for Aug: Expected 0.6%; Prior 1.1%

1400 EU Consumer Confid. Flash for Sep: Expected -7.0; Prior -7.1

1600 U.S. Federal Reserve releases figures on the financial health of U.S. household in its Flow of Funds report for the second quarter

TECHNICAL CHARTS

[NYMEX Crude](#) | [NYMEX RBOB Gasoline](#) | [NYMEX Heating Oil](#) | [ICE Brent Crude](#) | [ICE Gas Oil](#) | [ICE Heating Oil](#)

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