

Trump presses Saudi over oil as ties fray further



President Donald Trump took aim at Saudi Arabia's plan to cut oil production on Monday, injecting new tension into an already fraught alliance that has been clouded by US concerns over the killing of journalist Jamal Khashoggi and the ongoing conflict in Yemen. Trump's efforts to influence oil production threatens to further strain relations between the two historic allies, even as his administration continues to describe the Saudis as a crucial partner in a shared bid to counter Iranian influence in the Middle East. But the US president – facing pressure after Republican losses in the midterm elections – is eager to tamp down threats to the economy, including higher gas prices. In a series of tweets, Trump blamed a stock market sell-off on the Democratic victory while pressing the Saudis and Opec to keep oil production at current levels. "Hopefully, Saudi Arabia and Opec will not be cutting oil production. Oil prices should be much lower based on supply!" Trump said on Twitter. Trump posted the message hours after Saudi Arabia's energy minister said that Opec and its allies should reverse about half the increase in oil

output they made earlier this year. Oil futures had gained as much as 2.4% in London and 1.8% in New York after the Saudi announcement.

Oil futures in New York fell 0.4% on Monday, extending a record 11th day of declines, to end the session at \$59.93 a barrel. Trump risks testing Saudi patience – or even provoking the kingdom's ire – at a particularly vulnerable moment, with the US decision to reimpose sanctions on Iran threatening to increase prices. The administration had been counting on Saudi Arabia to ensure oil supply to prevent a run-up in prices. The two countries have also clashed over the October killing of US-based journalist Jamal Khashoggi at the Saudi consulate in Istanbul, with the Trump administration reportedly considering sanctions on some Saudi officials in response. Over the weekend, the US stopped its refuelling support for the Saudi-led coalition fighting against Houthi rebels in Yemen. The Saudis said in a statement the decision to end refuelling flights was a mutual one, and that the kingdom "increased its capability to independently conduct in-flight refuelling in Yemen." And Trump isn't expected to impose drastic penalties over the Khashoggi killing, saying earlier this month that he did not feel "betrayed" by the plot and reiterating his desire to avoid consequences that could harm the US economy. Still, the president is likely aware that his statement could irritate Saudi leadership. His tweet posted just minutes after a Fox Business Network segment in which energy analyst Phil Flynn said Opec leaders were angry Trump had "duped" them into raising production ahead of the Iranian sanctions. And the changes in posture by a Trump administration that had previously given Riyadh a pass on a range of international issues could prove an irritant in a relationship that has been carefully cultivated by the president and his son-in-law, Jared Kushner. The interference in oil matters risks overreach in a relationship Trump has leveraged to his advantage in the past.

In June, Saudi Arabia persuaded fellow oil producers to end 18 months of production cuts and pump more crude in response to falling output in Venezuela and Iran. Opec leaders made clear Trump's social media posts were the impetus for the production changes, which kept oil prices low ahead of both the midterm elections and Trump's expected move to reimpose sanctions on Iran. "We were in the meeting in Jeddah, when we read the tweet," Opec Secretary-General Mohammad Barkindo said earlier this year. "I think I was prodded by his excellency Khalid al-Falih that probably there was a need for us to respond," he said. "We in Opec always pride ourselves as friends of the US." Producers need to cut about 1mn barrels a day from October production levels, Saudi Energy Minister Khalid al-Falih said Monday in Abu Dhabi. The kingdom will reduce shipments by about half that amount next month, he said. This time, Saudi Arabia is urging allies to focus on the risk of rising oil inventories and forecasts for massive growth in rival supplies next year including US shale. It's a concern shared by Barkindo, who said Monday that the market balance is under threat from surplus supply and dwindling demand. "It is beginning to look alarming in the sense that the resurgence of non-Opec supply – in particular shale oil from the US – is putting a lot of pressure on this fragile equation," Barkindo said in Abu Dhabi. A cut in oil exports by Saudi Arabia – or a rise in oil prices – does threaten to provide political ammunition to newly empowered Democrats who have long signalled scepticism of Opec. Senate Minority Leader Chuck Schumer, a New York Democrat, had previously supported legislation that would remove an existing immunity shield that prevents the oil group and its members' national oil companies from being sued under US antitrust law. It's possible a more serious split between the Trump Administration and the Saudis could give new momentum for such an effort, which failed after former President George W Bush threatened to veto it. Trump may also find a familiar ally in his effort to pressure the Saudis: Russian President Vladimir Putin. Russia has argued that the oil supply excess is short

term and has opposed production cuts, pitting it against the Saudis in an industry that dominates the economies of both countries. The Russian and US presidents met briefly at a lunch Sunday in Paris, where Saudi Arabian issues were discussed, according to White House press secretary Sarah Sanders.

