Energy Tidbits

Houthis "*still keen on peace with the least amount of escalation possible*" but warn can hit Red, Arabian & Mediterranean Sea

Produced by: Dan Tsubouchi

January 28, 2024

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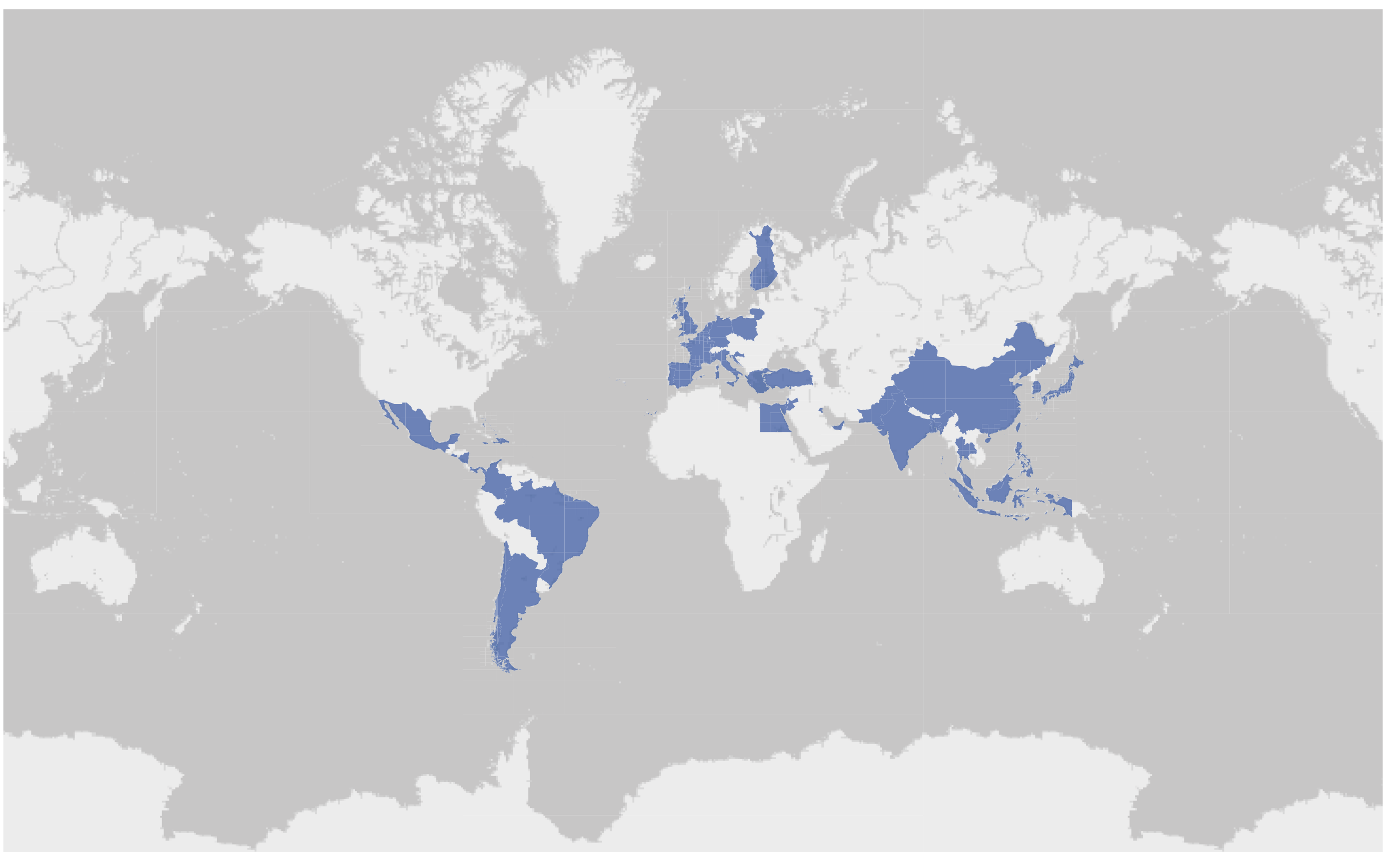
U.S. DEPARTMENT OF ENERGY | Fossil Energy and Carbon Management

OFFICE OF RESOURCE SUSTAINABILITY

Office of Regulation, Analysis, and Engagement
Division of Natural Gas Regulation

U.S. Natural Gas Imports and Exports Monthly
November 2023

Data are current as of the publication date. Any revisions to reported data will be published in the next scheduled monthly report.



U.S. LNG Historical Countries of Destination

To be placed on the U.S. Natural Gas Imports & Exports Monthly email distribution list, please add your contact information here.
All other inquiries, please send an email to ngreports@hq.doe.gov.
For electronic version: https://www.energy.gov/fecm/listings/natural-gas-imports-exports-monthly-reports

Executive Summary

November 2023

Summary

In November 2023, the United States exported 654.7 Bcf and imported 265.3 Bcf of natural gas, which resulted in 389.4 Bcf of net exports.

U.S. LNG Exports

The United States exported 386.2 Bcf (59.0% of total U.S. natural gas exports) of natural gas in the form of liquefied natural gas (LNG) to 28 countries.

- Europe (267.0 Bcf, 69.1%), Asia (101.4 Bcf, 26.3%), Latin America/ Caribbean (17.8 Bcf, 4.6%)
- 0.5% increase from October 2023
- 27.7% increase from November 2022
- 89.6% of total LNG exports went to non-Free Trade Agreement countries (nFTA), while the remaining 10.4% went to Free Trade Agreement countries (FTA).

U.S. LNG exports to the top five countries of destination accounted for 51.8% of total U.S. LNG exports.

- France (58.9 Bcf, 15.3%), United Kingdom (47.6 Bcf, 12.3%), Netherlands (36.2 Bcf, 9.4%), Turkiye (31.2 Bcf, 8.1%), and South Korea (26.1 Bcf, 6.8%).

U.S. Imports and Exports by Pipeline and Truck with Mexico

The United States exported 179.0 Bcf of natural gas to Mexico and imported less than 0.1 Bcf of natural gas from Mexico, which resulted in 179.0 Bcf of net exports.

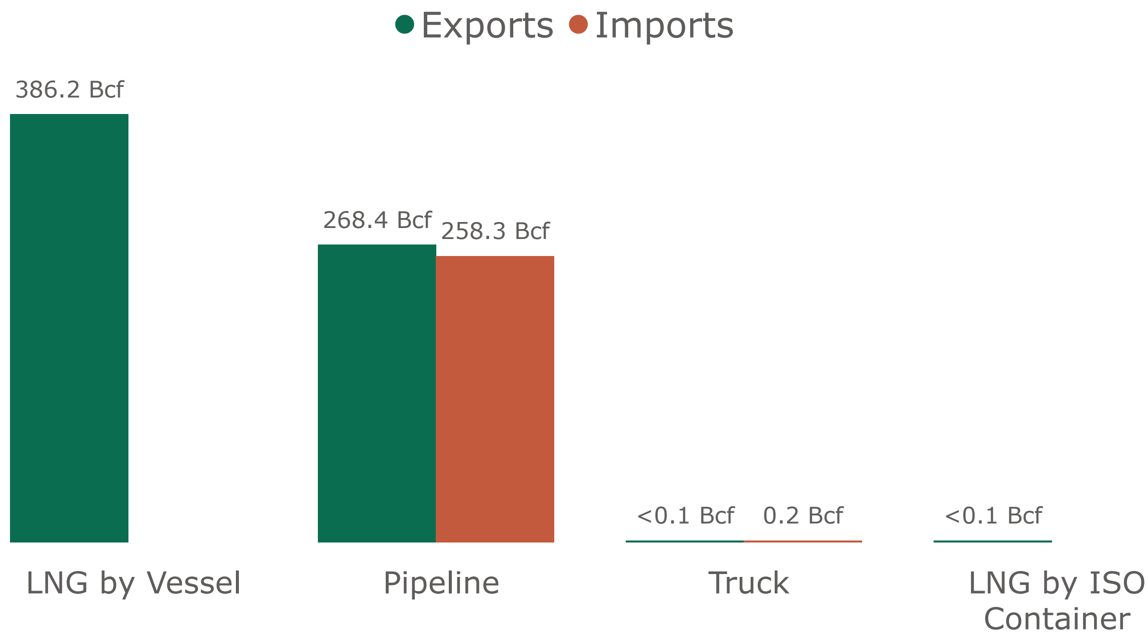
- 10.7% decrease from October 2023
- 11.1% increase from November 2022

U.S. Imports and Exports by Pipeline and Truck with Canada

The United States exported 89.5 Bcf of natural gas to Canada and imported 258.5 Bcf of natural gas from Canada, which resulted in 169.0 Bcf of net imports.

- 1.9% decrease from October 2023
- 4.2% increase from November 2022

U.S. Natural Gas Imports & Exports by Mode of Transport (November 2023)



