



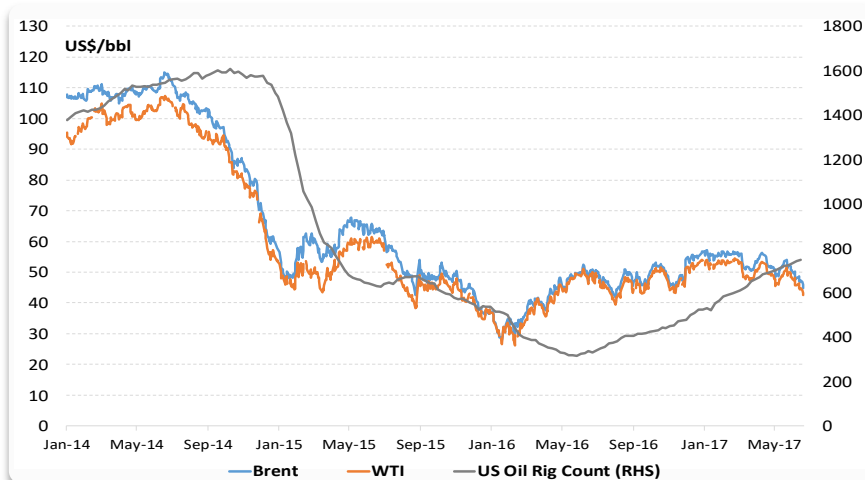
Daily News Flash

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Oil Market Brief

Oil drops to 10-month low; biggest first-half slide in 20 years – Reuters

Oil prices ended down more than 2% on Wednesday after hitting a 10-month low in volatile trade, as growing U.S. production and reduced Chinese refinery activity fed mounting concern over the stubborn global crude glut.



More than 1 million front-month crude contracts changed hands on Wednesday, far exceeding the daily average of 560,000 contracts. The U.S. EIA said crude inventories declined by 2.7 million barrels last week, exceeding expectations for a 2.1 million-barrel drop. The EIA also reported that U.S. crude production rose to 9.35 million bpd, nearing levels of top producers Russia and Saudi Arabia.

Top Energy News

Oil traders hunt for shale's pain threshold – Reuters

Crude prices are likely to remain under pressure until there are signs the number of rigs drilling for oil in the United States is stabilising or reversing lower. U.S. exploration and production firms have hired 530 extra drilling rigs since the end of May 2016 (431 to target oil and 99 to focus on gas), which will ensure a continued rise in U.S. output during the rest of this year. The oil rig count typically responds to changes in WTI prices with an average lag of 15-20 weeks so it should stabilise and turn lower within the next four weeks. Until the rig count starts to stabilise, oil traders are likely to continue driving prices lower to try to uncover the pain threshold that forces shale firms to scale back drilling.

India's LNG imports down in May – LNG World News

India's LNG imports declined during the month of May after previously rising for three straight months. The monthly LNG imports dropped 9.6% in May when compared with last year. India imported 1.93 billion cubic meters of LNG or about 1.45 million mt last month. On the other side, domestic natural gas production rose 4.2% in May to 2.76 Bcm. India paid \$0.5 billion for May LNG imports, oil ministry's Petroleum Planning and Analysis Cell (PPAC)said.

PRICES

Wednesday 21st June 2017

Brent Futures (\$/bbl)

44.82

Daily change

-2.61%

YTD change

-21.12%

WTI Futures (\$/bbl)

42.53

Daily change

-1.62%

YTD change

-20.83%

Henry Hub Futures (\$/mmbtu)

2.89

Daily change

-0.48%

YTD change

-22.31%

UK Futures

3.58 (GBP/mmbtu)

Daily change

+0.60%

4.54 (\$/mmbtu)

YTD change

-33.46%

Singapore SLING (\$/mmbtu)

5.21

Biweekly change

+0.30%

CALENDAR

22nd World Petroleum Congress
9 – 13 July

Green Expo Qatar
14 – 16 November

173rd OPEC Ministerial Conference
30 November