Lysys group takes part in Milipol Qatar



Tribune News Network
Doha

Lysys group of companies continues to demonstrate strong commitment to the Qatari market with its participation at Milipol Qatar, the international event for homeland security and civil defence in the Middle East.

Lysys Group was represented by Lysys Qatar WLL and Encode at

the Milipol Qatar event.

Lsys Qatar is a technology company with expertise and a successful track record in systems integration for security and ICT systems for critical infrastructure as well as industrial automation, and professional and enterprise communication systems.

Lsys has been operating in Qatar since 2011. It has a large team of experts, system integration engineers, software developers and an experienced programme management team in Doha.

Throughout its operation, Lsys has managed to establish and keeps developing an advanced eco-system of partners who have the best-of-breed solutions in their respective fields.

Lsys has participated and executed part of the scope of the most prestigious and world's largest projects in Qatar covering a wide range of systems and technologies.

Lsys is investing significantly in the continuous development of the skills and technical competencies of its engineers and project managers as well as its partnership with world best class vendors aiming to offer the best solutions to its customers.

Lsys shareholders and higher management have been selected to implement some of the most critical projects in Qatar and they have stressed their commitment for continuous investment in Qatar market and contribution in realising Qatar's vision for security and knowledge transfer. Encode is a leader in the space of cyber security. Hundreds of companies worldwide use Encode's services and technologies to manage their cyber risks.

The technologies and services assume that the ICT environment will be eventually compromised and have been developed to augment customers' capabilities for detecting and responding to cyber-attacks and security breaches.

U.S. judge halts Keystone XL oil pipeline in blow to Trump, Trudeau



WINNIPEG, Manitoba/NEW YORK, Nov 9 (Reuters) – A U.S. judge in Montana has blocked construction of the Keystone XL pipeline designed to carry heavy crude oil from Canada to the United States, drawing praise on Friday from environmental groups and a rebuke from President Donald Trump.

The ruling of a U.S. Court in Montana late on Thursday dealt a setback to TransCanada Corp, whose stock fell 1.7 percent in Toronto. Shares of companies that would ship oil on the pipeline also slid.

TransCanada said in a statement it remains committed to

building the \$8 billion, 1,180 mile (1,900 km) pipeline, but it has also said it is seeking partners and has not taken a final investment decision.

The ruling drew an angry response from Trump, who approved the pipeline shortly after taking office.

It also piles pressure on Canadian Prime Minister Justin Trudeau to assist the country's ailing oil sector by accelerating crude shipments by rail until pipelines are built. Clogged pipelines have made discounts on Canadian oil even steeper than they were earlier this year when Scotiabank warned that they may cost the country's economy C\$16 billion.

U.S. District Court Judge Brian Morris wrote that a U.S. State Department environmental analysis of Keystone XL "fell short of a 'hard look'" at the cumulative effects of greenhouse gas emissions and the impact on Native American land resources.

"It was a political decision made by a judge. I think it's a disgrace," Trump told reporters at the White House.

The ruling was a win for environmental groups who sued the U.S. government in 2017 after Trump announced a presidential permit for the project. Tribal groups and ranchers also have spent more than a decade fighting the planned pipeline.

"The Trump administration tried to force this dirty pipeline project on the American people, but they can't ignore the threats it would pose to our clean water, our climate, and our communities," said the Sierra Club.

The State Department is reviewing the judge's order and had no comment due to ongoing litigation, a spokesman said.

The pipeline would carry heavy crude from Alberta to Steele City, Nebraska, where it would connect to refineries in the U.S. Midwest and Gulf Coast, as well as Gulf export terminals.

Shares of Canadian oil producers Canadian Natural Resources Ltd and Cenovus Energy lost 2.7 percent and 2.2 percent

respectively.

Canada is the primary source of imported U.S. oil, but congested pipelines in Alberta, where tar-like bitumen is extracted, have forced oil shippers to use costlier rail and trucks.

Two pipeline projects have been scrapped due to opposition, and the Trans Mountain line project still faces delays even after the Canadian government purchased it this year to move it forward.

“You have to wonder how long investors will tolerate the delays and whether the Canadian government will intervene again to protect the industry,” said Morningstar analyst Sandy Fielden.

Ensuring at least one pipeline is built is critical to Trudeau’s plans, with a Canadian election expected next autumn.

“I am disappointed in the court’s decision and I will be reaching out to TransCanada later on today to show our support to them and understand what the path forward is for them,” Natural Resources Minister Amarjeet Sohi told reporters in Edmonton, Alberta.

Alberta has felt the financial pressure, and an industry source said the provincial government last month solicited proposals from companies on ways to move crude faster by rail. The source said proposals included ideas such as buying rail cars and investing in loading terminals.

“I’ve never seen (the Alberta government) so active on this front,” said the source, who asked not to be identified because the matter is politically sensitive. “That is a shift.”

Alberta Energy Minister Margaret McCuaig-Boyd said the

province has sent a proposal to Ottawa to move crude faster by rail that includes making more tank cars available.