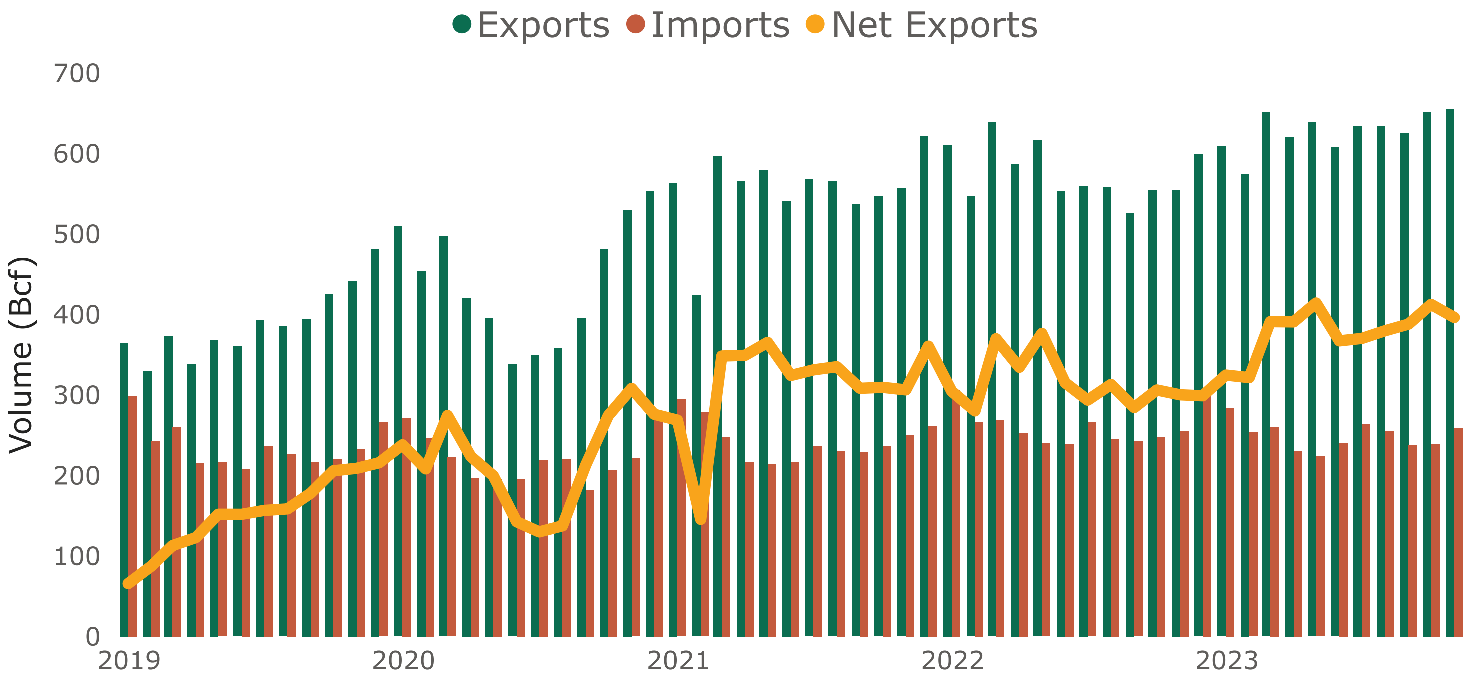
1a. Monthly Summary: U.S. Natural Gas Imports & Exports by Mode of Transport

Volume (Bcf)	Monthly			Percentage Change	
Mode of Transport	**Nov 2023**	**Oct 2023**	**Nov 2022**	**Nov 2023 vs. Oct 2023**	**Nov 2023 vs. Nov 2022**
Exports					
LNG by Vessel	386.2	384.3	302.3	<1%	28%
Pipeline	268.4	267.4	252.4	<1%	6%
Truck	<0.1	<0.1	0.2	-2%	-83%
LNG by ISO Container	<0.1	<0.1	0.2	-4%	-72%
Total	**654.7**	**651.8**	**555.0**	**<1%**	**18%**
Imports					
LNG by Vessel	0	0	1.2	–	-100%
Pipeline	258.3	239.1	253.4	8%	2%
Truck	0.2	0.2	0.2	-30%	-17%
LNG by ISO Container	0	0	0	–	–
Total	**258.5**	**239.3**	**254.8**	**8%**	**1%**
Net Exports	**396.2**	**412.5**	**300.2**	**-4%**	**32%**

Notes

- Natural gas imports & exports by truck included compressed natural gas (CNG) and liquefied natural gas (LNG).
- Does not include LNG Re-Exports or Puerto Rico LNG Imports or Exports. See Table 6 for LNG Re-Exports and Table 8 for Puerto Rico LNG Imports and Exports.
- Totals may not equal sum of components because of independent rounding.
- not applicable(-).

U.S. Natural Gas Imports & Exports



1b. Year-to-Date and Annual Summary: U.S. Natural Gas Imports & Exports by Mode of Transport

Volume (Bcf)	Year-to-Date (Jan-Nov)			Annual		
Mode of Transport	**YTD 2023**	**YTD 2022**	**% Change**	**2022**	**2021**	**% Change**
Exports						
LNG by Vessel	3,918.8	3,522.3	11%	3,861.9	3,558.3	9%
Pipeline	2,981.2	2,782.1	7%	3,040.8	3,103.3	-2%
Truck	0.7	1.5	-55%	1.6	1.6	3%
LNG by ISO Container	1.0	1.9	-46%	2.1	1.1	83%
Total	**6,901.7**	**6,307.8**	**9%**	**6,906.4**	**6,664.4**	**4%**
Imports						
LNG by Vessel	10.5	20.7	-49%	23.5	21.4	10%
Pipeline	2,732.8	2,807.4	-3%	3,104.0	2,890.5	7%
Truck	2.3	1.9	19%	2.1	0.5	296%
LNG by ISO Container	0	0	–	0	0	–
Total	**2,745.6**	**2,830.0**	**-3%**	**3,129.6**	**2,912.4**	**7%**
Net Exports	**4,156.1**	**3,477.8**	**20%**	**3,776.8**	**3,752.0**	**<1%**

Notes

- Does not include LNG Re-Exports or Puerto Rico LNG Imports or Exports. See Table 6 for LNG Re-Exports and Table 8 for Puerto Rico LNG Imports and Exports.
- Totals may not equal sum of components because of independent rounding.
- not applicable(-).

https://www.whitehouse.gov/briefing-room/statements-releases/2024/01/26/statement-from-president-joe-biden-on-decision-to-pause-pending-approvals-of-liquefied-natural-gas-exports/
JANUARY 26, 2024

Statement from President Joe Biden on Decision to Pause Pending Approvals of Liquefied Natural Gas Exports

In every corner of the country and the world, people are suffering the devastating toll of climate change. Historic hurricanes and floods wiping out homes, businesses, and houses of worship. Wildfires destroying whole neighborhoods and forcing families to leave their communities behind. Record temperatures affecting the lives and livelihoods of millions of Americans, especially the most vulnerable.

From Day One, my Administration has set the United States on an unprecedented course to tackle the climate crisis at home and abroad – securing the largest climate investment in the history of the world, unlocking clean energy breakthroughs that will power a clean economy and create thousands of jobs, advancing environmental justice for all, and rallying world leaders to transition away from the fossil fuels that jeopardize our planet and our people.

But more action is needed.

My Administration is announcing today a **temporary** pause on pending decisions of Liquefied Natural Gas exports – with the exception of unanticipated and immediate national security emergencies. **During this period**, we will take a hard look at the impacts of LNG exports on energy costs, America's energy security, and **our** environment. This pause on new LNG approvals sees the climate crisis for what it is: the existential threat of our time.

While MAGA Republicans willfully deny the urgency of the climate crisis, condemning the American people to a dangerous future, my Administration will not be complacent. We will not cede to special interests.

We will heed the calls of young people and frontline communities who are using their voices to demand action from those with the power to act. And as America has always done, we will turn crisis into opportunity – creating clean energy jobs, improving quality of life, and building a more hopeful future for our children.

https://www.whitehouse.gov/briefing-room/statements-releases/2024/01/26/fact-sheet-biden-harris-administration-announces-temporary-pause-on-pending-approvals-of-liquefied-natural-gas-exports/
JANUARY 26, 2024

FACT SHEET: Biden-Harris Administration Announces Temporary Pause on Pending Approvals of Liquefied Natural Gas Exports

President Biden has been clear that climate change is the existential threat of our time – and we must act with the urgency it demands to protect the future for generations to come. That's why, since Day One, President Biden has led and delivered on the most ambitious climate agenda in history, which is lowering energy costs for hardworking Americans, creating millions of good-paying jobs, safeguarding the health of our communities, and ensuring America leads the clean energy future.

Today, the Biden-Harris Administration is announcing a **temporary** pause on pending decisions on exports of Liquefied Natural Gas (LNG) to non-FTA countries until the Department of Energy can update the underlying analyses for authorizations. The current economic and environmental analyses DOE uses to underpin **its LNG export authorizations** are roughly five years old and no longer adequately account for considerations like potential energy cost increases for American consumers and manufacturers beyond current authorizations **or the latest assessment of the impact of greenhouse gas emissions.** Today, we have an evolving understanding of the market need for LNG, the long-term supply of LNG, and the perilous impacts of methane on our planet. We also must adequately guard against risks to the health of **our** communities, especially frontline communities **in the** United States who disproportionately shoulder the burden of pollution from new export facilities. The pause, which is subject to exception for unanticipated and immediate national security emergencies, will provide the time to integrate these critical considerations.

The U.S. is already the number one exporter of LNG worldwide – with U.S. LNG exports expected to double by the end of this decade. At the same time, the U.S. remains unwavering in our commitment to supporting our allies around the world. Today's announcement **will not impact our** ability to continue supplying LNG to our allies **in the near-term**. Last year, roughly half of U.S. LNG exports went to Europe, and the U.S. has worked with the E.U. to successfully economize consumption and manage its storage to ensure that unprovoked acts of aggression cannot threaten its supply. Furthermore, in 2022, the E.U and U.S. pledged to work toward the goal of ensuring additional LNG volumes for the E.U. market – with the U.S. exceeding our annual delivery targets to the E.U. in each of the past two years. Through existing LNG production and export infrastructure, the U.S. has – and will continue – to deliver for our allies.

As Republicans in Congress continue to deny the very existence of climate change while attempting to strip their constituents of the economic, environmental and health benefits of the President's historic climate investments, the Biden-Harris Administration will continue to lead the way in ambitious climate action while ensuring the American economy remains the envy of the world.

