

# QUARTERLY ENERGY NEWSLETTER

Q2, 2025



## A Message from Mashreq's Energy Sector Team

The success of our team is built on consistent knowledge exchange with our stakeholders, partners, and customers. We hope you find the insights inside valuable and useful.

Thank you for taking the time to read our Q2 2025 Newsletter. We wish you the best of health and well-being always.

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# Mashreq posts AED2.1bn Q1 profit as digital, regional growth drive momentum

**April 2025** - Mashreq has kicked off 2025 with a strong set of first-quarter results, reporting a net profit before tax of AED2.1bn (AED1.8bn after tax). The bank's return on equity stood at an impressive 21%, driven by double-digit loan growth, a robust capital base, and disciplined cost control, all delivered despite a more moderate interest rate environment.

Operating income rose to AED3.1bn, underpinned by healthy client margins and a 16% year-on-year rise in non-interest income—showing clear progress in the bank's strategy to diversify

revenue away from traditional interest-based streams. Mashreq's net interest margin held strong at 3.3%, even after a 100-basis point cut in benchmark rates.

Loans and advances increased 14% year-on-year, while customer deposits grew by 10%, with low-cost current and savings accounts (CASA) accounting for 65% of the deposit base. Operating profit came in at AED2.2bn, while the bank's cost-to-income ratio remained among the lowest in the industry at 29%.

Asset quality remained a bright spot. The non-performing loans (NPL) ratio improved to 1.3%, with a coverage ratio of 204%. Provisioning stayed low at AED101mn, thanks to prudent credit risk management and a high-quality lending book.

Mashreq's total assets grew 9% to AED273bn, reflecting sustained client activity and strategic expansion. Capital adequacy remained strong at 18.5%, well above regulatory requirements, while the bank maintained a liquidity coverage ratio of 126%.

Group CEO Ahmed Abdelaal attributed the strong results to Mashreq's continued digital and regional focus. "We entered 2025 with strong momentum, delivering over AED3bn of operating income and 14% loan growth in the first quarter," he said. "These results reflect our diversified business model and disciplined execution, even in a more measured rate environment."

The bank advanced several strategic priorities during the quarter, including the launch of Mashreq Oman, a pilot of digital retail banking in Pakistan, and new initiatives for SMEs. Its NEO digital banking platform continues to expand internationally, and the bank became the first in the region to receive external assurance for its full ESG data set.

"We remain focused on scaling our Banking-as-a-Service model, deepening embedded finance, and accelerating AI-driven solutions to deliver seamless, hyper-personalized experiences," Abdelaal added.

As Mashreq builds on its regional leadership, the bank is positioning itself to support the UAE and GCC's broader economic transformation with a future-ready, innovation-led strategy.

# Nasdaq Dubai Welcomes Mashreq's \$500mn Sukuk Listing



**June 2025** - Nasdaq Dubai welcomed Mashreq's ("Mashreq" or "the Bank") debut listing on the exchange with the admission of a \$500mn Sukuk issued by Mashreq Al Islami Sukuk Company Ltd.

The Trust Certificates, due in 2030, were issued under Mashreq's \$2.5bn Trust Certificate Issuance Programme and are being admitted as a secondary listing following strong demand in the primary market.

This marks an important milestone for Mashreq as it expands its access to international capital markets and strengthens its presence in the Islamic finance space. It also reflects Nasdaq Dubai's continued role in connecting regional issuers with a global investor base through a well-regulated and diversified platform.

Senior officials from Mashreq, including Ahmed Abdelaal, Group Chief Executive Officer; Joel Van Dusen, Group Head of Corporate & Investment Banking; and Salman Hadi, Group Head of Treasury & Global Markets, attended the market opening ceremony at Nasdaq Dubai to celebrate the listing. The bell was rung by Ahmed Abdelaal

in the presence of Hamed Ali, CEO of Nasdaq Dubai and Dubai Financial Market (DFM).

Abdul Aziz Al Ghurair, Chairman of Mashreq, commented: "This Sukuk listing marks an important step in Mashreq's commitment to strengthening the global Islamic finance landscape. It is a clear demonstration of Mashreq's long-term commitment to Islamic finance, the deepening of cross-border capital flows, and the UAE's continued emergence as a global nexus for ethical and Sharia-compliant financing. Through this programme, we are proud to reinforce investor trust and contribute meaningfully to the maturing of Islamic capital markets."

Ahmed Abdelaal, Group Chief Executive Officer, Mashreq said: "Our debut listing on Nasdaq Dubai marks a new chapter in Mashreq's capital markets journey. This Sukuk issuance not only attracted strong investor interest, but also affirms our disciplined approach to funding, even in a complex macro environment. As we continue to diversify our capital structure through Sharia-compliant channels, we remain

committed to delivering strong fundamentals, market transparency, and sustainable value for all stakeholders."

Hamed Ali, CEO of Nasdaq Dubai and Dubai Financial Market (DFM), said: "This listing reflects Mashreq's growing ambitions in the Islamic finance sector and underscores our role as a leading marketplace that connects regional issuers with global investors. As Dubai continues to strengthen its capital markets infrastructure, we remain committed to providing an efficient and transparent platform that supports diverse financing needs and promotes sustainable growth across the financial ecosystem."

This landmark Sukuk issuance marked Mashreq's successful return to the international debt capital markets. It was also the first public issuance from the CEEMEA region since the announcement of U.S. tariffs in April 2025, which had triggered heightened volatility across global markets. The success of this transaction renewed market participants' confidence, and was followed by a string of issuances, thereby helping to reopen the market for regional issuers.

The transaction attracted significant investor interest, resulting in an orderbook of \$2.9bn, nearly six times oversubscribed. The final pricing was tightened to UST +105 basis points with a fixed profit rate of 5.03% per annum, reflecting the strength and quality of the orderbook and strong investor confidence in Mashreq's credit fundamentals. With broad participation from over 90 global investors across the Middle East, Europe and Asia, the issuance reaffirms Mashreq's leadership in Islamic finance and reinforces Dubai's growing stature as a global hub for Sharia-compliant capital markets.

With this listing, the total value of Sukuk listed on Nasdaq Dubai has reached \$97.2bn, further strengthening the exchange's position as one of the world's largest centres for Islamic fixed income.

The overall value of debt securities listed on Nasdaq Dubai now stands at over \$140bn, across 163 issuances. These figures reflect the depth and maturity of the UAE's capital markets, as well as the growing appeal of Dubai as a gateway for regional and international investment.

# Mashreq leverages digitalization for business growth, enhanced customer experiences



Ahmed Abdelaal, group CEO, Mashreq

**May 2025** - Mashreq group CEO Ahmed Abdelaal reveals the forces that will give rise to the next disruption in the banking industry, and how the bank is adopting a disciplined approach to growth.

**What are the most powerful global forces you believe will shape the banking industry for the remainder of 2025, and how is Mashreq positioning itself to balance digital disruption with its legacy strengths to maintain a competitive edge?**

I expect the banking industry to continue its navigation of ongoing geopolitical instability and the resulting deglobalization trends, currency risks, sanctions, and supply chain shocks. Much of the change in the coming months will be created by AI-driven automation and hyper-personalization. Banks are moving beyond basic digital services to fully AI-enabled experiences.