“We’re giving away our resources cheap,” she told reporters. “We need market access.”

Neighboring Saskatchewan stands to lose C\$500 million in annual royalties if the discount for Canadian crude remains steep, Saskatchewan Energy Minister Bronwyn Eyre said.

“People have placed quite a lot of hope in that (Keystone) project, so it’s a major setback,” she said in an interview.

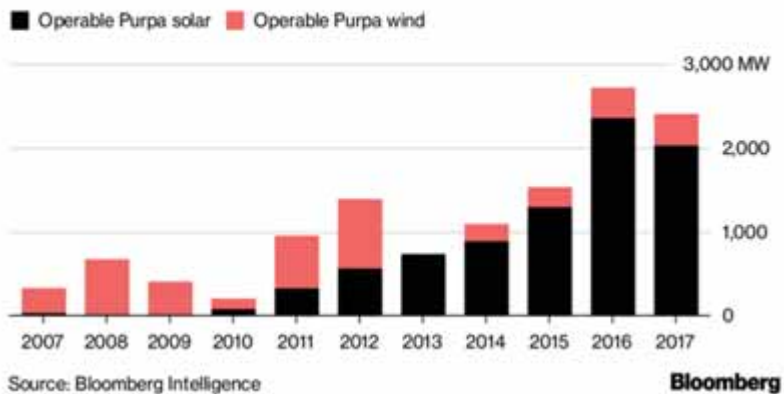
Morris, in his ruling, ordered the government to issue a more thorough environmental analysis before the project proceeds. He said the analysis failed to fully review the effects of the current oil price on the pipeline’s viability and did not fully model potential spills and offer mitigation measures.

The ruling likely sets Keystone back by up to one year, said Dan Ripp, president of Bradley Woods Research. (Reporting by Rod Nickel in Winnipeg, David Gaffen in New York and Brendan O’Brien; Additional reporting by Roberta Rampton and Timothy Gardner in Washington, Julie Gordon in Vancouver and David Ljunggren in Ottawa; Editing by Jeffrey Benkoe, David Gregorio and Cynthia Osterman)

US 40-year-old renewable energy law is due for a revamp

Purpa Power

Purpa-qualified nameplate capacity by online year



A 40-year-old law that's been key to the growth of renewable energy in the US may be due for an overhaul. Much has changed since the Public Utility Regulatory Policies Act, called Purpa, was established in response to the Arab oil embargo of the early 1970s. Concerned about energy shortages, Congress wrote the law in part to encourage alternative energy. But that era of scarcity has since been replaced by one of abundance. And utilities say that Purpa should change with the times. They say power markets have outgrown the 1978 statute, and that it's burdening customers with billions in extra costs. "Changes to the market need to be reflected in the law," said Adam L Benschoff, executive director for regulatory affairs at the Edison Electric Institute, an industry association. "We're certainly missing an opportunity to reduce costs for customers." They may get their wish. Neil Chatterjee, the new chairman of the Federal Energy Regulatory Commission, which oversees US power markets, has indicated that his agency should take a look at the law. But he hasn't outlined a timeline or scope of that effort. As it's written, Purpa requires utilities to purchase power from renewable energy projects under certain circumstances.

If a developer can build a project for less than a utility can build a new power plant, then they can request a contract to sell power to the utility. But utilities argue that developers have figured how to take advantage of the system. They're asking for immediate fixes to prevent market abuses, and curb

instances in which developers break up their projects into smaller ones to qualify for higher rates, according to the Edison Electric Institute. Reducing the threshold for mandatory purchases could also be looked at. "We're asking for Purpa to be modified in a way that more truly reflects avoided cost and stops some of the gaming," said Benschhoff. Purpa proponents, including solar and wind developers, reject the notion that it's outdated, saying it's essential to giving renewables a leg up in states that aren't traditionally green leaning. "Purpa has been a backdoor option to get some renewable projects to states that have few other policy levers that are incentivising renewable energy," said Timothy Fox, vice president at ClearView Energy Partners LLC. "If the implementation of Purpa is reformed, we could see a slowdown in some of the states with more conventional resources," he said. About 15% of US solar capacity and 3% of wind planned to come online in the next few years may rely on Purpa, according to Bloomberg Intelligence.

The solar industry argues that any changes should be focused on making sure the law is enforced. "It's been a highly successful policy tool and continues to be a highly successful policy in markets where there is not otherwise access," said Abigail Ross Hopper, who heads the Solar Energy Industries Association. Pushback from utilities is unsurprising, she said, since "we're threatening their market, we're threatening their monopoly." It's all a far cry from when Charles Copeland was working as an engineer on an abandoned building in New York City's Lower East Side back in the 1970s. He designed a solar collector system for a group of residents that generated power for the building and sent the excess to Con Edison. The utility sued the residents, but the Public Service Commissioner ruled in favour of the building, and the ruling became a crucial forerunner of Purpa. Forty years later, Copeland says the law is as essential as ever. "It's even more urgent now, in terms of global warming," he said.