Biden-Harris Administration's Top Climate Accomplishments:

1. Signed into law the largest climate investment in history, the Inflation Reduction Act, which has already created 210,000 new jobs across nearly every state and attracted more than $200 billion in private clean energy investments ($365 billion since President Biden took office), while putting the U.S. on a path to meet our climate goals and reach 80% clean energy by 2030 – in addition to securing the American Rescue Plan, Bipartisan Infrastructure Law, and CHIPS and Science Act

2. Established a whole-of-government strategy to tackle methane emissions – from plugging wells and leaks in the oil and gas sector, to reclaiming abandoned coal mines, to reducing food waste and agricultural emissions, and finalized a historic rule to reduce methane emissions from oil and gas operations by nearly 80%, delivering billions of dollars in health and economic benefits

3. Launched the American Climate Corps to mobilize a new, diverse generation of Americans – putting them to work conserving and restoring our lands and waters, bolstering community resilience,

deploying clean energy, implementing energy efficient technologies, and advancing environmental justice, all while creating pathways to high-quality, good-paying jobs

4. Advancing the most ambitious environmental justice agenda in history, including by signing a historic Executive Order that calls on the federal government to bring clean energy and healthy environments to all and mitigate harm to those who have suffered from toxic pollution and other environmental burdens like climate change; delivering on the Justice40 initiative, which is ensuring that the benefits of President Biden's historic investments in America – from clean energy projects to floodwater protections – reach communities that need them most; replacing lead pipes and taking action to protect communities from PFAS pollution; accelerating Superfund cleanups; tightening air quality enforcement near pollution facilities; and more

5. Protected 26 million acres of lands and waters – on track to conserve more lands and waters than any President in history – including five new national monuments that include protections for lands in Colorado, Nevada, Texas, and most recently, the Baaj Nwaavjo I'tah Kukveni – Ancestral Footprints of the Grand Canyon National Monument in Arizona; initiating new national marine sanctuaries as part of the President's goal of conserving 30% of lands and waters by 2030, delivering billions of dollars to accelerate land, water, and wildlife conservation efforts in all 50 states, territories, the District of Columbia, and Tribal nations; and more

6. Canceled remaining oil and gas leases issued by the previous administration in the Arctic National Wildlife Refuge, proposed protections for more than 13 million acres in the National Petroleum Reserve in Alaska, and withdrew approximately 2.8 million acres of the Beaufort Sea, ensuring the entire United States Arctic Ocean is off limits to new oil and gas leasing

7. Signed an Executive Order that sets an ambitious target to make half of all new vehicles sold in 2030 zero-emissions, while proposing strongest-ever limits on tail pipe emissions and issuing fuel economy standards, giving Americans more choices about the cars they drive, and saving Americans hundreds of dollars at the pump

8. Proposed carbon pollution standards for coal and gas-fired power plant emissions that would avoid hundreds of millions of tons of carbon dioxide emissions and protect people's health

9. Accelerated permitting of clean energy projects, including 47 projects on public lands that total 11.2 megawatts of wind, solar and geothermal energy on public lands – enough to power more than 3.5 million homes, and broke ground on 10 major transmission projects, which are slated to connect 19.5 gigawatts of new generation to the grid

10. Rallied world leaders to raise global climate ambition, including by securing commitments from more than 155 countries to reduce methane emissions by at least 30 percent by 2030, joining leaders at COP28 to commit, for the first time, to transition away from fossil fuels, end new unabated coal capacity globally, and agree to triple renewable energy globally by 2030

11. Invoked the Defense Production Act using emergency authority on the basis of climate change to increase domestic production of key clean energy technologies, such as solar, transformers and electric grid components, and heat pumps

For Immediate Release
January 19, 2024
Lynn Helms, Ph.D., Director ND Department of Mineral Resources

North Dakota Department of Mineral Resources December Director's Cut and November 2023 Production Numbers

Oil Production Numbers

October	38,888,711 barrels	= 1,254,475barrels/day (final) **RF +14%**
New Mexico	55,236,698 **barrels**	= **1,781,829+1%**
November	38,354,236 barrels	= 1,278,475 barrels/day **+2%** **RF +16%**
	1,519,037	all-time high Nov 2019
	1,247,097 barrels/day	= 98% from Bakken and Three Forks
	31,378 barrels/day	= 2% from Legacy Pools

Revenue Forecast **1,100,000 barrels/day**

Crude Price ($barrel)	ND Light Sweet	WTI	ND Market
October	79.91	85.64	80.17 **RF +15%**
November	71.61	77.69	72.55 **RF +4%**
Today	60.50	74.08	67.29 est **RF -4%**
All-time high (6/2008)	125.62	134.02	126.75
Revenue Forecast			**70.00**

Gas Production and Capture

October	105,879,488 MCF	=	3,415,467 MCF/Day	
94% Capture	99,993,550 MCF	=	3,225,598 MCF/Day	
November	103,991,632 MCF	=	3,466,388 MCF/Day	**+1.5%**
95% Capture	98,346,527 MCF	=	3,278,218 MCF/Day	

3,442,444 MCF/day all-time high production Sep 2023
3,278,218 MCF/day all-time high capture Nov 2023

Wells Permitted

October	77	
November	51	
December	57	All-time high 370 in 10/2012

Rig Count

October	36	
November	36	
December	36	
Today	39	All-time high 218 on 5/29/2012
Federal Surface	1	
New Mexico	97	

Waiting on Completions

October	353
November	345

Inactive

October	1,917
November	1,847

Completed

October	96
November	111 (Preliminary)
December	80 (Preliminary)

Producing

October	18,632	
November	18,733 (Preliminary)	**NEW** All-time high 18,733 Novmeber/2023
	16,528 wells	88% are now unconventional Bakken/Three Forks Wells
	2,205 wells	12% produced from legacy conventional pools

IIJA Initial Grant	Wells PA	Sites Reclaimed
January	1	0
February	4	0
March	1	0
April	8	0
May	17	0
June	12	1
July	15	5
August	15	13
September	0	14
October	0	10
November	0	0
December	0	1
Total	73	44

Weekly updates are available at [Initial Grant Information - Plugging and Reclamation | Department of Mineral Resources, North Dakota]

Fort Berthold Reservation Activity

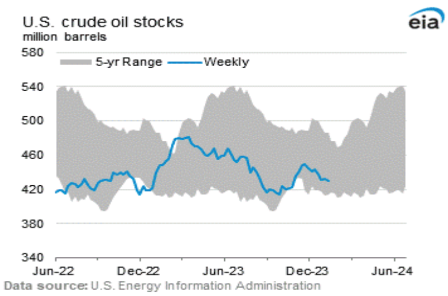
	Total	Fee Land	Trust Land
Oil Production (barrels/day)	141,098	58,204	82,894
Drilling Rigs	5	5	0
Active Wells	2,661	652	2,009
Waiting on Completion	19		
Approved Drilling Permits	150	17	133
Potential Future Wells	3,891	1,112	2,779

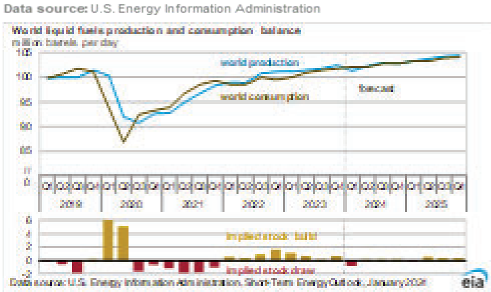
Comments:

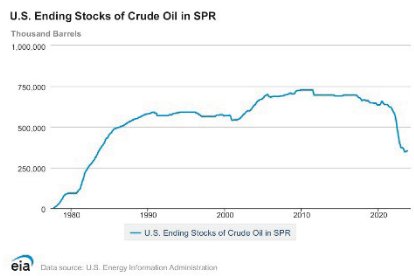
The drilling rig count remains low due to workforce, mergers, and acquisitions but is expected to return to the mid-forties with a gradual increase expected over the next 2 years.

There are 17 frac crews currently active.

Saudi Arabia and Russia announced continued oil production cuts amounting to 4.7 million bpd until the end of the year. Middle East conflict, Russia sanctions, China economic activity, potential recessions, and shifting crude oil supply chains continue to create significant price volatility.







Crude oil transportation capacity including rail deliveries to coastal refineries is adequate, but could be disrupted due to:

US Appeals Court for the ninth circuit upholding of a lower court ruling protecting the Swinomish Indian Tribal Community's right to sue to enforce an agreement that restricts the number of trains that can cross its reservation in northwest Washington state.

DAPL Civil Action No. 16-1534 continues, but the courts have now ruled that DAPL can continue normal operations until the USACOE EIS is completed. **Corrected Draft EIS was released 9/11/23. North Dakota submitted comments 12/13/23** Comments are available by request at Contact | Department of Mineral Resources, North Dakota (nd.gov).

Drilling - activity is expected to slowly increase with operators expected to maintain a permit inventory of approximately 12 months.

Seismic - 2 active, 1 recording, 0 NDIC reclamation projects, 0 remediating, 0 permitted, and 4 suspended surveys, 0 pending.

US natural gas storage is 11% above the five-year average. US and world crude oil inventories are below average and the US strategic petroleum reserve remains at the lowest level since 1983.

The price of natural gas delivered to Northern Border at Watford City has increased to $2.42/MCF today. There is continued oversupply in the Midwest US. Current oil to gas price ratio is 28:1. The state-wide gas flared volume from October to November decreased 1.7 MMCFD to 188 MMCF per day, the statewide gas capture increased slightly to 95% while Bakken gas capture was unchanged at 95%. The historical high flared percent was 36% in 09/2011.

Gas capture details are as follows:

Statewide	95%
Statewide Bakken	95%
Non-FBIR Bakken	95%
FBIR Bakken	96%
Trust FBIR Bakken	97%
Fee FBIR	93%
Bicentennial	45%
Bar Butte	33%
Buford	38%
Forthum	24%
Black Slough	15%
Lone Butte	22%
Covered Bridge	0%

The Commission established the following gas capture goals:

74% October 1, 2014 - December 31, 2014

77% January 1, 2015 - March 31, 2016

80% April 1, 2016 - October 31, 2016

85% November 1, 2016 - October 31, 2018

88% November 1, 2018 - October 31, 2020

91% Beginning November 1, 2020

MONTHLY UPDATE

JANUARY 2024 PRODUCTION & TRANSPORTATION

Published: January 19, 2024

Justin J. Kringstad, Director
North Dakota Pipeline Authority
Office: 701.220.6227
www.northdakotapipelines.com

MONTHLY UPDATE

JANUARY 2024 PRODUCTION & TRANSPORTATION

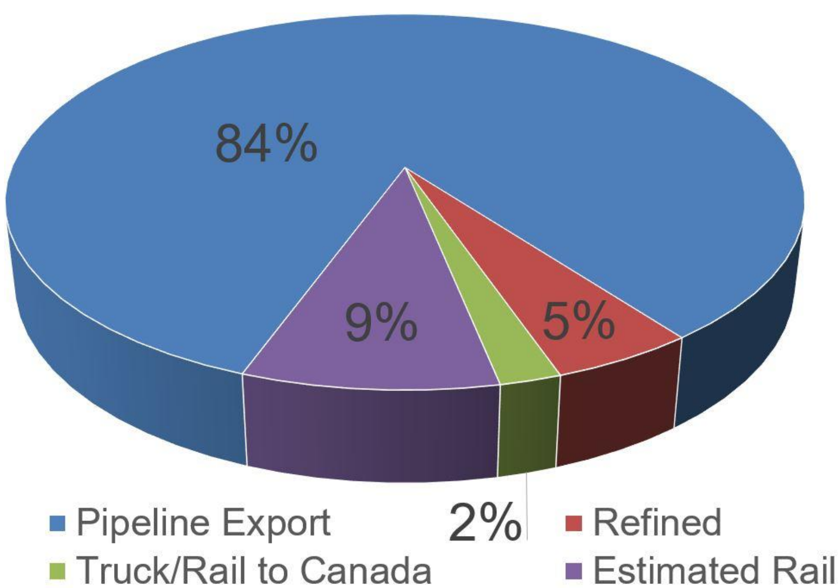
North Dakota Oil Production

Month	Monthly Total, BBL	Average, BOPD
Oct. 2023 - Final	38,888,711	1,254,475
Nov. 2023 - Prelim.	38,354,236	1,278,475

