

OPEC say oil demand to exceed pre-pandemic levels, sees risks

● Leaves 2022 oil demand growth forecast at 3.36 mbpd

● Cuts 2022 Russian output forecast, leaves US shale steady

● OPEC May output falls 176,000 bpd, missing pledged hike

Reuters | London

OPEC has stuck with its forecast that world oil demand will exceed pre-pandemic levels in 2022, although the producer group said Russia's invasion of Ukraine and developments around the coronavirus pandemic pose a considerable risk.

In a monthly report released yesterday, the Organisation of the Petroleum Exporting Countries (OPEC) maintained its forecast that world oil demand would rise by 3.36 million barrels per day (bpd) in 2022, extending a recovery from 2020's slump.

The Ukraine war sent oil briefly above \$139 a barrel in March, the highest since 2008, worsening inflationary pres-



A person operates a tap of crude oil during the destruction of Bakana II illegal camp, in Okrika, Rivers state, Nigeria



OPEC and its allies, which include Russia, known as OPEC+, are ramping up output in monthly increments after record cuts put in place during the worst of the pandemic in 2020.

COVID lockdowns in China, where a Beijing outbreak has prompted the resumption of mass testing, have curbed oil demand.

"Looking ahead, current geopolitical developments and the

uncertain roll-out of the pandemic toward the end of the second half of the year continue to pose a considerable risk to the forecast recovery to pre-pandemic levels," OPEC said in the report.

"Inflationary pressures are likely to persist and it remains highly uncertain as to when geopolitical issues may be resolved. Nevertheless, oil demand is forecast at healthy levels in the second half of this year."

The report expects world consumption to surpass the 100 m bpd mark in the third quarter, in line with earlier projections, and for the 2022 average to reach 100.29 m bpd, just above the pre-pandemic rate in 2019.

OPEC kept this year's global economic growth forecast at 3.5%, adding the downside

"remains significant" and the upside potential "quite limited".

Oil extended an earlier gain after the report was released, trading further above \$123.

OUTPUT FALLING

At its last meeting on June 2, OPEC+ brought forward oil production rises to offset Russian losses and smooth the way for a visit to Saudi Arabia by US President Joe Biden.

Still, OPEC+ has been under-shooting the increases due to underinvestment in oilfields by some OPEC members and, more recently, losses in Russian output as a result of sanctions and buyer avoidance.

OPEC's report showed that trend continued in May and said OPEC output fell by 176,000 bpd to 28.51 m bpd due to losses in Libya, Nigeria and other countries.

The growth forecast for non-OPEC supply in 2022 was reduced by 300,000 bpd to 2.1 m bpd. OPEC cut its forecast for Russian output by 250,000 bpd and left its US output growth estimate steady.

OPEC expects supply of US tight oil, another term for shale, to rise by 880,000 bpd in 2022, unchanged from last month, despite high prices that in previous years have encouraged growth.

UAE aims to up 2022 federal spending by \$335 million

Reuters | Dubai

The United Arab Emirates' federal government aims to increase spending by 1.23 billion dirhams (\$334.9 million) in the 2022 budget, the Federal National Council said on Twitter on Tuesday.

The UAE estimates revenues will be 374.98 m dirhams higher. The increased spending will come from the federal

government's general reserves, the council added.

The UAE in October approved a 2022 federal budget of 58.9 bn dirhams.

The federal budget accounts for only a fraction of consolidated state spending in the UAE as individual emirates such as Abu Dhabi and Dubai also have their own budgets. It is, however, an indication of official plans for the economy.

Ford recalls 49,000 US Mach-E EVs over potential power loss



Visitors check on a Ford Mustang Mach-E electric vehicle displayed at a launch event in Shanghai, China

Reuters | Washington

Ford Motor Co (F.N) said yesterday it is recalling about 49,000 Mustang Mach-E electric vehicles in the United States because a part could overheat and result in a loss of propulsion power.

The No. 2 US automaker said

DC fast charging and repeated wide-open pedal events can cause the high-voltage battery main contactors to overheat. Ford said it will address the issue that covers Mach-E vehicles built from late May 2020 through late May 2022 with a software update it expects to begin next month.

Abu Dhabi snaps 9-day losing streak; Saudi extends losses

Reuters

Abu Dhabi's stock market rebounded yesterday, ending a nine-day losing streak, while the Saudi index extended losses for a second session as the uncertainty remained among investors ahead of the US Federal Reserve's policy meeting on Wednesday.

In Abu Dhabi, the index (.FTFADGI) gained 0.9%, led by a 4.2% jump in telecoms firm e& (ETISALAT.AD).