Gold and oil looking for a floor while gas prices spike



The commodity sector remains on the defensive with rising supply hurting a diversified group of raw materials from crude oil to grains. Growth concerns in the world's two biggest economies into 2019 put industrial and semi-precious metals under pressure while gold struggled to build on the recent recovery amid a strong dollar with a hawkish Federal Open Market Committee staying on course to hike rates further over the coming months. The US midterm election yielded no major surprises with the Democrats, while taking control of the House, failing to create a 'Blue Wave'. The Republicans did not see a 'Red Repeat' but still managed to strengthen their Senate majority. A relief rally was seen in stocks, bond yields resumed their climb while the dollar, after some initial weakness, strengthened once the Federal Reserve indicated it would keep raising rates gradually over the coming months. The initial impact of the election on commodities has been limited but over time we may keep an eye on the following: Late-cycle US economic growth not receiving a further boost through tax cuts Unfunded infrastructure spending impacting industrial metals, budget deficit and bond yields Opposition against Trump's deregulatory energy agenda

could impact the long-term prospect for US oil production growth. A divided US government potentially weakening the dollar over time. The biggest headline grabber was crude oil, which continued its slump as Iran sanctions worries faded and the world's biggest producers continued to ramp up production. Overall the energy sector was close to flat on the week with the strongest natural gas surge in two years helping to offset the weakness in crude oil and products. Natural gas is up by more than 10% on the week as a cold blast across the eastern part of the US has increased the focus on stock levels which will enter the winter peak demand period at a 15-year seasonal low. In just six weeks market speculation has seen a dramatic turnaround from focusing on Brent oil at \$90/barrel before year end to the current speculation of \$60/b. WTI crude oil was the biggest loser of the two crude oil benchmarks as surging US production and rising stocks and lower refinery demand, due to maintenance, saw the price slump by more than 22% from the October peak and thereby returning to bear market territory.

The ebb and flow of the current trade war remains a concern and its impact is being felt across several key commodities from soybeans to copper and even gold through its strong correlation to the Chinese renminbi. With the US midterms out of the way, and with Trump having lost some of his room for manoeuvre on the domestic stage, he may choose to double down on his international efforts. Not least the trade war and this has led to some pessimism as to what Trump and China's Xi Jinping can achieve when they meet at this month's G20 summit in Argentina. US soybean farmers continue to feel the impact of a season which has both yielded a record crop and a collapse in demand from China due to tariffs. The price of CBOT beans continues to linger below \$9/ bushel, some 20% below the peak back in March when the outlook was much different. The impact can be seen in the monthly supply and demand estimates from the US Department of Agriculture. Since June they have continued to raise their forecast for how many beans

will be left over in US bins by the end of this current marketing year, which runs to October 1 next year. Industrial metals, more than other sectors, have felt the pressure from a prolonged trade war's potential negative impact on global growth and demand. Copper has, however, managed to settle into a wide \$2.55/lb to \$2.85/lb range following the June to July sell-off with support coming from signs a tightening physical market. Chile's Codelco, the world's largest copper producer, posted the lowest quarterly output this year after reporting declines across all its mines due to lower ore grades. A challenging outlook for supply due to lower grades and lack of investment has already led to speculation that a structural deficit may emerge over the coming years, something that could see copper and other industrial metals move higher.

Not least if both China and the US were to opt for increased investment in infrastructure projects. Gold is currently stuck in a range between \$1,210/oz and \$1,240/oz with the October recovery primarily driven by short-covering from hedge funds. Back then they found themselves holding a record and, in the end, unsustainable short position amid emerging signs of safe-haven and diversification demand as the stock market rout unfolded and bond yields jumped. Following a 55% reduction during the past three weeks the tailwind from buyers covering bearish bets has now faded. With risk appetite for stocks and the dollar returning together with the Federal Reserve continuing to hike rates, the bears at this stage are once again looking to take control. Not helping the sentiment has been and even bigger sell-off in silver, which remains troubled by its link to under-pressure industrial metals. In the belief that the stock market recovery is on its last leg and that a strong dollar remains unsustainable we maintain the view that investors will continue to look for alternative investments. This will be done both as a hedge against the risk of inflation and an emerging positive correlation between stocks and bonds. Gold is currently trading within a 31-dollar range. A break below \$1,201/ oz and more importantly \$1,191/oz

would see the bears back in charge. Potential buyers, meanwhile, are likely to sit on the fence and wait for a break above \$1,243/ oz, a move that would force renewed fund short-covering. The rout in crude oil extended into a fifth week driven by the themes of rising supply from the world's three biggest producers, the US, Russia and Saudi Arabia, together with rising US stocks. WTI crude oil entered bear market territory after slumping by more than 22% while Brent crude broke below the psychologically important \$70/b level.