North Dakota Natural Gas Production

Month	Monthly Total, MCF	Average, MCFD
Oct. 2023 - Final	105,879,488	3,415,467
Nov. 2023 - Prelim.	103,991,632	3,466,388

Estimated Williston Basin Oil Transportation, Nov. 2023



CURRENT DRILLING ACTIVITY:

NORTH DAKOTA[1]

39 Rigs

EASTERN MONTANA[2]

1 Rigs

SOUTH DAKOTA[2]

0 Rigs

SOURCE (JAN 19, 2024):

1. ND Oil & Gas Division
2. Baker Hughes

PRICES:

Crude (WTI): $74.47

Crude (Brent): $79.39

NYMEX Gas: $2.59

SOURCE: BLOOMBERG (JAN 19, 2023 10AM EST)

GAS STATS*

95% CAPTURED & SOLD

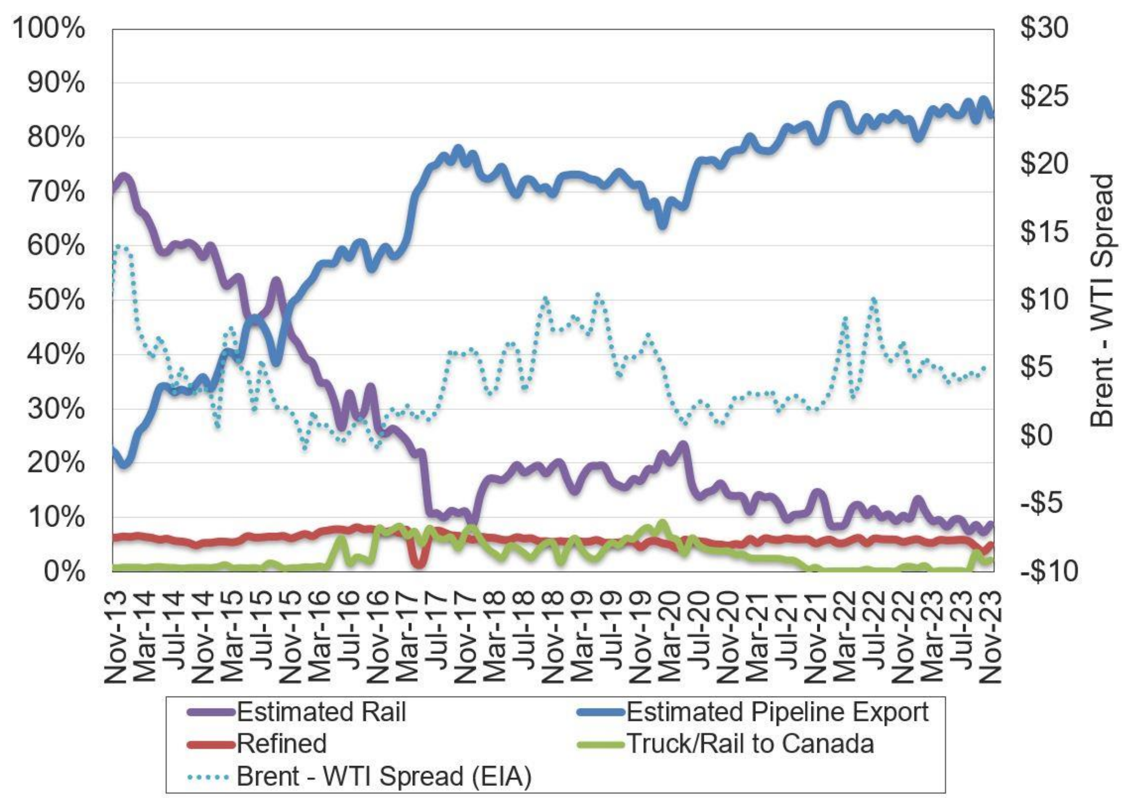
4% FLARED DUE TO CHALLENGES OR CONSTRAINTS ON EXISTING GATHERING SYSTEMS

1% FLARED FROM WELL WITH ZERO SALES

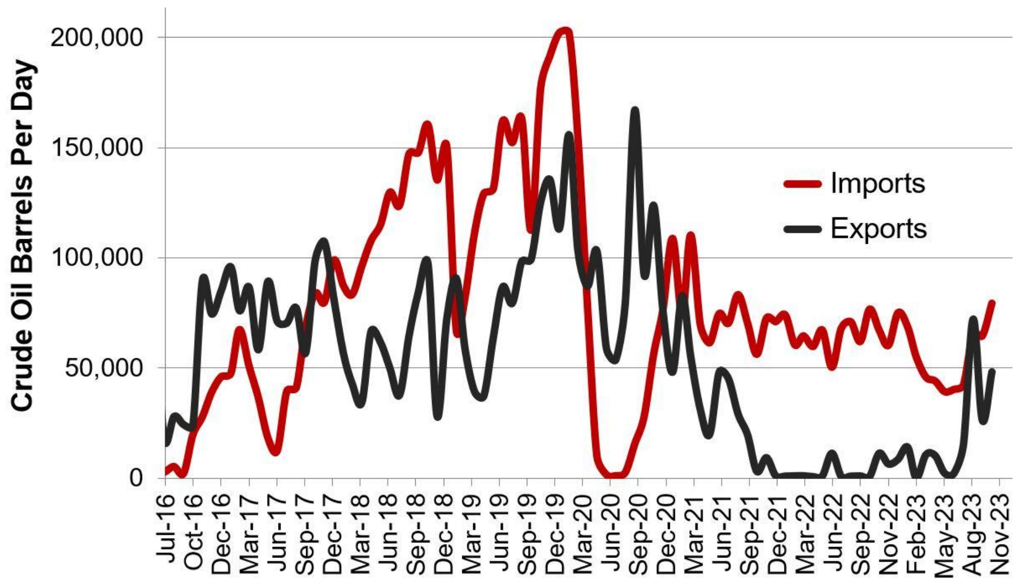
NOV 2023 NON-CONF DATA

Estimated North Dakota Rail Export Volumes

Estimated Williston Basin Oil Transportation

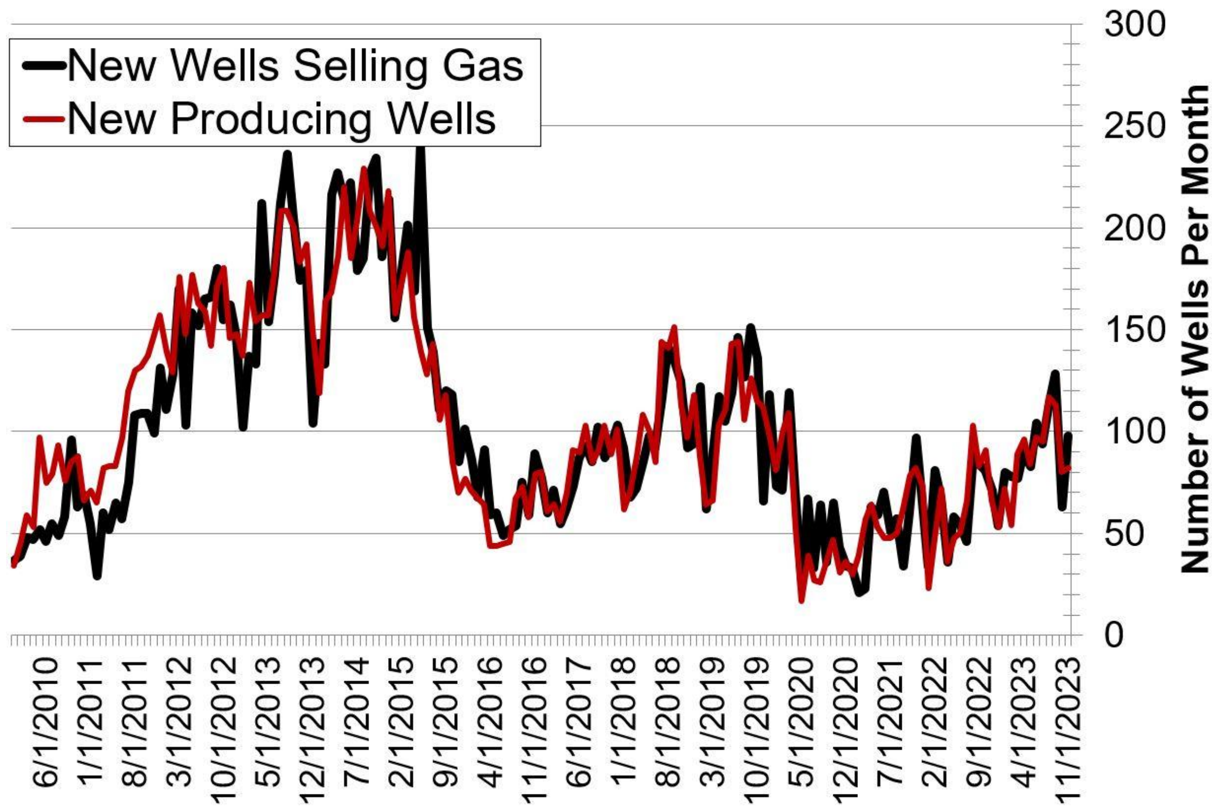


Williston Basin Truck/Rail Imports and Exports with Canada



Data for imports/exports chart is provided by the US International Trade Commission and represents traffic across US/Canada border in the Williston Basin area.