Going further, big tech and non-financial platforms embedding banking services directly into their ecosystems will result in a shift from traditional banking to true embedded finance, while blockchain-based tokenization of real assets continues to become a serious financial infrastructure shift, especially for wealth management arms.

Changing customer expectations, especially among Gen Z and Millennials, will further drive demand for seamless, instant, mobile-first experiences; not simply banking, but lifestyle solutions such as budgeting, investments, and insurance all bundled intuitively, enabled by tech. Banks will also need to respond to regulatory tightening around technology and ESG, ensuring the strictest of compliance.

Mashreq is leveraging legacy strengths such as trust, regional expertise and key relationships while modernizing core systems for cloud and fintech integration and embedding banking into broader customer journeys.

Building on our longstanding reputation for trustworthiness and reliability, we are developing our cybersecurity and digital trust to become

brand pillars. We see the involvement of AI as an opportunity to enhance and hyper-personalize the customer experience, fostering a digital-first culture without losing the heritage that underpins client loyalty.

**Mashreq has long been recognized as a digital pioneer. What has been your core strategy in driving this transformation, and how do you see emerging technologies redefining the future of banking?**

At Mashreq, we have always believed that banking should not simply be transactional. It should be an intelligent, seamless experience that centers around our customers. Our longstanding digital-first strategy has enabled us to make banking more intuitive, predictive, and personal than ever before.

The next major disruption will be driven by AI, automation, and the rise of embedded finance. Customers now expect seamless, hyper-personalized experiences, and technology is enabling banks to move beyond traditional models.

AI is already reshaping customer engagement – from predictive insights to real-time decision-making – and will push this further in the future with AI-powered advisory, voice-enabled banking, and intelligent automation that enhances security and reduces friction. At Mashreq, we are scaling AI across every touchpoint, ensuring smarter, faster, and more intuitive experiences.

The industry is also witnessing rapid growth in Banking-as-a-Service and open finance, embedding financial solutions directly into everyday life. As banking moves beyond apps and branches into digital ecosystems, balancing innovation with trust and transparency becomes critical.

At Mashreq, we are leading this shift by expanding fintech partnerships, strengthening digital-first solutions, and building a future-ready banking experience driven by innovation, impact, and customer-centricity.

**Successful digital transformation starts with strong leadership. What is your leadership strategy, and how does this contribute to your success?**

At Mashreq, we firmly regard our people as our greatest asset – a belief that is embedded at every level of our organization. Our human capital is integral to delivering superior, consistent customer experiences. Attracting and retaining top talent is only the first step.

We invest heavily in developing our people, ensuring they are equipped with the skills, knowledge, and leadership capabilities needed to exceed evolving customer expectations. Our focus on talent development includes providing access to advanced training programs – particularly in areas bridging data, technology, and leadership – that empower employees to lead transformation and deliver impact.

Our leadership at Mashreq plays a critical role in stewarding our purpose, clearly articulating and connecting it to every employee. We believe that a highly engaged workforce not only elevates the customer experience, but also drives strategic, resilient growth and creates sustainable value for all stakeholders.

Mashreq is leveraging legacy strengths such as trust, regional expertise and key relationships while modernizing core systems for cloud and fintech integration.

**What are the key strategic drivers behind Mashreq’s regional expansion, and how do you envision the bank’s footprint evolving both within the Middle East and globally?**

Our regional expansion is underpinned by a clear and disciplined strategy: Targeting markets with strong trade and investment links to the UAE and significant growth potential. Egypt, Pakistan, and Oman are central to this vision, alongside major global financial hubs where we serve corporate and institutional clients.

We continue to embed a digital-first approach within our growth strategy, expanding our NEO platform, introducing Banking-as-a-Service models, and securing Pakistan’s first restricted pilot license for digital retail banking. Our ambition is to redefine the banking experience, making it more personalized, efficient, and accessible.

Our growth strategy is not solely focused on market presence but on creating enduring value. Looking ahead, we will deepen fintech partnerships, scale AI-driven innovations, and drive the next generation of banking experiences. Our vision is clear: To grow responsibly, lead with innovation, and shape a financial landscape that is inclusive, sustainable, and future-ready.

**In today’s era of hyper-personalized services and AI-led banking, how is Mashreq redefining customer engagement to combine technological efficiency with a human-centered approach and what does that mean for the future of customer experience?**

Customer experience remains central to Mashreq’s strategy. We have built a seamless, intuitive, and highly personalized banking ecosystem, leveraging digital transformation to deliver greater convenience, speed, and accessibility. However, technology alone is not the differentiator; it is how we apply innovation to create meaningful, lasting connections with our customers.

Through AI and automation, we enhance – not replace – human involvement and interaction, using real-time insights to anticipate needs and proactively deliver tailored solutions that make every engagement effortless.

Looking ahead, customer engagement will be defined by a holistic integration of digital and human touchpoints, ensuring customers engage with us on their terms. The next era of banking success will be defined by those who can balance technology with human insight, blending the best of both worlds for maximum impact.

## Global Oil Demand

The global oil demand growth forecast for 2025 remains at 1.3 mb/d, year-on-year (y-o-y), unchanged from last month’s assessment. Some minor adjustments were made mainly to actual data for Q1 2025. In the OECD, oil demand is forecast to grow by about 0.2 mb/d in 2025, while non-OECD demand is forecast to grow by more than 1.1 mb/d in 2025. In 2026, global oil demand is forecast to grow by 1.3 mb/d y-o-y, also unchanged from last month’s assessments, with the OECD forecast to grow by around 0.1 mb/d, y-o-y, while the non-OECD is forecast to grow by 1.2 mb/d, y-o-y

## World Oil Supply

Non-DoC liquids supply (i.e., liquids supply from countries not participating in the Declaration of Cooperation) is forecast to grow by about 0.8 mb/d, y-o-y, in 2025, unchanged from last month’s assessment. The main growth drivers are expected to be the US, Brazil, Canada, and Argentina. The non-DoC liquids supply growth forecast for 2026 is revised slightly down to 0.7 mb/d, with US, Brazil, Canada, and Argentina as the main growth drivers. Meanwhile, natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2025, averaging 8.4 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.5 mb/d. Crude oil production by countries participating in the DoC increased by 180 tb/d in May, m-o-m, to average about 41.23 mb/d, according to available secondary sources.

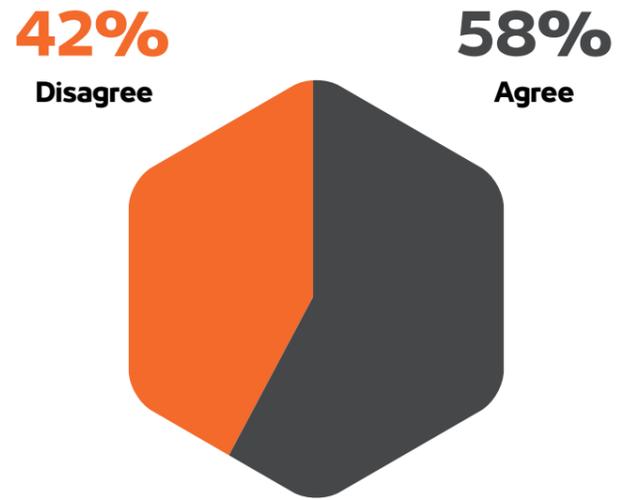
Sources: OPEC Oil Market Report, June 2025