This was otherwise the week when the US re-introduced sanctions against Iran, an event that back in early October helped drive Brent crude above \$87/b on worries that the global market would be left shorthanded. In order to provide other producers enough time to increase production, the US administration chose to grant waivers to eight countries to carry on buying Iranian crude for up to six months. Adding to the weakness this week was the US Energy Information Administration which in its Short Term Energy Outlook for November raised its US crude output forecast for 2019 by 0.3mn barrels/day to a record 12.06m b/d while cutting global demand growth by 0.1m to 1.4m. However, the EIA also said that global refinery demand, estimated to be lower by 2mn barrels/day due to maintenance, would begin to pick up and return to normal during the coming weeks. Having responded to Trump's request for additional barrels to prevent the price from spiking, the subsequent 17-dollar selloff since early October has now instead increased the likelihood of production being scaled back to support the price. Ole Hansen is head of commodity strategy at Saxo Bank.

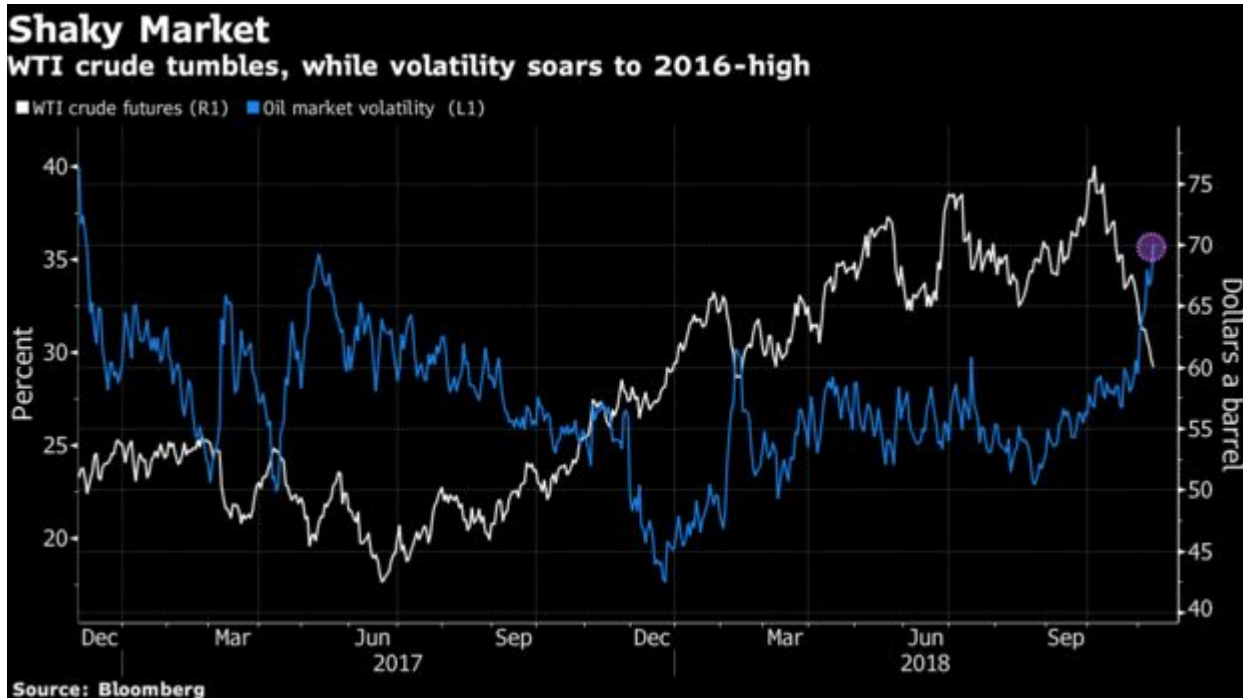
Oil's Rapid Run of Declines Kicks Up Pressure as OPEC Gathers



It's all eyes on OPEC as U.S. oil prices fell for 10 consecutive days, wiping out any gains for the year.

Futures in New York slid 0.8 percent to settle at \$60.19 a barrel on Friday, a day after falling into a bear market on concerns growing supplies will overwhelm the market, as the U.S. offered nations waivers to continue buying Iranian oil. The plunge will push OPEC and its allies into a corner as they gather in a highly-anticipated meeting this weekend that could yield a signal on future production cuts.

"The Iranian sanctions were supposed to be a game-changer in the market," said Michael Loewen, a commodities strategist at Scotiabank in Toronto. Producers have been "attempting to pump as much oil as possible right now to soften the blow of those Iranian sanctions, yet Trump comes out and gives waivers."



Crude's slump from its early-October peak above \$76 a barrel comes as U.S. production is at a record, OPEC output is at the highest since 2016, more Iranian crude might make it to market than previously thought and demand growth remains a concern.