New Gas Sales Wells per Month



US Williston Basin Oil Production, BOPD

2022

MONTH	ND	EASTERN MT*	SD	TOTAL
January	1,091,931	51,895	2,709	1,146,535
February	1,095,503	51,175	2,742	1,149,420
March	1,129,936	54,768	2,709	1,187,413
April	908,697	54,121	2,338	965,156
May	1,062,228	53,276	2,648	1,118,152
June	1,099,366	63,256	2,764	1,165,386
July	1,073,624	60,614	2,774	1,137,012
August	1,075,801	60,587	2,756	1,139,144
September	1,126,138	58,103	2,679	1,186,920
October	1,122,122	54,284	2,621	1,179,027
November	1,098,415	57,734	2,682	1,158,831
December	957,864	56,738	2,199	1,016,801

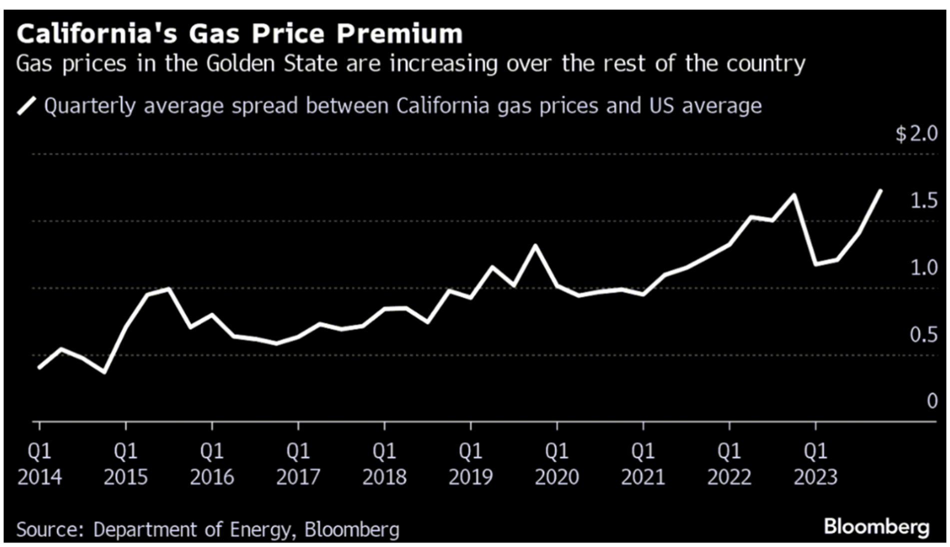
2023

MONTH	ND	EASTERN MT*	SD	TOTAL
January	1,062,880	62,114	2,610	1,127,604
February	1,159,032	63,553	2,475	1,225,060
March	1,124,901	64,593	2,652	1,192,146
April	1,135,836	61,932	2,557	1,200,325
May	1,135,750	61,271	2,560	1,199,581
June	1,168,298	59,643	2,274	1,230,215
July	1,181,557	56,865	2,310	1,240,732
August	1,211,740	62,160		
September	1,280,052	62,298		
October	1,254,475	61,560		
November	1,278,475			
December				

****Eastern Montana production composed of the following Counties: Carter, Daniels, Dawson, Fallon, McCone, Powder River, Prairie, Richland, Roosevelt, Sheridan, Valley, Wibaux***

Chevron Says California Plays a Risky Game With Climate and Gas
2024-01-27 15:00:00.2 GMT

By Kevin Crowley
(Bloomberg) -- Chevron Corp. warns its home state of California's climate policies are a "dangerous game" that risk causing gasoline price spikes and shortages.
The premium California drivers pay for gasoline over the national average is likely to rise significantly if state legislators continue enacting policies to discourage petroleum production, Andy Walz, who leads the oil giant's US refining division, said in an interview. While the state has the highest penetration of electric vehicles, it's still the country's second-largest consumer of gasoline.
California drivers paid an average of $4.94 per gallon of gasoline in the final three months of 2023, about $1.72 above the national average and the highest quarterly premium on record, according to data compiled by Bloomberg. The state has the country's toughest low-carbon fuel standards that are encouraging refineries to convert from petroleum to renewable diesel. Such conversions reduce gasoline supply, pushing up prices, Walz said.
"They knew it was going to happen when they wrote the legislation, he said. "The problem is the consumer is starting to realize it. It's becoming painful. The way politicians dealt with it was 'let's blame the oil companies.'"
Also See: Chevron Would Fit Better in Texas Than California: Javier Blas



California Governor Gavin Newsom's office said in a statement that the gasoline price spikes the state has experienced have stemmed from oil companies' own lack of planning.
"Big Oil has been ripping off consumers for decades and lying to protect their profits," Newsom's office said.
Chevron's relationship with its home state has turned

increasingly adversarial in recent months. Ever-tightening regulations are squeezing profits and triggered a $4 billion write down of Chevron's assets, mostly in California. Governor Gavin Newsom has accused Big Oil of price gouging and lying about climate change, both of which are now the subject of investigations and lawsuits. Chevron denies the allegations and says it should not be punished for responding to consumer demand for transportation fuels, which are still heavily weighted toward fossil fuels.

The latest flashpoint is a proposal to establish a maximum refining margin in California. It's already difficult for Chevron to justify growth projects at its two California refineries — which account for about 30% of the state's capacity — due to a plan to end sales of internal combustion engines by 2035, which would eviscerate the market for gasoline. But a law that effectively caps refinery profit makes them all-but impossible, Walz said.

"If they cap the upside when conditions are good it's going to make it really challenging to want to put our money there," Walz said, adding that Chevron is committed to keeping its refineries safe and reliable. "I cannot compete internally for big capital investments. It doesn't stack up. I'd rather spend money at our refinery in Mississippi."

California has long had an outsized influence on national policy, particularly on the environment. The state's tailpipe emission regulations in the 1970s exceeded those of the federal government but quickly became the national standard because it was easier for automakers meet the country's toughest regulations set by its biggest market than tailor cars by state. It became known as the "California Effect" and extended to consumer goods and data privacy.

Governor Newsom set a goal for California to become net zero by 2045, five years ahead of US as a whole. Frequent droughts and wildfires mean it is already suffering from catastrophic effects of climate change. The state now gets more than half its power from non-CO2 emitting sources, up from 30% a decade ago and accounts for more than a third of the country's EV sales. Almost all of America's renewable diesel, made from vegetable oil and natural fats, is consumed in California.

That success is one reason why gasoline prices are so high.

In part to take advantage of state incentives, Phillips 66 is converting its Rodeo refinery northeast of San Francisco to produce 50,000 a day of renewable fuels. Before the conversion, it produced 90,000 barrels a day of gasoline, diesel and jet fuel, representing a 44% overall supply cut.

Chevron and Marathon Petroleum Corp. have made similar conversions, contributing to an 11% reduction in California's refining capacity over the past decade.

Refiners "are making decisions that are kind of putting us on a pathway where there could be a reliability problem," Walz said. "You may not have the supply of gasoline if things don't turn out the way the government wants them to. It's a dangerous game."

Conversions also alter the state's product mix, which is currently awash in renewable diesel but short of gasoline. The problem is magnified because California is essentially an island when it comes to fuel because of a lack of pipelines connecting it with the rest of the country.

"It's a very risk energy policy situation that we're headed toward," Walz said. "If there's a problem, resupply for California has to come from either Europe or Asia. And that takes a while."

--With assistance from Chunzi Xu and Mark Chediak.

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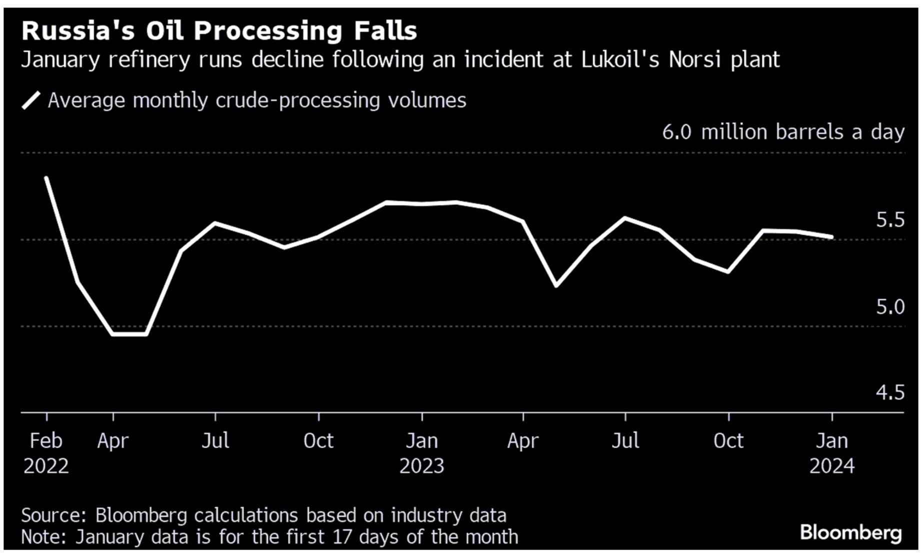
Russian Oil Processing Falls Further After Norsi Refinery Mishap
2024-01-22 10:45:11.384 GMT

By Bloomberg News
(Bloomberg) -- Russia's oil-processing volumes declined further, led by a loss in output from Lukoil PJSC's Norsi refinery.
The nation processed 5.5 million barrels of crude a day from Jan. 11 to Jan. 17, down about 11,000 barrels a day from the average during the first 10 days of the month, according to a person with knowledge of industry data.
That's also almost 38,000 barrels a day lower than volumes throughmost of December, Bloomberg calculations show.
Russia's crude processing typically rises in winter thanks to higher seasonal consumption of diesel and fuel oil. Yet damage to a catalytic cracking unit at the Norsi facility slashed gasoline output there, curbing the overall average.
Lukoil reported the incident Jan. 12, giving few details of what had happened.
Crude processing at Norsi, in the Volga region, slumped by more than 51,000 barrels a day in the Jan. 11-17 period compared with the average through most of December. Refinery runs also fell at Bashneft and Slavneft plants, the person said.
Nationwide crude processing in the first 17 days of January averaged 5.51 million barrels a day, according to Bloomberg calculations.



The country's refining rates, together with seaborne crude exports, are the key remaining indicators used to assess Russia's crude output after the government classified official production data amid Western sanctions.
Crude exports from Russian ports rose by 166,000 barrels a day to 3.45 million a day in the week to Jan. 14, according to tanker-tracking data. The less volatile four-week average shows shipments of 3.43 million barrels a day.
Russia has pledged to reduce its combined crude and oil-

product exports by 500,000 barrels a day in the current quarter compared with the average for last May-June. It's also vowed to keep crude output cuts at 500,000 barrels a day through year-end, compared with the average for February 2023.