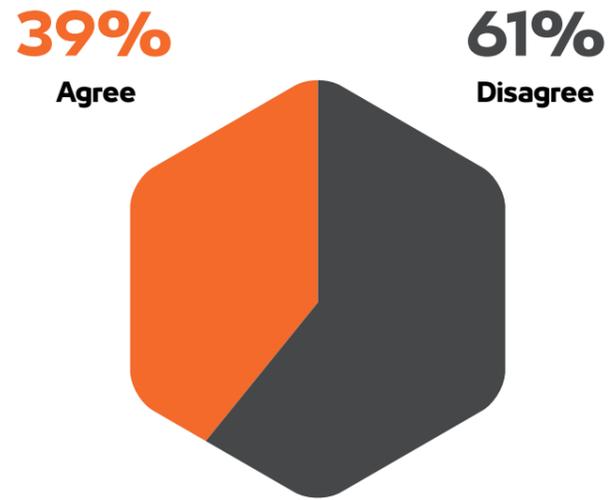
	APR 2025	MAY 2025	CHANGE (MAY/APR 2025)	YEAR-ON-YEAR (Y-O-Y)	
				2024	2025
<b>WTI</b>	<b>\$62.96/bi</b>	<b>\$60.94/bi</b>	<b>-2.02%</b>	<b>\$78.84/bi</b>	<b>\$67.56/bi</b>
<b>BRENT</b>	<b>\$66.46/bi</b>	<b>\$64.01/bi</b>	<b>-2.45%</b>	<b>\$83.50/bi</b>	<b>\$71.01/bi</b>
<b>DME OMAN</b>	<b>\$67.85/bi</b>	<b>\$63.88/bi</b>	<b>-3.97%</b>	<b>\$83.53/bi</b>	<b>\$72.25/bi</b>
<b>SPREAD</b>					
<b>Brent-WTI</b>	<b>\$3.50/bi</b>	<b>\$3.07/bi</b>	<b>-0.43%</b>	<b>\$4.66/bi</b>	<b>\$3.45/bi</b>

Sources: OPEC Oil Market Report, June 2025

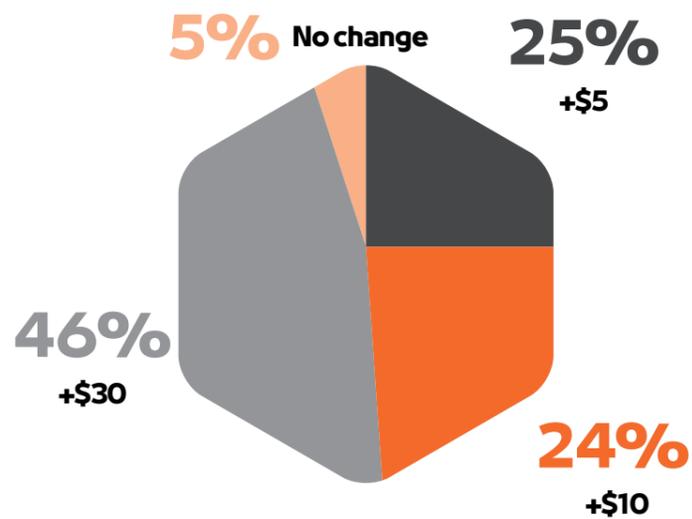
Brent crude oil is up 12% since June 11th – Geopolitical risk premium is unlikely to rise much further until oil supply infrastructure is targeted in Israel-Iran war?



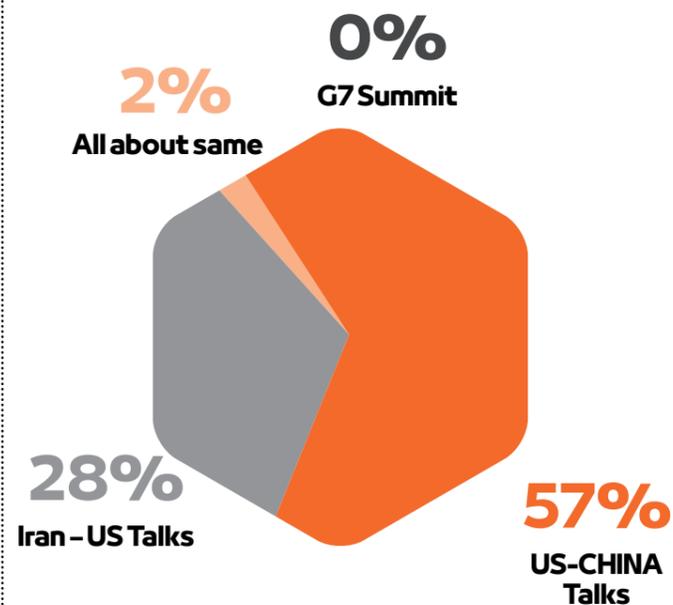
The scale of disruption to shipping inside and outside of Straits of Hormuz from GPS jamming could amount in time to defacto closure of the waterways?



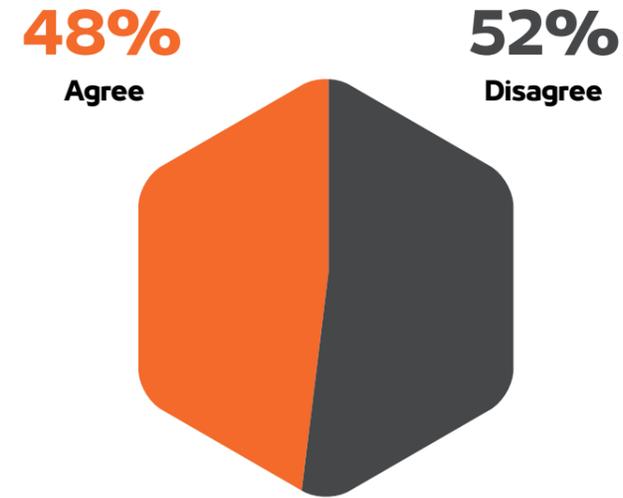
What impact would US strike on Iran have on oil prices?



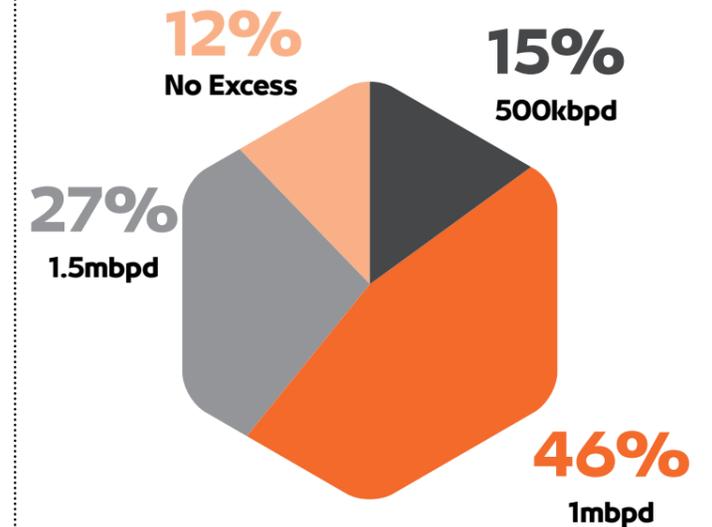
What will have a bigger bearing on direction of oil prices?