[Click here for the latest on speculators' oil positioning](#)

WTI futures fell 4.7 percent this week. Total volume traded was about 44 percent above the 100-day average on Friday, while a measure of oil market volatility jumped to the highest level since late 2016.

Brent futures for January settlement fell 47 cents to end the session at \$70.18 a barrel on the London-based ICE Futures Europe exchange, the lowest since April 9. The global benchmark crude traded at a \$9.82 premium to January WTI.

A potential agreement by OPEC to return to output cuts would mark the second production U-turn for the group this year. For Saudi Arabia – the world's biggest crude exporter – it would be the third time in recent years that the kingdom has delivered a supply surge only to quickly backtrack on it.

A radically realistic climate vision



By Barbara UnmüBig/Berlin

According to the latest report by the Intergovernmental Panel on Climate Change, the world's main scientific authority on global warming, keeping global temperatures from rising more than 1.5°C above pre-industrial levels is a feasible goal. The IPCC's stance represents a move in the direction of the kind of "radical realism" that many civil-society actors have long advocated.

The IPCC does not bet on geo-engineering proposals – for example, deep-ocean sequestration of massive amounts of atmospheric carbon dioxide, or "dimming the sun" by spraying the atmosphere with aerosols – to combat global warming. These largely theoretical solutions could have untold consequences for people and ecosystems, worsening not only the climate crisis, but also the other social and ecological crises we

face.

Instead, the IPCC focuses on how we can avoid crossing the 1.5°C threshold in the first place. We must, it asserts, decarbonise the global economy immediately to ensure that global CO₂ emissions decline by about 45% by 2030 and reach net zero by 2050.

Achieving this will require not just transforming economic activity, but also confronting destructive power dynamics and social inequalities. "Radical Realism for Climate Justice," a new anthology published by the Heinrich Böll Foundation, sets out strategies developed by international civil-society and social movements to bring about such change.

In line with the IPCC's core message, we urgently need a politically managed decline in fossil-fuel production. This means putting a brake on oil, coal, and gas production and exploration. As the group Oil Change International notes, it does not mean abrupt or panicked action that could lead to a "sudden and dramatic shut-down of fossil fuel production, stranding assets, damaging economies, and harming workers and communities reliant on the energy sector."

In building up the renewable-energy sector, we should avoid replicating systems that have driven inequality and entrenched damaging power dynamics in the fossil-fuel sector and other industries. This means replacing the market-based, investor-focused approach to energy production with one that treats energy as a public good, while engineering a shift toward social ownership and management of energy supplies.

Rooted in energy sovereignty and self-determination, this approach would spur faster decarbonisation, including by weakening vested interests' power to resist change. It would also facilitate the restructuring of energy systems to serve social and ecological needs.

Another system-level transformation that would facilitate major emissions reductions would be the creation of a zero-waste circular economy, whereby everything we produce and consume returns safely to nature or is recycled and reused. Consider textiles production, which in 2015 generated

greenhouse-gas emissions totalling 1.2 billion tons of CO₂-equivalents. These massive emissions – more than the combined total for all international flights and maritime shipping – reflect a “fast fashion” culture that produces garments as cheaply as possible, with the expectation of constant turnover in people’s wardrobes. If each garment were replaced half as often, the industry’s total greenhouse-gas emissions would plummet by 44%.

A zero-waste circular economy for textiles would include not just more use of the clothes that are produced, but also improved recycling and repurposing of materials, to avoid emissions-producing waste-disposal processes like incineration. The biggest gains would come from the introduction of less wasteful production processes.

Important steps should also be taken regarding land use (encompassing agriculture and zoning changes). As the international peasant’s movement La Via Campesina shows, the industrial food system’s emissions – including those from production, fertilisers, transport, processing, packaging, cooling, and food waste, and from deforestation associated with the expansion of industrial agriculture – account for 44-57% of the global total.

A peasant agro-ecological production system based on food sovereignty, small-scale farming, and agro-ecology could, La Via Campesina argues, halve carbon emissions from agriculture within a few decades. This approach is proven to work: small-scale farmers, peasants, fishers, indigenous communities, rural workers, women, and youth already feed 70% of the world’s population, while using only 25% of its agricultural resources.

There is also a need to restore natural ecosystems that have been destroyed. Forests and peatlands, in particular, can sequester several hundred gigatons of CO₂ from the atmosphere. Their restoration would protect not just biodiversity, but also local people, including the indigenous communities whose land-tenure rights have been systematically violated. In fact, retaining and expanding the land area under management by

indigenous peoples and local communities could protect over 1,000 GtCO₂ worth of carbon stocks.

According to a report by the Climate, Land, Ambition, and Rights Alliance, ecosystem-based approaches in the land sector and agro-ecological changes to food production and consumption systems – including more local ownership – could deliver 13 GtCO₂eq per year in avoided emissions, and almost 10 GtCO₂eq annually in sequestered carbon by 2050. The result would be 448 GtCO₂ in cumulative removals by 2100 – around ten times current global annual emissions.