Closing Bell

SAUDI	▼ 0.3%	to 12,021
ABU DHABI	▲ 0.9%	to 9,547
DUBAI	▲ 0.3%	to 3,298
QATAR	▲ 0.1%	to 12,731
EGYPT	▼ 0.3%	to 9,981
BAHRAIN	▼ 0.5%	to 1,843
OMAN	■	at 4,121
KUWAIT	▼ 0.5%	to 8,184

"At the same time, natural gas prices remained volatile with no

clear direction."

Oil prices, a key catalyst for the Gulf's financial markets, were up, with Brent crude rising to \$122.42 per barrel amid tight global supply.

In Qatar, the index (.QSI) edged up 0.1%, helped by a 2.2% rise in the Gulf's biggest lender, Qatar National Bank (QNBK.QA). Dubai's benchmark index (.DFMGI) added 0.3%, with top lender Emirates NBD (ENBD.DU) gaining 1.5%.

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federal government aims to increase spending by 1.23 billion dirhams (\$335 million) in the 2022 budget, the Federal National Council said on Twitter on Tuesday.

Saudi Arabia's benchmark index (.TASI) lost 0.3% with Al Rajhi Bank (1120.SE) falling 1.2% and oil giant Saudi Aramco (2222.SE) down 0.9%. Outside the Gulf, Egypt's blue-chip index eased 0.3%, with Talaat Mostafa Group Holding declining 3.3%.

Founder Harold Hamm offers to take Continental private at \$25-bln value

Reuters

Continental Resources Inc (CLR.N) said yesterday it received an all-cash offer from billionaire-founder



Harold Hamm's family trust, a deal which could take the US shale producer private at a valuation of \$25.41 billion.

If both sides reach an agree-

ment, it would result in the most significant deal in the US shale sector since the surge in oil and natural gas prices this year caused by tightened supply, as

the world emerges from the coronavirus pandemic and the dislocation of energy markets caused by Russia's invasion of Ukraine.

TAQA Arabia and Kyndryl extend collaboration to modernise energy Distribution for customers across Egypt

TDT | Manama

TAQA Arabia, the leader in utility and energy distribution in Egypt, yesterday announced its continued collaboration with Kyndryl (NYSE: KD), the world's largest IT infrastructure services provider, to support its digital transformation and better serve the daily energy needs of more than 1.7 million customers across Egypt. Kyndryl will now provide TAQA Arabia with cloud hosting and cloud-managed application services for its enterprise resource planning (ERP) environment, SAP S/4HANA®.

Through its four main platforms and different subsidiary companies, TAQA Arabia delivers more than 7.3 billion cubic meters of natural gas and more than 1350 megawatt of electrical capacities and serves customers across Egypt through a network of 110 retail oil and compressed



natural gas (CNG) stations.

SAP S/4HANA plays a pivotal role in enabling these operations, including support for plant maintenance activities, production planning, project management and sales and distribution in addition to company-wide human resources and financial accounting. Due to the mission-critical nature of these workloads, TAQA began its work with Kyndryl in 2017 to help ensure secure, uninterrupted operations and real-time business intelligence from its SAP

S/4HANA software environment.

As part of this latest renewal of work, TAQA Arabia will rely on Kyndryl, an SAP partner, to host its data-intensive SAP® solutions on a hyperscale cloud infrastructure to help ensure high levels of security and availability, enhanced application performance and the flexibility to meet evolving business needs. With Kyndryl hosting its ERP environment in the cloud, TAQA Arabia has the option of integrating emerging technologies, such as AI and Internet of Things (IoT), at any

time. Through its unmatched skills and global resources, Kyndryl also provides TAQA Arabia with end-to-end management of its SAP software environment in the cloud and round-the-clock support to address data backup, recovery, security, performance and more. Consequently, the company's employees are freed up to focus on more strategic initiatives and deliver more value to customers.

"Trust is fundamental to initiate and maintain relationships. Over the years, the Kyndryl team

has proved to us that they are an extended part of the TAQA Arabia family, with our success at the forefront of everything that they do for us," said Hazem El Gaishy, TAQA Arabia's Chief Information Officer. "We are pleased to renew our collaboration with Kyndryl to drive forward our longer-term transformation goals."

"As TAQA Arabia continues to evolve its business, we're working hand in hand to support its digital transformation strategy and help the company better

serve the needs of its customers," said Mahmoud Badawi, Managing Director of Kyndryl Egypt. "Together, we have overcome challenges and celebrated many milestones over the years, and we are proud to continue our strong collaboration as we build on the progress achieved together thus far."

TAQA Arabia chose to continue its collaboration with Kyndryl because of its expertise in applications, data and AI. Kyndryl has deep experience in helping companies as they adopt and deploy adaptive digital tools to modernize and power their operations. Additionally, Kyndryl is SAP certified in cloud and infrastructure operations that further strengthens its capabilities and portfolio. Today Kyndryl manages hundreds of businesses that use SAP solutions on various public cloud platforms as well as on premise.