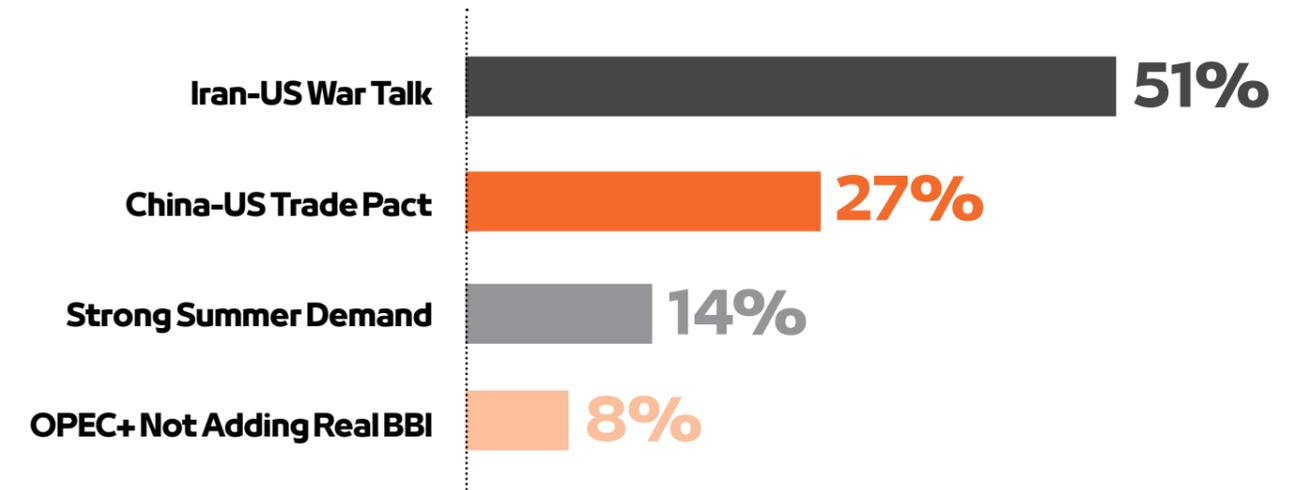
US - CHINA Trade agreement will propel Brent crude to \$70 a barrel?



How much will oil supply exceed demand in H2, 2025?



What is the top driver pushing oil prices to \$70?



## Energy Markets Soundings



### IRAN REGIME CHANGE

“There’s no clear opposition ready to replace Iran’s regime if it collapses. History shows that forced regime change rarely works out well. A failed state controlling critical energy routes is a major risk. US and regional actors should exercise humility and caution before thinking destabilization will bring a swift, clean transition.”

**Rachel Ziemba, Adjunct Fellow, Center for a New American Security Senior Advisor, Horizon Engage**

*Source: Fujairah New Silk Road Weekly Newsletter, Vol. 236 – June 19, 2025*



### USECONOMY

“The US has to refinance trillions this year at rates above 4.5%, but they can’t afford it. They’re not cutting government spending and they can’t grow out of it, so the only option is printing more money. That leads to inflation, and possibly stagflation. Oil is the last deflationary force - if it rises, inflation signals will explode.”

**Omar Najia, Derivatives Trader, BB Energy**

*Source: Fujairah New Silk Road Weekly Newsletter, Vol. 235 – June 12, 2025*



### OIL DEMAND

“Brent averaging \$70 in H1 reflects resilience, but H2 looks weaker. OPEC+ is testing the market with accelerated supply returns, yet demand may fall short. We could see a material surplus of 800,000–900,000 b/d, which is easily enough to tip the market unless inventories or strategic buying can absorb it.”

**David Fyfe, Chief Economist, Argus Media**

*Source: Fujairah New Silk Road Weekly Newsletter, Vol. 235 – June 12, 2025*



### OPEC+ COHESION

“Acting individually hurts sentiment and implies disunity. But when OPEC+ moves collectively, it boosts confidence and stabilizes prices. That’s what’s happening now—they’re working together to recover market share, and the result is price stability, with Brent nearing \$70 on strong group discipline.”

**Choeib Boutamine, Energy Advisor & CEO, Ranadrill Energy**

*Source: Fujairah New Silk Road Weekly Newsletter, Vol. 235 – June 12, 2025*



### INDIA’S ECONOMY

“India’s January to March GDP growth was 7.4%, which surprised even us. For a \$4.2trn economy in nominal terms, or \$14trn in PPP terms, this is impressive. With strong demand, good exports, and improving sentiment, we expect around 6.4% growth this year which is remarkable under current global economic and geopolitical conditions.”

**Narendra Taneja, India’s Leading Energy Expert**

*Source: Fujairah New Silk Road Weekly Newsletter, Vol. 235 – June 12, 2025*



### US-CHINA TRADE DEAL

“If a formal trade deal is signed, it would significantly boost confidence in global economic growth. That certainty would filter into oil trade—crude, products, LNG. We’ve seen no detailed agreement yet, but even a ceremonial signing could offer the kind of clarity markets need to move forward.”

**Neil Atkinson, Former Head of Oil Markets Division, International Energy Agency**

*Source: Fujairah New Silk Road Weekly Newsletter, Vol. 235 – June 12, 2025*



### GLOBAL ALLIANCES

“Countries are now choosing to collaborate selectively on certain issues while disagreeing on others. This is the age of national self-interest, and the energy markets reflect this well. Russian oil, for example, continues to find buyers in Pakistan, India, Turkey, and Malaysia - demonstrating how ineffective sanctions can be.”

**Osama Rizvi, Energy & Economic Analyst, Primary Vision**

*Source: Fujairah New Silk Road Weekly Newsletter, Vol. 235 – June 12, 2025*



### RUSSIAN OIL IMPORT

“India is likely to continue buying crude from Russia, unless geopolitical tensions escalate dramatically. Russia supplies the light crude that suits India’s refining needs, and the two countries share historically strong relations. Given these factors, energy trade between India and Russia will likely remain stable for the foreseeable future.”

**Vibhuti Garg, Director - South Asia, IEEFA**

# Energy News Highlights

## MIDDLE EAST ENERGY 2025 CONCLUDES IN DUBAI

APRIL 9, 2025

The 49th Middle East Energy expo at Dubai World Trade Centre concluded under the patronage of the UAE Ministry of Energy & Infrastructure. The event gathered regional and global energy leaders to showcase new technologies, investment opportunities, and policy discussions shaping the future of energy in the Middle East.

Source: WAM / UAE Ministry of Energy & Infrastructure  
<https://www.wam.ae/en/article/151e1xt-middle-east-energy-2025-concludes-dubai>

## NO POWER CUTS EXPECTED IN SUMMER 2025, SAYS MADBOULY

APRIL 10, 2025

Egyptian Prime Minister Mostafa Madbouly confirmed that the government has secured sufficient funding and operational plans to ensure there will be no electricity load shedding during the peak summer months. This follows last year's supply challenges and supports Egypt's broader energy security and grid modernization strategy.

Source: Egypt Oil & Gas <https://egyptoil-gas.com/news/no-power-cuts-expected-in-summer-2025-says-madbouly/>

## IRSC SIGNS UP FOR 75 MW SOLAR PV IN EGYPT

APRIL 27, 2025

Egypt's IRSC signed agreements with ACO, Sungrow, and Tongwei to develop a 75 MW solar PV project, representing its first major utility-scale venture into solar-plus-storage solutions. The project will support Egypt's renewable energy targets while enhancing grid flexibility and resilience.