Limiting global temperatures to 1.5°C above pre-industrial levels is our best hope of containing the effects of a climate crisis born of historical injustices and deep-rooted inequities. The only way to succeed will be to undertake a shift to a new socioeconomic system. This means abandoning the single-minded obsession with GDP growth – which has facilitated the proliferation of wasteful production and consumption patterns and fuelled economic and social inequality and injustice – in favour of a public-goods approach that serves genuinely to make people's lives better. Demanding such a transformation is not “naive” or “politically unfeasible.” It is radically realistic. In fact, it is the only way we can achieve social justice while protecting our environment from devastating climate change. – Project Syndicate

* Barbara UnmüBig is President of the Heinrich Böll Foundation.

US-based LNG firm Excelerate

Energy opens office in Doha



US-based LNG company Excelsior Energy L.P. marked the opening of its new office in Doha with a celebration at the Four Seasons yesterday.

The Woodlands, Texas-based Excelsior Energy is a market leader in floating liquefied natural gas (LNG) regasification solutions.

The new office was registered and is operated under the administration of the Qatar Financial Center.

Excelsior's managing director Steven Kobos said, "The opening of our Doha office demonstrates Excelsior's long-term commitment to the LNG industry, given that Qatar is the largest exporter of LNG globally.

"This strategic location will allow us to better serve our partners and support their efforts in expanding Qatar's LNG export capacity to emerging markets worldwide."

In June of this year, Excelsior and Nakilat entered into an agreement for a joint-venture company, with Nakilat acquiring a 55% interest in Excelsior's floating storage regasification unit (FSRU) – 'Exquisite', the first such vessel to join the Nakilat fleet.

Currently in operation in Pakistan, 'Exquisite' is the most utilised FSRU in the industry, having delivered more regasified LNG ashore than any other FSRU in history. The vessel will be receiving its 150th cargo of LNG from Qatargas later this year.

The event witnessed the presence of many dignitaries and government officials, business leaders, associates and partners, and Excelerate leadership.

Among the distinguished guests present at the celebration were Nakilat chief executive officer Abdullah al-Sulaiti and chief of mission and Chargé d'Affaires of the US embassy in Doha, William Grant.

Excelerate Energy is part of a privately-held US energy group that also includes Kaiser Francis Oil Co, an E&P company with production in the US and Canada along with significant midstream assets, and Cactus Drilling Company, the largest private drilling company in the US.

Excelerate is the pioneer and market leader in innovative floating LNG solutions, providing integrated services along the entire LNG value chain with an objective of delivering rapid-to-market and reliable LNG solutions to customers.

Excelerate offers a full range of floating regasification services from FSRU to infrastructure development to LNG supply.

Besides Doha, Excelerate has offices in Buenos Aires, Chittagong, Dhaka, Rio de Janeiro, and Singapore.

Oil market on alert as Iran sanctions hit



LONDON: US sanctions against importers of Iranian oil threaten the crude oil market's precarious balance and risk surging prices, all under Saudi Arabia's watchful gaze, according to experts.

"In the next weeks all eyes will be on Iranian exports, whether there will be some cheating around US sanctions, and on how quickly production will fall," said Riccardo Fabiani, an analyst for Energy Aspects.

The US will from Monday target buyers of Iranian oil in order to deprive Tehran of its main source of income.

Going after Iran's oil money will hit Tehran where it hurts, but it also means hitting a major pillar of the global oil market – Iran is the OPEC cartel's third-largest producer – with major consequences for world supply.

Iran exported the equivalent of 2.5 million barrels a day in April, before the announcement of sanctions turned buyers away.

"Even if the United States grants exemptions, Washington will demand that the volume imported from Iran be significantly reduced," said UBS analyst Giovanni Staunovo, who expects prices to rise.

However, oil prices have fallen by nearly \$15 in less than a month, after peaking in early October at their highest level in two and a half years, with a barrel of Brent at over \$85.

“The mantra right now is to go to Saudi Arabia but its exports have remained flat at around 10 or 10.2 million barrels a day,” said Samir Madani, an analyst at Tanker Trackers, which specialises in satellite tanker tracking.

“The big increase right now is Iraq at 4.2 million, which I’ve never seen before,” he added.

The US, which is in the process of becoming the world’s leading producer thanks to its shale oil operations, could meet part of the demand, but lacks export capacity, said the analyst.

Oil tanks while US midterm theatre reaches financial markets



By Ole Hansen

Global stock markets bounced and the dollar weakened following

comments from President Trump that trade discussions with China were “moving along nicely” and after he supposedly, and later denied, ordered a draft of a US-China deal.