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01/23/2024 03:51:36 [BN] Bloomberg News

Russian Crude Shipments Hit by Storms and Baltic Drone Strike

Seaborne flows fell to a two-month low in the week to Jan. 21

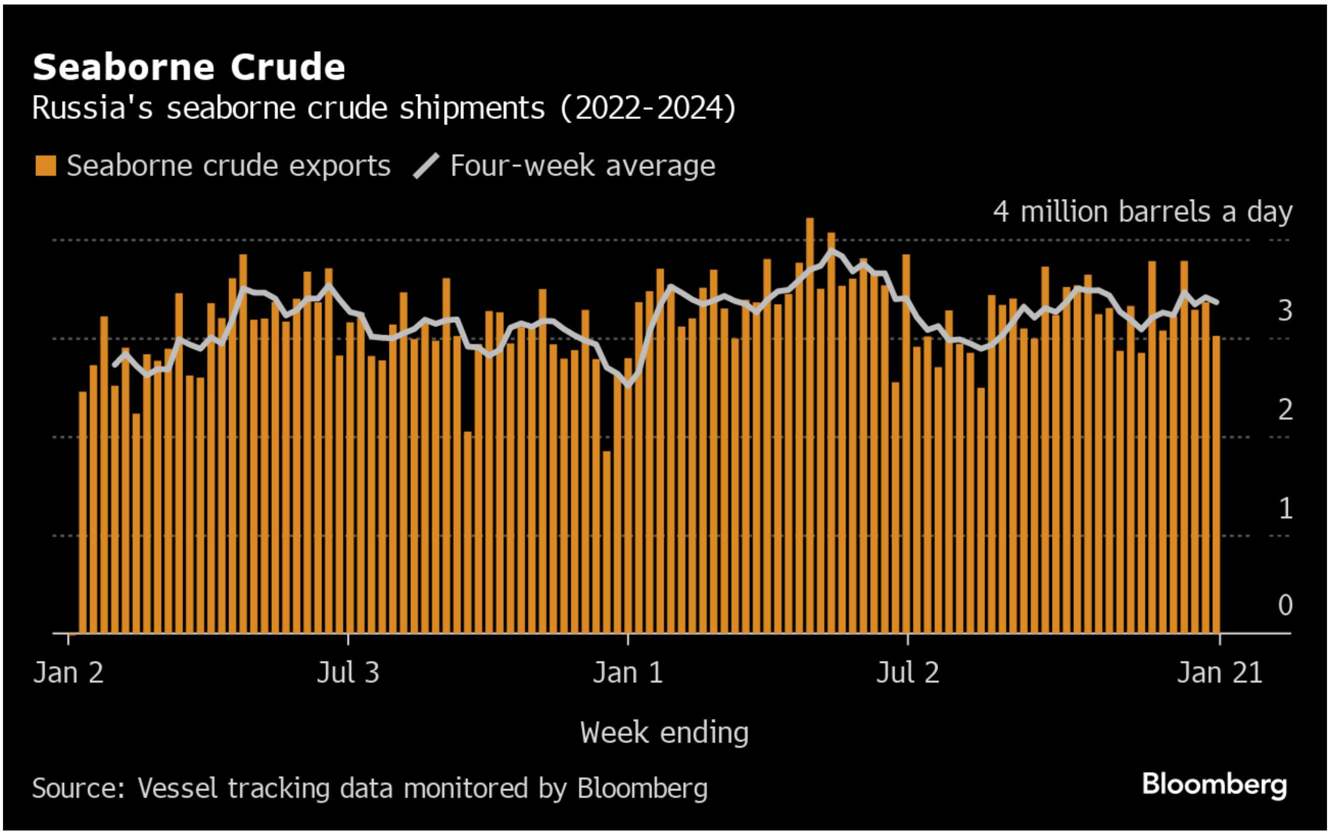
By Julian Lee

(Bloomberg) -- Russia's seaborne crude shipments fell to the lowest in almost two months, undermined by adverse weather and a Ukrainian drone strike that briefly halted flows from a key Baltic export terminal.

About 3.36 million barrels a day of crude were shipped from Russian ports in the four weeks to Jan. 21, tanker-tracking data monitored by Bloomberg show. That was down by 50,000 barrels a day from the revised figure for the period to Jan. 14.

The more volatile weekly average fell by 340,000 barrels a day to a seven-week low of 3.02 million. Exports were hit by continuing bad weather at some ports and a Ukrainian drone strike on a condensate processing facility adjacent to the Ust-Luga crude export terminal, which interrupted loading on Sunday, pushing one shipment from the week ending Jan. 21 into the following week.

Port maintenance and more poor weather may depress shipments again this week, while the drone attack has opened up a new front in Moscow's war on Ukraine that highlights the vulnerability of oil exports from Russia's western ports.



Russia has said it will cut oil exports by 500,000 barrels a day below the May-June average during the first quarter, after several other members of the OPEC+ group agreed to make further output curbs. The Russian cut will be shared between crude shipments, which will be reduced by 300,000 barrels a day, and refined products. The four-week average crude measure was about 220,000 barrels a day below the May-June level.

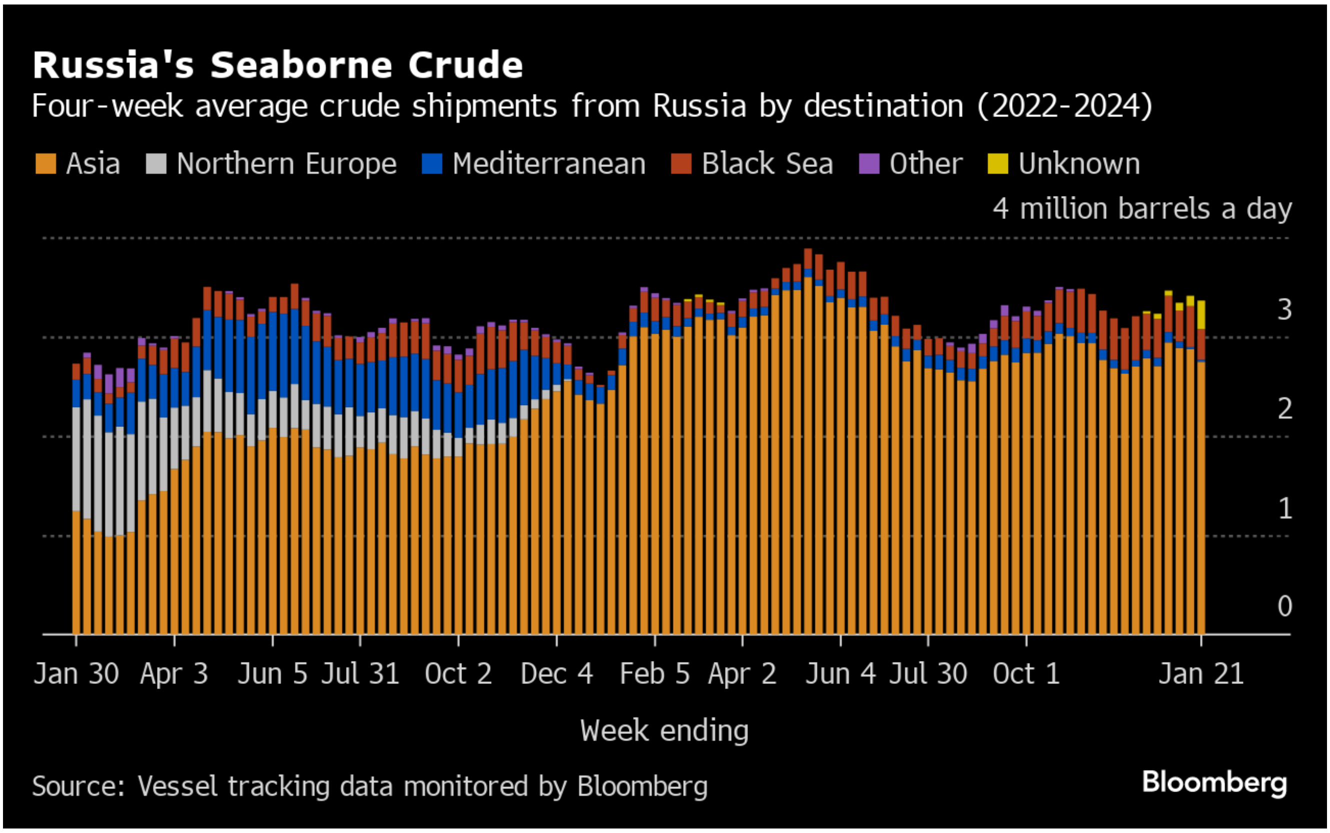
All Russian crude destined for Asian buyers from western ports continues to pass through the Red Sea, despite attacks on merchant vessels from Yemen-based Houthi rebels. The militants have assured Russia and China that the group is "ready to ensure the safe passage of their ships in the Red Sea." However, the only oil tanker reported to have been struck off Yemen was carrying Russian crude. The Sai Baba, carrying a cargo of Russian Urals, was hit by a drone off Yemen on Dec. 23, according to a post by the US Central Command on X, formerly known as Twitter.

Russia still appears to be struggling to place cargoes of its Sokol crude. Seventeen cargoes, totaling almost 12 million barrels, are sitting on tankers that appear to be going nowhere. Another two cargoes are on shuttle tankers anchored off the South Korean port of Yeosu, where they are typically transferred to other vessels for onward delivery to India.

The gross value of Russia's crude exports fell to a five-week low of $1.38 billion in the seven days to Jan. 21 from $1.52 billion the previous week. Meanwhile four-week average income also slipped, down by $25 million to $1.52 billion a week.

Flows by Destination

Russia's seaborne crude flows in the four weeks to Jan. 21 fell to 3.36 million barrels a day. That was down from a revised 3.41 million barrels a day in the period to Jan. 14. Shipments were about 220,000 barrels a day below the average seen in May and June.



All figures exclude cargoes identified as Kazakhstan's KEBCO grade. Those are shipments made by KazTransoil JSC that transit Russia for export through Novorossiysk and the Baltic port of Ust-Luga and are not subject to European Union sanctions or a price cap.