Source: Daily News Egypt <https://www.dailynewsegypt.com/2025/04/27/irsc-signs-agreement-with-aco-sungrow-and-tongwei-for-75-mw-solar-projects-in-egypt/>

## NESR AWARDED \$200 M SLICKLINE CONTRACTS IN KUWAIT AND OMAN

APRIL 29, 2025

National Energy Services Reunited (NESR) has been awarded two five-year contracts valued at \$200m for slickline services across Kuwait and Oman. The contracts will strengthen NESR's presence in the Gulf's upstream services market and support the optimization of well performance for regional NOCs.

Source: Saudi Gulf Projects <https://www.saudigulfprojects.com/2025/04/nedr-awarded-200-million-contracts-in-kuwait-and-oman/>

## QATAR DOUBLES INSTALLED SOLAR WITH RAS LAFFAN & MESAEIED PLANTS

MAY 4, 2025

Qatar inaugurated two large-scale solar plants in Ras Laffan and Mesaieed with a combined capacity of 875 MW—more than doubling the nation's solar output from 800 MW to 1,675 MW. This milestone aligns with the Qatar National Vision 2030, as the country strives toward a target of 4 GW of renewable energy by 2030 and underscores a strategic shift toward sustainable energy.

Source: Gulf Times <https://www.gulf-times.com/article/704086/opinion/qatars-strategy-to-position-renewable-energy-as-core-pillar-in-national-energy-mix>

## MASDAR SECURES \$1 BN GREEN BOND, PLANS NEW GLOBAL EXPANSION

MAY 16, 2025

Masdar, part of Mubadala and chaired by Sultan Al Jaber (also ADNOC CEO), attracted a strong investor response to its \$1bn green bond—oversubscribed 6.6x. Funds will support new renewable energy projects worldwide, bringing its total green bond framework to \$2.75bn.

Source: The Arabian Post <https://thearabianpost.com/masdar-planning-new-green-bond-launch-for-2025>

## RCREEE KICKS OFF NATIONAL COOLING ACTION PLAN IN MOROCCO

MAY 27, 2025

RCREEE joined UNEP, Climate & Clean Air Coalition, and Moroccan authorities in Rabat to launch the country's National Cooling Action Plan (NCAP). The initiative aims to sustainably address rising cooling demand through energy-efficient technologies, regulation, and stakeholder engagement—marking a critical step in MENA's climate-resilient energy transition.

Source: RCREEE (Regional Center for Renewable Energy & Energy Efficiency)  
<https://rcreee.org/kick-off-meeting-for-the-development-of-the-ncap-in-morocco/>

## OMAN NET ZERO CENTRE LAUNCHED UNDER ENERGY MINISTRY

MAY 28, 2025

Oman's Ministry of Energy and Minerals inaugurated the Oman Net Zero Centre to lead national carbon neutrality planning and support both public and private sectors. The centre will drive implementation of net-zero policies, monitor emissions reduction, offer technical advisory on energy efficiency projects, and strengthen capacity-building for a sustainable energy transition.

Source: Zawya <https://www.zawya.com/en/economy/gcc/oman-rethinking-ai-for-the-real-world-of-sustainable-energy-transition-akgtcdw0>



## WAI KWONG SETS UP CLEAN FUELS TRADING UNIT IN HONG KONG

JUNE 5, 2025

Hong Kong-based shipping firm Wah Kwong Maritime established a new subsidiary, Venture Energy, to trade clean fuels such as methanol under the EU's sustainability certification rules. This move marks a major step into low-carbon marine fuels, signaling growing corporate engagement in the city's decarbonization efforts.

Source: TradeWinds / Hong Kong <https://www.tradewindsnews.com/sustainability/hong-kong-owner-wah-kwong-sets-up-clean-fuels-trading-unit/2-1-1829115>

## GLOBAL ENERGY INVESTMENT TO HIT RECORD \$3.3 TRN IN 2025

JUNE 5, 2025

The IEA forecasts global energy investment will reach a record \$3.3trn in 2025, with two-thirds flowing into clean technologies including renewables, nuclear, storage, grids, and lowcarbon fuels. However, it warns that delays in grid infrastructure and uneven uptake across regions may limit the transition's effectiveness.

Source: International Energy Agency (IEA)  
<https://www.iea.org/news/global-energy-investment-set-to-rise-to-3-3-trn-in-2025-amid-economic-uncertainty-and-energy-security-concerns>

## OPEC SEES SOLID SECOND HALF 2025, TRIMS 2026 NONOPEC SUPPLY FORECAST

JUNE 16, 2025

In its monthly oil market report, OPEC increased optimism for the global economy in late 2025 but lowered its projection for supply growth outside OPEC+ in 2026 by 70,000 bpd. The move suggests a cautious approach to market-balancing amid persistent geopolitical and trade uncertainties.

Source: REUTERS  
<https://www.reuters.com/business/energy/opec-sees-solid-second-half-2025-world-economy-trims-2026-supply-2025-06-16/>



## UAE COAST GUARD EVACUATES 24 FROM OIL TANKER CRASH NEAR HORMUZ

JUNE 17, 2025

UAE Coast Guard forces safely evacuated 24 crew members from the oil tanker ADALYNN, which collided with another vessel near the Strait of Hormuz. The incident highlights ongoing maritime safety challenges in one of the world's busiest and most strategically sensitive energy transit corridors.

Source: AP News / UAE  
<https://apnews.com/article/emirates-oil-tanker-crash-hormuz-a223bcef2be1e7e9cf69298b887fc0>

## ADNOC UPS U.S. INVESTMENTS, CALLS AI A ONCE-IN-A-GENERATION OPPORTUNITY

JUNE 17, 2025

ADNOC CEO Sultan al-Jaber revealed plans to scale U.S. energy investments six-fold—reaching \$440bn over the next decade—as part of a strategy to enhance global energy partnerships. He also underscored artificial intelligence as a transformative tool for improving efficiency and decarbonization in energy operations.

Source: Reuters <https://www.reuters.com/business/energy/uaes-adnoc-pping-us-investments-says-ai-once-in-a-generation-investment-2025-06-17/>

## PAKISTAN'S SOLAR SURGE LIFTS IT INTO RAREFIED 25% CLUB

JUNE 17, 2025

Pakistan's solar generation surged to provide 25.3% of national electricity output during January–April 2025, driven by record imports of Chinese solar panels and rapid adoption of net-metering. The country now ranks among the global leaders in solar penetration, signaling a major shift toward renewables.

Source: Reuters <http://reuters.com/markets/commodities/pakistans-solar-surge-lifts-it-into-rarefied-25-club-2025-06-17/>

## US WARNS BRITAIN OVER CHINESE WIND FARM SECURITY RISKS

JUNE 19, 2025

The U.S. government has raised security concerns with UK officials regarding the use of Chinese-built Mingyang wind turbines in Scottish offshore wind projects. The warnings underscore transatlantic tensions over technology and supply chain security in Europe's fast-expanding clean energy sector.

