

Brent could push past \$150 if Russian exports shrink, Bank of America says

● Oil prices surged after Russian's Ukraine invasion

● The European Commission has proposed an oil embargo on Russia

● BofA forecasts Brent prices averaging \$104.48/bbl in 2022, \$100/bbl in 2023

Reuters



A tug boat pushes an oil barge through New York Harbor past the Statue of Liberty in New York City, U.S.

Global oil benchmark Brent crude could rise past \$150 a barrel if there is a sharp contraction in Russian oil exports, Bank of America (BofA) Global Research said yesterday.

Oil prices surged after Russian's Ukraine invasion, which Moscow calls a "special operation", and are currently just below the \$120 a barrel level.

"With our \$120/bbl Brent target now in sight, we believe that a sharp contraction in Russian

oil exports could ... push Brent well past \$150/bbl," the bank said in a research note.

The European Commission has proposed an oil embargo on

Russia, though talks have failed to produce a breakthrough so far, with Hungary vetoing the move.

BofA forecasts Brent prices

averaging \$104.48/bbl in 2022, \$100/bbl in 2023.

The analysts do not forecast a recovery in oil demand to pre-COVID levels in 2022 because supply issues persist.

"A supply-led \$30/bbl increase in oil prices this year shaved 1.5mn b/d off demand, preventing a recovery to pre-COVID levels," the bank's analysts said.

They also said that oil demand could approach pre-COVID levels next year if Russian liquids (oil) production holds near 10 million barrels per day and OPEC+ supplies increase.

Oil prices were on track for weekly gains on Friday, supported by a prospect of a tight market due to rising gasoline consumption in the United States in summer and the possibility of the EU ban on Russian oil.

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Iran to take 'punitive action' against Greece over seizure of Iranian oil, Nour News reports

Reuters | Dubai

Iran has decided to take "punitive action" against Greece over the seizure of Iranian oil off the Greek coast, the semi-official Nour News reported yesterday.

Nour News, which is close to a top Iranian state security body, did not say what kind of

action Iran would take.

Earlier on Friday, Iran summoned the envoy of Switzerland, which represents US interests in Tehran, to protest against the US seizure of Iranian oil from a Russian-operated ship near Greece, the foreign ministry said in a statement quoted by Iranian media.

UAE interested in Turkish energy investments, says minister

Reuters | Ankara

The United Arab Emirates is eyeing investments in Turkey's energy sector, ports and railways, Foreign Minister Abdullah bin Zayed Al Nahyan

said yesterday. Speaking at a joint press conference with Turkish counterpart Mevlut Cavusoglu in Istanbul, Al Nahyan said the UAE was especially interested in renewable energy investments in Turkey.

US OKs potential sale of Chinook helicopters to Egypt, Pentagon says

Reuters | Washington

The US State Department has approved the potential sale of CH-47F Chinook helicopters and related equipment to Egypt for an estimated cost

of \$2.6 billion. Egypt had requested to buy 23 CH-47F Chinook helicopters, the Pentagon said, adding that the principal contractor will be Boeing Helicopter Co.

Abu Dhabi rebounds ahead of Borouge IPO, Dubai flat

Reuters

Stocks in Abu Dhabi rebounded yesterday, ahead of its biggest ever initial public offering (IPO) of petrochemicals firm Borouge, although the Dubai index ended flat.

The Abu Dhabi National Oil Company (ADNOC) is selling 10% of its petrochemicals joint venture with Austria's Borealis, known as Borouge.

Borouge said on Monday it has set the offer price for its IPO, which shows it could raise about \$2 billion in the deal, and secured seven cornerstone investors.

According to Daniel Takiiedine, CEO MENA BDSwiss, investors are increasingly looking toward Borouge's IPO as a catalyst and the listing could attract liquidity as well as help the main index near its previous peak.

In Abu Dhabi, the index (.FTFADGI) advanced 1.6%, with First Abu Dhabi Bank (FAB) (FAB.AD) jumping 6%, its biggest intraday gain in nearly three months.

FAB, the United Arab Emir-



An investor monitors a screen displaying stock information at the Abu Dhabi Securities Exchange

Closing bell

ABU DHABI ▲ 1.5% to 9,689

DUBAI ■ at 3,297

ates' biggest lender, along with other banks is set to share up to \$30 million in fees for working on the Borouge IPO, according to a media report.

Elsewhere, Al Seer Marine Supplies And Equipment (ASM.AD) rose nearly 2% as the firm

acquired two LPG Tankers worth 246 million dirhams (\$66.98 million).

On the other hand, the Abu Dhabi index posted weekly loss of 2.5%, its fourth weekly loss in five.

Dubai's main market index (.DFMGI), however, closed flat.

Logistics firm Aramex increased its foreign ownership limit to 100% from 49% earlier.

Monsoon rains likely to hit India in two to three days, weather office says

Reuters | New Delhi

Monsoon rains are likely to hit India's southern Kerala coast in the next two to three days, the weather office said yesterday, marking the start of the four-month rainy season that is forecast to be average this year, helping the farm sector.

"Conditions are becoming favourable for the onset of Southwest Monsoon over Kerala during the next 2-3 days," the state-run India Meteorological Department said in an update yesterday.

It had already said on May 13 that monsoon rains were likely to reach Kerala on May 27, five days earlier than usual. That would provide some relief after Kerala like other parts of India has been hit by a heat-wave recently. India, one of the world's biggest producers and consumers of farm goods, relies on monsoon rains for watering nearly 50% of its farmland that lacks irrigation.

Last month, the India Meteorological Department said India would receive average monsoon rains in 2022, raising prospects of higher farm and overall economic growth in Asia's third-biggest economy.

'Fun and Tasty' among possible names for McDonald's Russian successor

● The world's largest burger chain, with nearly 850 restaurants in Russia, is selling up to one of its local licensees

Reuters

McDonald's in Russia has registered possible brand names for the firm taking over its fast-food restaurants there, including "Fun and Tasty" and "The Same One", patent filings showed yesterday.

The world's largest burger chain, with nearly 850 restau-



A view shows the dismantled McDonald's Golden Arches after the logo signage was removed from a drive-through restaurant of McDonald's in Khimki outside Moscow, Russia

The restaurants that it owns are being sold to Alexander Govor, who runs a franchise operation of 25 restaurants. Other franchisees will be given the option of working under the new brand.

restaurants in Russia, is selling up to one of its local licensees in response to Russia's military campaign in Ukraine and the subsequent wave of Western

outrage and sanctions.

The company said yesterday that the trademarks registered with Russia's Rospatent agency, from which it ultimately planned to choose one brand, also included "Just Like That" and "Open Checkout".

McDonald's (MCD.N), which owns 84% of its restaurants in Russia, is one of the biggest international brands to leave since February.

The restaurants that it owns are being sold to Alexander Govor, who runs a franchise operation of 25 restaurants. Other franchisees will be given the option of working under the new brand.



The India Meteorological Department defines average, or normal, rainfall as ranging between 96% and 104% of a 50-year average of 87 cm (35 inches) for the season beginning in June.