The Kazakh barrels are blended with crude of Russian origin to create a uniform export grade. Since Russia's invasion of Ukraine, Kazakhstan has rebranded its cargoes to distinguish them from those shipped by Russian companies.

- **Asia**

Observed shipments to Russia's Asian customers, including those showing no final destination, edged above 3 million barrels a day in the four weeks to Jan. 21. Flows increased to 3.03 million barrels a day from a revised 2.98 million in the period to Jan. 14, reaching their highest since July.

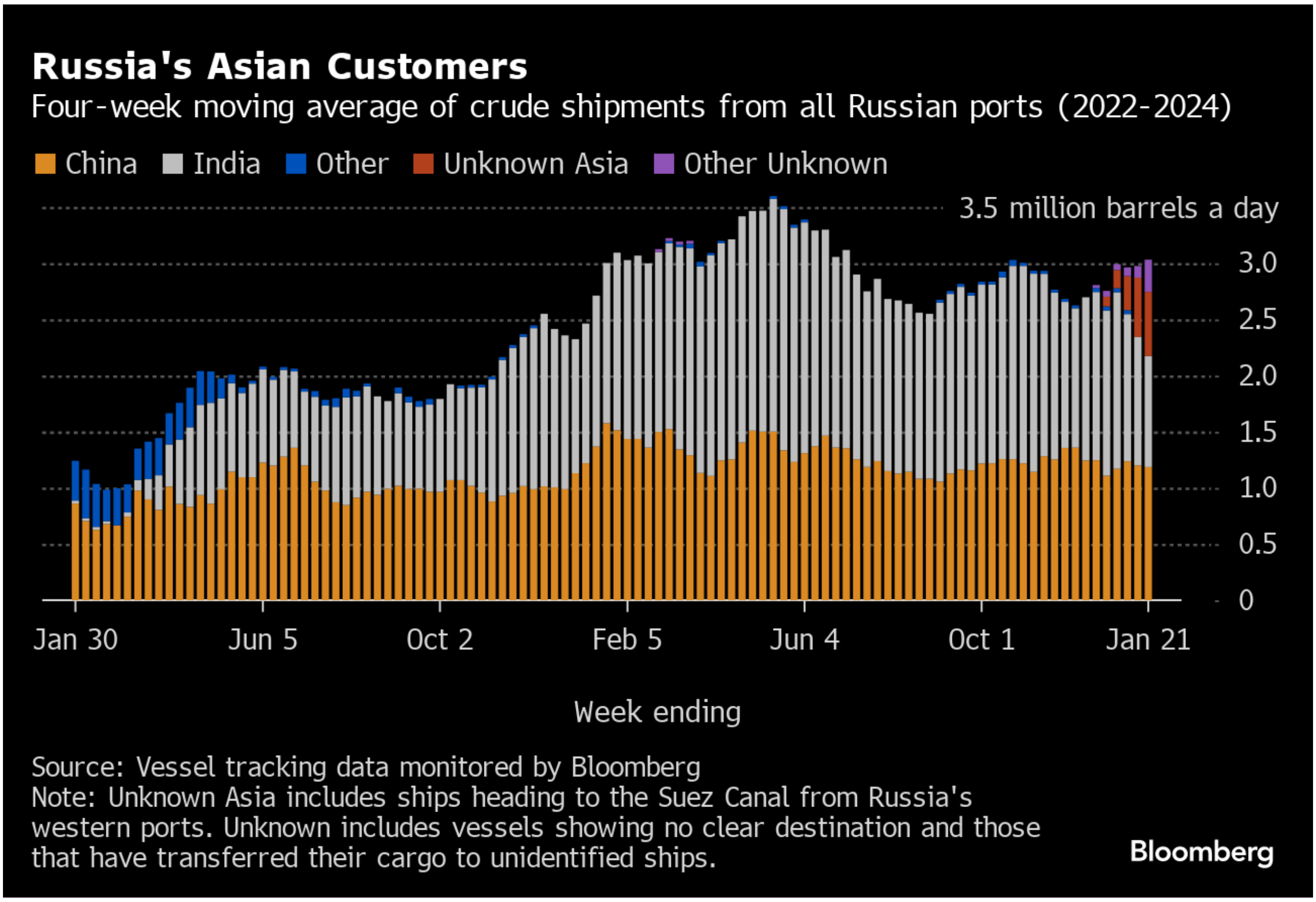
About 1.19 million barrels a day of crude was loaded onto tankers heading to China in the four weeks to Jan. 21. China's seaborne imports are boosted by about 800,000 barrels a day of crude delivered directly from Russia by pipeline, either directly, or via Kazakhstan.

Flows on ships signaling destinations in India averaged about 990,000 barrels a day in the four weeks to Jan. 21.

Both the Chinese and Indian figures will rise as the discharge ports become clear for vessels that are not currently showing final destinations.

The equivalent of about 570,000 barrels a day was on vessels signaling Port Said or Suez in Egypt, or are expected to be transferred from one ship to another off the South Korean port of Yeosu. Those voyages typically end at ports in India or China and show up in the chart below as “Unknown Asia” until a final destination becomes apparent. This figure includes nearly 12 million barrels of Sokol crude destined for India that has been stuck on ships since late November.

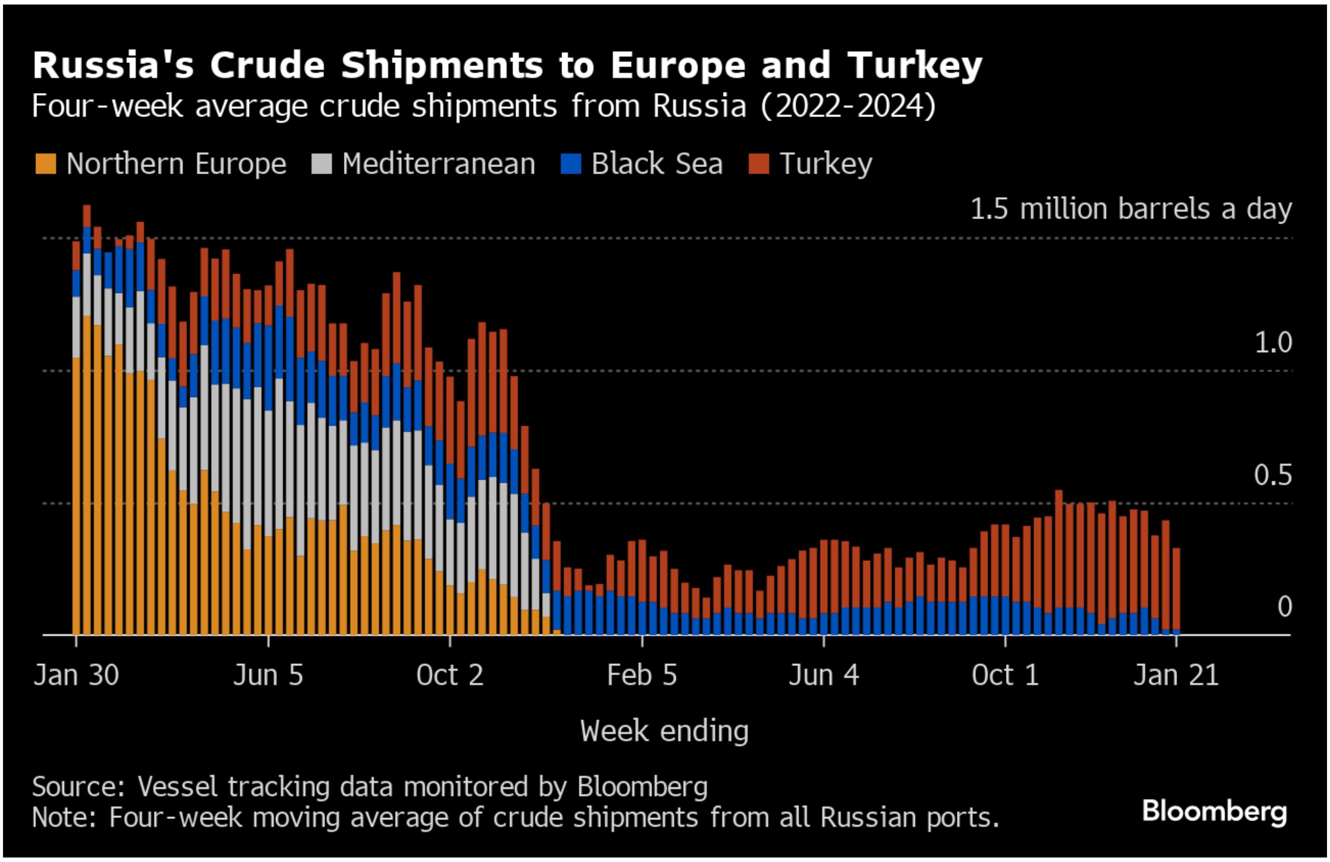
The “Other Unknown” volumes, running at about 290,000 barrels a day in the four weeks to Jan. 21, are those on tankers showing no clear destination. Most of those cargoes originate from Russia’s western ports and go on to transit the Suez Canal, but some could end up in Turkey. Others could be moved from one vessel to another, with most such transfers now taking place in the Mediterranean, off the coast of Greece.



Europe and Turkey

Russia’s seaborne crude exports to European countries have collapsed since Moscow’s troops invaded Ukraine in February 2022. A market that consumed about 1.5 million barrels a day of short–haul seaborne crude, coming from export terminals in the Baltic, Black Sea and Arctic has been lost almost completely, to be replaced by long–haul destinations in Asia that are much more costly and time–consuming to serve.

Combined flows to Turkey and Bulgaria, Russia’s only two remaining buyers close to its western ports, fell to about 330,000 barrels a day in the four weeks to Jan. 21, tanker–tracking data show. That’s down from about 430,000 barrels a day in the period to Jan. 14 and the lowest since September.



Exports to Turkey fell to a 14-week low of about 308,000 barrels a day in the four weeks to Jan. 21.

Flows to Bulgaria, now Russia's only European market for crude, were unchanged at about 21,000 barrels a day in the most recent four-week period. That's the lowest in data going back to the start of 2022. Bulgaria's parliament has approved a measure that will end imports of Russian oil from March, nine months earlier than permitted under an exemption to EU sanctions on purchases of Moscow's oil. Storms at Novorossiysk continue to hamper shipments across the Black Sea.