Source: Financial Times / UK  
<https://www.ft.com/content/8f9fd267-ab58-4f12-8b99-2b5166626622>

# Global Energy Outlook



**Adi Imsirovic**  
Director, Surrey Clean Energy & Senior Associate, CSIS

**The market tends to price in anticipated geopolitical risks rather than actual lost barrels**

That's why we initially saw a \$10 spike in flat prices last week, only to see them settle much lower. The prevailing view is that the Strait of Hormuz will remain open. However, the situation is more serious than many think. My concern is that the U.S. might eventually get involved. Just before the recent attack, Senator Lindsey Graham said that if diplomacy fails, it would be in America's national security interest to go "all in" to support Israel. If this escalates, U.S. military engagement becomes very real. In this scenario, China could be the biggest loser. It imports nearly all of Iran's oil and is highly dependent on Iranian LPG, which fuels Asia's pressured petrochemical sector. If I were a trader, I'd be covering shorts, or even going long. Prices are just \$5 above prior levels, at around \$69—a modest rise, given the risks.

**Can we expect leaders gathering at the G7 summit to play a de-escalating role?**

There will be intense pressure on Donald Trump to rein in Netanyahu, who seems to be the only one who is benefitting

here as he's trying to avoid jail. Iran isn't prepared for this war. The U.S. and Europe don't want it either—it's hitting at a terrible time economically. The World Bank recently downgraded global GDP forecasts from 3% to 2.3%, even before the conflict. Inflation is rising, driven by Trump's tariffs and U.S. yields are high, limiting the Fed's flexibility. Meanwhile, China's economy is sluggish with a weak CPI and refinery throughput at post-COVID lows.

**Given Asia's reliance on Gulf oil, why aren't we hearing more alarm from that region?**

Asia consumes most of the Gulf's 25mn b/d. But they're calm for now because the spot market was well-supplied before the conflict. And about 30-40mn barrels of Iranian oil is sitting in floating storage off China. Nigeria's surplus was absorbed by Asian buyers, mainly India. Their next fallback is U.S. crude. Meanwhile, shipping costs are rising and insurance premiums have already spiked. For a VLCC, that's an extra \$0.50 per barrel, or \$500k per shipment. That will bite eventually.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 236 - June 19, 2025



**Clyde Russell**  
Asia Commodities & Energy Columnist, Thomson Reuters

**So far, we've seen a sensible pricing in of new geopolitical risk**

Not a single barrel of oil has been lost, and that's consistent with what we've seen in past periods of heightened tension. Even with active shooting wars, oil somehow continues to flow from the Gulf. Right now, both Iran and Israel appear to be carefully avoiding any actions that would directly impact crude oil exports through the Strait of Hormuz. So, the market seems to be in a "wait and see" mode. If Iran were to lose its restraint and try to close or even disrupt the Strait, or if Israel decided to attack Kharg Island or another major export terminal, then the risk premium would rise significantly.

**Is Asia sitting on enough inventories to ride out any storm?**

China will be almost certainly making its views known to all parties involved - basically saying that it's not in anyone's interest to disrupt oil supplies. In a worst-case scenario where the Strait of Hormuz is closed and 20mn b/d is taken offline, China could manage for a while as they have vast inventories. The country most at risk would be India, which lacks significant strategic reserves and would quickly find itself in serious trouble. If that happened, you'd see a scramble for oil globally.

**What if LNG shipping were to be disrupted?**

The price would spike and price-sensitive buyers like India and China would likely cut back immediately. Countries like Japan and South Korea - two of the largest LNG importers in North Asia - could switch to coal. Losing Qatar's LNG would certainly matter as it's the world's second-largest LNG exporter, but the global market could adapt. In a worst-case scenario, sanctions on Russia's Arctic LNG 2 project might even be lifted to bring that supply to market.

**China oil demand appears to have been strong in recent months?**

Yes - and June looks solid too, but they're not refining it - they're storing it, so it's not real consumption. And now that prices are climbing again, I expect Chinese imports to fall by August. Outside of China, I'm not seeing strong demand growth. India is up slightly, but Japan, South Korea, and Indonesia are all rather flat.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 236 - June 19, 2025



**James Lear**  
International Relationship Manager, Gulf Mercantile Exchange

It looks like the market has found a base support, trading between \$75 and \$80

Any climb higher brings downside risks back into focus and any form of resolution in the region could also cause a rapid correction in prices. The major player to watch is China. We know that throughout 2025, they've been building up strategic reserves—likely in anticipation of potential U.S. sanctions, not necessarily military action. If they decide to sit tight and wait for prices to correct downward, it's a reasonable strategy—but also a risky one. In two weeks, \$75 might look like a bargain. It doesn't look like tensions will ease anytime soon between Iran and Israel.

**Could anything trigger the \$10 geopolitical risk premium to deflate?**

The market hasn't gone as long as many people expected. That tells you something about the overall sentiment—concerned about upside risk, but still wary. Any push above \$85 a barrel and they start looking down. A spike north of \$120 is plausible if

we see real escalation and closure of the Strait of Hormuz; that would be devastating for the global economy. Many are saying it's unlikely Iran will make that move, but when a country is running out of options, the "last resort" can start to feel very close. That's why traders are keeping their eyes northward rather than southward.

**What can China do if Iranian tankers are no longer available?**

China has been hedging its economic exposure - waiting it out and relying on its vast reserves, and hoping the crisis cools off quickly. We may have also already hit peak oil demand in China. Consumption is softening and we've seen less Chinese activity in oil markets this month. Meanwhile, higher oil prices are great news for Russia. A few weeks ago, when prices were closer to \$60, it was under serious pressure. Now, Russia is in a stronger position, and nobody's really watching them.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 236 - June 19, 2025



**Kate Dourian, FEI, MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington**

**Rhetoric has played a major role in the recent oil price rally**

The Middle East, already a tinderbox of tension, now faces added layers of instability, especially with pro Iranian militias targeting U.S. interests. A phone call between former U.S. President Donald Trump and Israeli Prime Minister Netanyahu may not seem like a market-moving event at first glance—especially when we don't know the content—but in this environment, tone is everything. When Trump says, "I told them not to attack because I want a deal," only to immediately cast doubt on whether that deal—or even the meeting—will happen, it leaves traders reacting to ambiguity. So, the geopolitical atmosphere is becoming increasingly charged. The U.S. has begun pulling non-essential embassy personnel from Kuwait and Bahrain, a move that sends strong signals. This isn't just diplomatic posturing—it suggests concern about imminent threats, and the market reads that as supply risk.

**Tight Supply Meets Foggy Demand, but Uncertainty Dominates**

While some argue the market isn't genuinely tight, with OPEC+ increasing quotas—it's important to distinguish between quotas and actual supply. Many producers simply cannot meet their targets. Iraq is trying but struggling. Kazakhstan faces logistical bottlenecks. Libya and Guyana might be adding barrels, but their output doesn't offset broader constraints. Meanwhile, the demand side is murky at best. Global economic signals are mixed. The World Bank's latest report used the word "uncertainty" 228 times—an alarming reflection of how unclear the road ahead is. China remains a wildcard, while India's influence grows incrementally. Meanwhile, shifts in trade relations, especially U.S. tariff policies, resemble skirmishes more than coherent negotiations. And let's not forget the bigger picture with the Energy Transition. Investments in natural gas are ramping up in the Gulf, nuclear is gaining U.S. backing, and coal might see a resurgence if oil prices rise. These structural shifts are reshaping how we understand demand elasticity.