Commodities struggled despite the weaker dollar with crude oil heading for its worst week since February in response to rising production and a potential lower-than-expected Iran sanctions impact.

The dollar reached a fresh 16-month high against a basket of currencies before running into long liquidation in response to Brexit optimism, China announcing additional measures to stimulate its economy and not least the above-mentioned trade comment from President Trump.

Trump and China’s Xi Jinping will meet at the G20 meeting in Argentina between November 30 and December 1.

Earlier this week, the US president threatened to apply tariffs on all remaining Chinese imports but then a phone call, the first in six months, between the two leaders suddenly lifted expectations that a solution could be found. We would strongly suggest that this is nothing more than theatre designed to boost the market ahead of next Tuesday’s midterm elections.

The increased risk appetite failed to extend to commodities with the Bloomberg Commodity Index trading lower for a fourth consecutive week. The index, which tracks 24 major raw materials across energy, metals and agriculture, was hurt by a continued selloff in energy and post-Brazilian election profit taking in sugar and coffee.

The weaker dollar especially against the Chinese renminbi helped give the metals a boost. John Hardy, Saxo Bank’s Forex Strategist noted that: “We have speculated over the last couple of days that the CNY boost could be a move by China to pull the currency well away from its assumed floor (7in USDCNY terms) ahead of the G20 meeting”.

These developments, nevertheless, helped lift industrial metals, and with that demand for semi-precious investment metals such as silver and platinum.

Both of these have struggled to keep up with gold during the

past few weeks. Silver showing signs of life with a break above \$14.85/oz signalling a possible extension, initially to \$15.23/oz.

The biggest mover was crude oil which was hit by a triple dose of price negative news which further help support the negative momentum that had built up following the sharp rejection above \$80/barrel just a few weeks ago.

Instead Brent crude has returned to its \$70/b to \$80/b range that prevailed between April and August.

While we still maintain the view that Brent crude oil could reach \$80/b before year-end, the risk of an extension above has been sharply reduced this week with the change in sentiment being caused by these three major drivers:

- n The EIA reported last week that US oil production jumped 3.8% in August to reach a fresh record of 11.346mn barrels/day, a staggering year-on-year jump of 2.1mn barrels/day. Russia meanwhile said its October production reached 11.412mn barrels/day, a post-Soviet record.

- n Reuters and Bloomberg Opec production surveys for October both showed that production, despite the drop from Iran, had reached the highest level since 2016.

The most noticeable increases came from Libya (+170k b/d), Saudi Arabia (+150k b/d) and UAE (+80k b/d). Iran's production only slipped by 10k b/d and is down 400k b/d since May when sanctions began to bite.

- n The US is expected to give eight countries, including China and India, waivers from the Iran sanctions. This move should ensure that Iranian exports will be impacted by less than originally feared, thereby helping prevent the sanctions from lifting the price of oil.

While US oil production is rising at a record pace, Opec has now abandoned the collective agreement to keep production capped.

This comes in response to threats during the past few months that US sanctions against Iran could trigger a price spike which relatively quickly would lead to demand destruction and much lower prices.

After breaking the uptrend from early 2017 and the 200-day moving average Brent crude looks set to test support at \$70/b, the lower end of the range that prevailed between April and August. We believe crude oil will find support before long and begin a climb back towards the higher end of the mentioned range.

The reasons being a sharp reduction in hedge fund longs, reduced spare capacity leaving the market exposed to a future disruption and not least the yet unknown impact of US sanctions against Iran.

Gold had a roller-coaster week which left it close to unchanged for the period. This followed a mid-week sell-off when rising stocks, dollar and bond yields sent it looking for support.

On Monday, we raised some concerns about gold's short-term ability to move higher after finding that hedge funds had cut what was a record bullish bets by 74% in just two weeks.

With the tailwind from short-covering beginning to fade, we concluded that gold was increasingly in need of supporting fundamentals to carry it higher.

The above-mentioned reversal in the dollar, not least against the Chinese renminbi, combined with a steady increase in holdings across exchange-traded funds backed by gold, helped support a strong bounce which from a technical perspective has left the yellow metal with two key levels to focus on in the short term.

After finding resistance at \$1,240/oz, the 38.2% retracement of the April to August sell-off, gold then challenged and found support at \$1,211.6, the first line in the sand as per the below chart. We maintain a bullish outlook for gold and would only begin to worry about a deeper correction should the price drop below \$1,192/oz.

A weaker dollar would not only support gold given its inverse correlation, it would also support a pick-up in demand from emerging market consumers and central banks who have suffered from greenback strength.

However, next week's US midterm elections will help determine

the direction of the dollar and potentially also gold. Should Trump, against current expectations, lose both the Senate and Congress, his domestic agenda would be left crippled.

Instead he would likely divert his focus towards his international agenda. Given his comment that a trade war is easy and winnable this could lead to a reduced appetite for seeking a compromise with China.

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