Source: Fujairah New Silk Road Weekly Newsletter, Vol. 235 - June 12, 2025

## Net-Zero as Strategy: How Mashreq is Financing Resilience & Regional Growth

“Net-zero isn’t a trend – it’s a long-term framework for resilience for us. It’s about aligning capital with climate goals in a way that supports sustainable growth for our clients and the region.”

“Our AED110bn commitment of deployed sustainable finance across Egypt, the UAE, Qatar, KSA, and Bahrain is a reflection of trust, depth, and follow-through in markets where it matters most.”

“We recently structured a cross-border facility that enabled a Swiss energy firm to finance UAE-origin exports globally – based on the value of the trade itself, not geographic presence. That’s the kind of flexibility modern trade demands.”

“We’re broadening our trade finance platform beyond hydrocarbons to include metals and more. The focus is on long-term, recurring partnerships—designed to deliver value through cycles, not just in moments.”

**Sajjad Jafri**  
**Head of Energy and Commodities**  
**Mashreq**

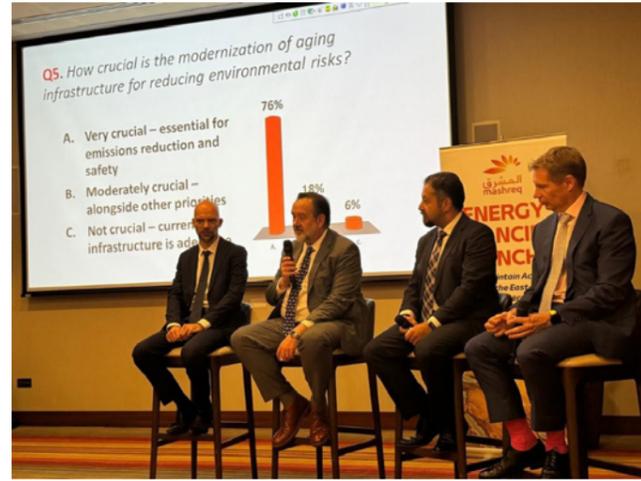


## TOP 9 TAKEAWAYS FROM THE GOVERNMENT OF DUBAI MEDIA OFFICE STATEMENT on Mashreq’s \$500 Million Sukuk Listing on Nasdaq Dubai

<p><b>1.</b></p> <p><b>MASHREQ LAUNCHES USD 500 MILLION SUKUK ON NASDAQ DUBAI:</b> Mashreq’s debut USD 500 million Sukuk, maturing in 2030, marks a strategic entry onto Nasdaq Dubai. Issued under a USD 2.5 billion programme, the listing diversifies Mashreq’s funding base and enhances its international capital markets profile. It positions the bank for future Islamic finance innovation and deeper investor engagement.</p>	<p><b>2.</b> </p> <p><b>STRONG DEMAND: ORDERBOOK NEARLY 6X OVERSUBSCRIBED:</b> The transaction generated overwhelming investor interest, with an orderbook of USD 2.9 billion — nearly six times oversubscribed. Final pricing was tightened to UST +105 basis points with a 5.03% profit rate. This robust demand validates Mashreq’s creditworthiness and demonstrates strong global appetite for high-quality Islamic instruments.</p>	<p><b>3.</b></p> <p><b>STRATEGIC TIMING AMID MARKET VOLATILITY:</b> This issuance, the first public CEEMEA transaction post-April 2025 U.S. tariff shocks, signals a return of confidence to regional markets. Mashreq’s successful execution amid global volatility may catalyze renewed activity among regional issuers. The bank’s leadership strengthens Dubai’s role as a resilient, forward-looking Islamic finance hub.</p>
<p><b>4.</b></p> <p><b>REINFORCING DUBAI AS GLOBAL SUKUK HUB:</b> With Sukuk listings now totaling USD 97.2 billion, Nasdaq Dubai continues to expand its standing as a global Sharia-compliant capital markets center. The exchange offers issuers an efficient, transparent platform. Mashreq’s listing reinforces Dubai’s long-term ambitions to lead global growth in Islamic debt capital markets.</p>	<p><b>5.</b></p> <p><b>DIVERSIFICATION OF MASHREQ’S CAPITAL STRUCTURE:</b> CEO Ahmed Abdelaal emphasized Mashreq’s disciplined approach to diversifying its capital structure through Sharia-compliant channels. This issuance supports the bank’s funding flexibility and resilience. Future strategic issuances will likely balance traditional and Islamic instruments, enhancing Mashreq’s appeal to an increasingly ESG- and Sharia-focused investor base.</p>	<p><b>6.</b></p> <p><b>STRONG CROSS-BORDER INVESTOR PARTICIPATION:</b> Participation from over 90 global investors across the Middle East, Europe, and Asia highlights the cross-border demand for quality Sukuk. The transaction strengthens Mashreq’s global investor relationships. Future issuances could see even broader geographic diversification, as more global investors seek exposure to Dubai’s dynamic Islamic capital markets.</p>
<p><b>7.</b></p> <p><b>NASDAQ DUBAI’S PLATFORM GROWING IN DEPTH:</b> Nasdaq Dubai now hosts over USD 140 billion in debt securities from 163 issuances, underlining the depth of the UAE’s capital markets. The exchange’s infrastructure is well-placed to support future innovation, including green and sustainability-linked Sukuk — positioning Dubai to attract a broader universe of ESG-focused capital.</p>	<p><b>8.</b></p> <p><b>COMMITMENT TO ADVANCING GLOBAL ISLAMIC FINANCE:</b> Chairman Abdul Aziz Al Ghurair affirmed Mashreq’s dedication to enhancing Islamic finance globally. The bank views this Sukuk programme as a foundation for future growth, enabling greater cross-border capital flows and reinforcing the UAE’s leadership. Expect Mashreq to remain an active participant in shaping future Islamic market standards.</p>	<p><b>9.</b></p> <p><b>POSITIVE SIGNAL FOR FUTURE ISSUANCES:</b> Mashreq’s successful issuance sends a clear market signal: global appetite for Sukuk remains strong, despite challenging macro conditions. The deal paves the way for renewed regional issuance activity. Expect continued innovation — including green Sukuk — and growing issuer participation as Dubai cements its role as a global Sukuk hub.</p>

# MASHREQ ENERGY FINANCING LUNCH

## “How to Maintain Access to Capital in the East of Suez Midstream Energy Sector as Global Regulations Demand Adoption of Low Carbon Bunker Fuels?”



April 8, 2025 - Mashreq hosted the Mashreq Energy Finance Seminar at the Novotel in Fujairah, UAE, from 12:00 PM to 2:00 PM. The event was held on the sidelines of FUJCON 2025 and brought together a broad range of senior stakeholders from the regional and global energy and commodities sectors. The seminar focused on the critical topic: “How to Maintain Access to Capital in the East of Suez Midstream Energy Sector as Global Regulations Demand Adoption of Low Carbon Bunker Fuels?” The objective was to explore how industry players can continue to secure financing while aligning with the increasing global emphasis on decarbonization and environmental compliance.

The session was hosted by Badar Chaudhry, Managing Director – Public Sector, Energy & Commodities at Mashreq, and Sajjad Jafri, Senior Vice President – Energy & Commodities Sector at Mashreq. Both hosts highlighted the bank’s ongoing efforts to support the transition toward more sustainable energy infrastructure, emphasizing the role of financial institutions in facilitating this shift. They also addressed the challenges posed by evolving regulatory frameworks and the importance of developing innovative financial models that support long-term industry resilience.

The Event Photo Gallery can be accessed here:  
<https://www.thegulfintelligence.com/en/client%20events/mashreq-energy-financing-launch---842025>



A wide array of organizations participated in the seminar, reflecting the breadth of interest and concern around the topic. Attendees included representatives from 2050 Marine Energy, Alkagesta Ltd, Aramco Trading Fujairah, Cyrus Oil & Gas – Cyrus Group of Companies, FGE Dubai, Fujairah Oil Industry Zone (FOIZ), GS Caltex Corporation, ICE Futures Abu Dhabi (IFAD), Middle East Liquid Terminal Corp., Montfort Trading, PMG Energies SA, VITOL, and Arabian Gulf Business Insight (AGBI). These organizations represent a cross-section of the midstream energy value chain, from trading and storage to regulatory and analytical expertise.

Discussions during the seminar covered key financial and regulatory issues affecting the midstream sector, including strategies to maintain liquidity and investor confidence, the growing demand for low-carbon fuels, and the impact of ESG requirements on project financing. Participants also examined how regional markets can remain competitive in attracting capital while meeting global sustainability benchmarks.

The event concluded with a consensus on the need for stronger collaboration between financial institutions and industry players to enable a balanced transition. Mashreq reiterated its commitment to supporting the energy sector by offering tailored solutions that align with both commercial objectives and the broader shift toward environmental responsibility.



Q7. How likely is political pressure in the United States to influence global financial institutions' commitments to net-zero targets?

A. Very likely – institutions will shift to avoid political backlash	65%
B. Somewhat likely – only a few institutions may adjust positions	20%
C. Unlikely – most will maintain long-term climate goals regardless of politics	15%

# MASHREQ ENERGY MID-YEAR ENERGY MARKETS OUTLOOK H2 2025

## TOP 20 INSIGHTS on how accelerated global oil supply growth may match – or clash– with an uncertain demand outlook in the second half of 2025:

### 1. OPEC+ Strategy Faces a Geopolitical Balancing Act

Despite the ceasefire between Iran and Israel, OPEC+ must carefully navigate its production policy to avoid appearing biased while still managing market share. Continued hostility risk means OPEC is likely to proceed with its supply increases, but geopolitical optics will influence how aggressively it does so.

### 2. Accelerated OPEC+ Increases Catching Up to Reality

Initial supply hikes simply aligned quotas with actual output. Now, future increases will represent real barrels hitting the market, potentially overshooting demand and pressuring prices—especially as weaker consumption trends persist across major markets.

### 3. Iranian Supply Uninterrupted Despite Conflict

Contrary to expectations, Iranian crude exports surged during the conflict, reaching over 2 million bpd. This resilience underscores the adaptability of supply flows under sanctions and reduces the perceived urgency for OPEC+ to offset disruptions.

### 4. Market Oversupply Risks Grow Amid Soft Demand

Global oil demand growth is forecast to be just 700,000 bpd for 2025. With rising OPEC+ and non-OPEC output, a potential mismatch looms. Inventories could rise, pushing the forward curve deeper into contango and prices lower for longer.

### 5. Contango Curve Signals Bearish Market Sentiment

The oil market's forward curve is shifting into contango, indicating expectations of oversupply. As actual barrels increase in H2 2025, the storage incentive grows, reinforcing bearish signals unless demand improves meaningfully.



### 6. OPEC Baseline Recalibration Required

To restore fairness and cohesion, OPEC+ must reset production baselines. The eight voluntary cutters dominate current policy, marginalizing others. A full return of voluntary cuts and revised quotas will be critical for long-term unity and balanced market management.

### 7. Iranian Gas Infrastructure Faces Minor Disruptions

Iran's recent energy infrastructure damage—such as at South Pars—remains manageable. The country's export capabilities and domestic balancing have absorbed the shocks, suggesting no major supply shortfalls in the near term and removing bullish triggers.

### 8. US 'Triple-3' Strategy to Drive Supply Growth

Washington's push for 3% growth, 3% deficit, and 3 million bpd incremental production signals continued supply expansion. While ambitious, this strategy adds pressure on global balances and may suppress prices if global demand lags.

### 9. Trump Tariffs Pose a Demand-Side Risk

The July expiry of tariff suspensions could trigger a new trade war. Protectionism would weaken global growth, lower oil demand, and exacerbate the supply-demand imbalance just as more barrels enter the market.

### 10. Fractures in OPEC+ Increasingly Apparent

Internal tensions between key members like Russia, UAE, and Iraq over quotas and compliance suggest mounting strain within the alliance. Although not yet ruptured, diverging interests could threaten OPEC's cohesion in managing oversupply.



### 11. Market Desensitized to Geopolitical Shocks

Oil traders no longer react dramatically to Middle East conflicts. Recent missile exchanges and Hormuz threats failed to elevate prices. This desensitization reduces the geopolitical risk premium that might have otherwise balanced oversupply fears.

### 12. Structural Demand Weakness in Europe and Asia

Key demand centers like Europe show sluggish growth, and Asia—excluding India—is underwhelming. China's uncertain economic trajectory compounds concerns, making it unlikely that demand will absorb the wave of new supply in H2 2025.

### 13. Volatility Offers Trading Opportunities, Not Price Support

Traders see H2 as opportunity-rich due to volatility, but not due to strong fundamentals. With prices expected to remain in the \$60-70 range, the contango structure rewards storage and short-term arbitrage rather than long-term bullish positioning.

### 14. Energy Security Dominates Over Energy Transition

The energy transition has taken a back seat. Low prices and geopolitical uncertainty favor short-term investment in conventional energy. Even though renewables remain attractive, the momentum has slowed as policymakers prioritize affordability and security.

### 15. Iranian Sanctions Loosening Unlikely Despite Oil Sales

Despite Trump's ambiguous messages, there's little evidence of U.S. intent to lift Iran sanctions. Iran will continue supplying oil—mainly to China—but this backdoor flow reinforces oversupply while undermining OPEC+ efforts to balance the market.

### 16. Upstream Confidence in New Projects Waning

Shale and global upstream investment sentiment is mixed. With break-even points rising and future prices uncertain, many producers are cautious about committing new capex. Only select low-cost or politically stable regions are attracting serious attention.

### 17. Gulf States Maintain Investment Momentum

Despite weak demand, Gulf NOCs like ADNOC and Aramco continue to expand upstream capacity. These investments signal confidence in long-term demand but could flood the market if consumption remains muted in H2 2025.

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### 18. Physical Product Markets Show Resilience

Though crude prices have softened, refined product demand—especially for diesel and jet fuel—has pockets of strength. Supply disruptions in Egypt, Jordan, and Israel post-conflict have prompted increased imports, offering limited support for regional product markets.

### 19. Political Optics Driving Supply Decisions

OPEC's latest quota increases may be politically motivated—to smooth relations among members and signal stability—rather than based on real-time market fundamentals. This politicization risks oversupplying the market further, particularly if demand doesn't rebound.

### 20. China's Demand Outlook Remains the Wildcard

Despite fading from recent discussions, China's trajectory remains pivotal. If Chinese demand falters or tariffs escalate, it could significantly worsen the global supply-demand imbalance. Conversely, a strong recovery could absorb excess supply and stabilize markets.