No Russian crude was shipped to northern European countries, or those in the Mediterranean in the four weeks to Jan. 21.

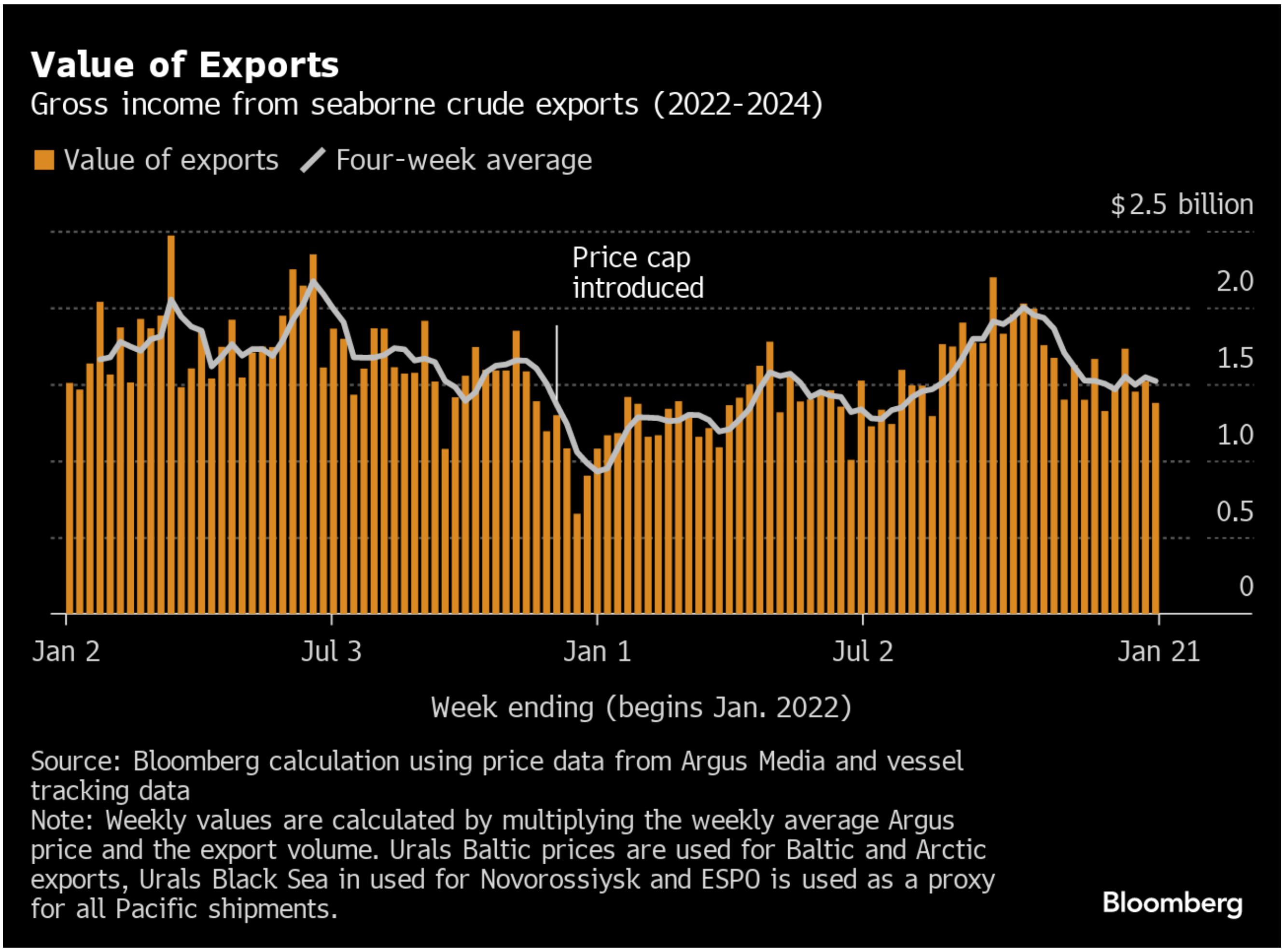
Vessel-tracking data are cross-checked against port agent reports as well as flows and ship movements reported by other information providers including Kpler and Vortexa Ltd.

Export Value

Following the abolition of export duty on Russian crude, we have begun to track the gross value of seaborne crude exports, using Argus Media price data and our own tanker tracking.

The gross value of Russia's crude exports fell to a five-week low of $1.38 billion in the seven days to Jan. 21 from $1.52 billion the previous week. Meanwhile four-week average income also slipped, down by $25 million to $1.52 billion a week. The four-week average peaked at $2.17 billion a week in the period to June 19, 2022. The highest it reached last year was $2 billion a week in the period to Oct. 22.

During the first four weeks after the Group of Seven nations' price cap on Russian crude exports came into effect in early December 2022, the value of seaborne flows fell to a low of $930 million a week, but soon recovered.



The chart above shows a gross value of Russia's seaborne oil exports on a weekly and four-week average basis. The value is calculated by multiplying the average weekly crude price from Argus Media Group by the weekly export flow from each port. For shipments from the Baltic and Arctic ports we use the Urals FOB Primorsk dated, London close, midpoint price. For shipments from the Black Sea we use the Urals Med Aframax FOB Novorossiysk dated, London close, midpoint price. For Pacific shipments we use the ESPO blend FOB Kozmino prompt, Singapore close, midpoint price.

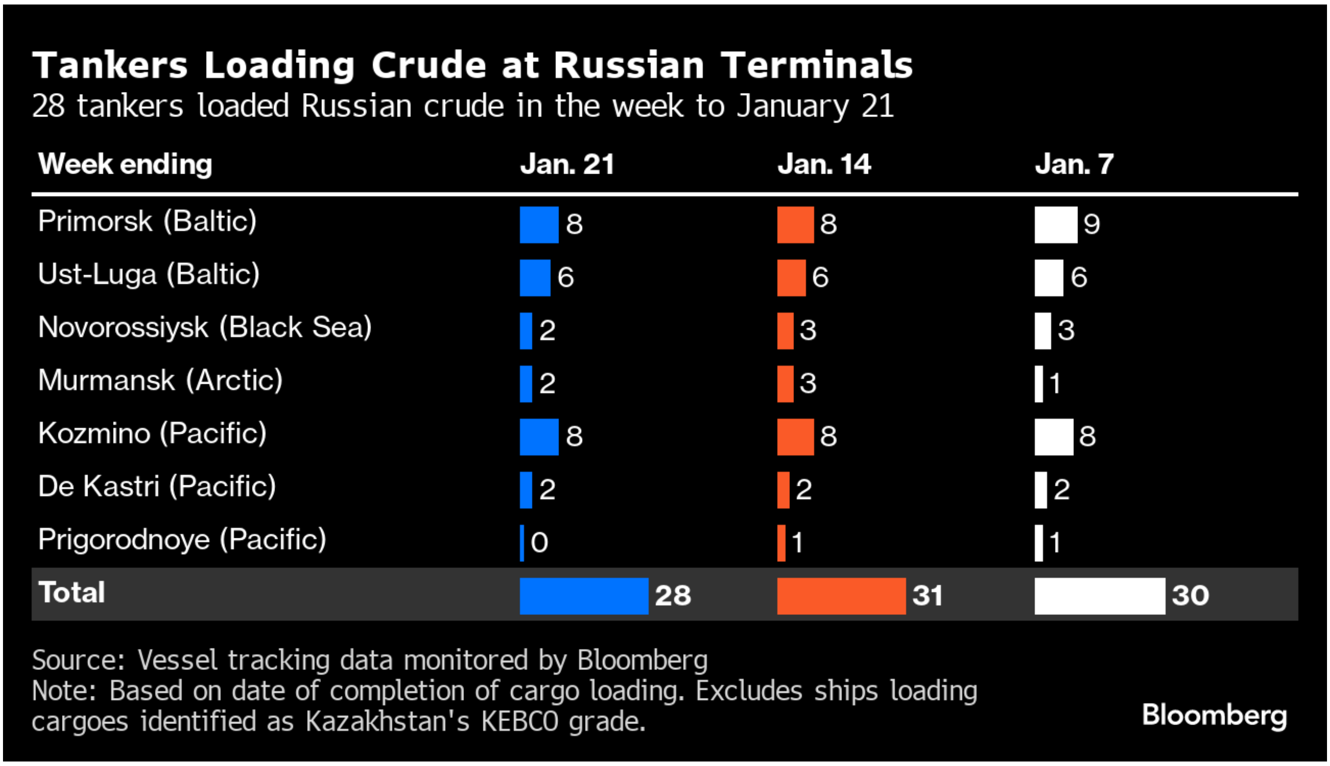
Export duty was abolished at the end of 2023 as part of Russia's long-running tax reform plans.

Ships Leaving Russian Ports

The following table shows the number of ships leaving each export terminal.

A total of 28 tankers loaded 21.1 million barrels of Russian crude in the week to Jan. 21, vessel-tracking data and port agent reports show. That was down by about 2.4 million barrels from the revised figure for the previous week.

Storms in the eastern Black Sea continue to disrupt shipments from Novorssiysk.



All figures exclude cargoes identified as Kazakhstan's KEBCO grade. No cargoes of KEBCO were loaded during the week.

Port agent reports seen by Bloomberg suggest that maintenance work will trim exports from the Baltic port of Ust-Luga in the week to Jan. 28, with a four-day gap in scheduled loadings. A drone attack on a neighboring condensate processing plant briefly interrupted loading at Ust-Luga on Sunday, pushing one ship from the week ending Jan. 21 to the following week. As of Tuesday morning, it appears that only one of the two berths at the crude terminal is in operation.

Storm warnings in the Black Sea continue to disrupt shipments from Novorossiysk. With three cargoes of Kazakhstan's KEBCO grade scheduled to ship from the port in the current week, flows of Russian Urals are likely to be curtailed.

Flows from Kozmino on the Pacific coast may also drop in the coming week. Several tankers anchored near the terminal waiting to load left the area on Sunday for open water.

NOTES

Note: This story forms part of a weekly series tracking shipments of crude from Russian export terminals and the gross value of those flows. Weeks run from Monday to Sunday. The next update will be on **Tuesday, Jan. 30**.

Note: All figures exclude cargoes owned by Kazakhstan's KazTransOil JSC, which transit Russia and are shipped from Novorossiysk and Ust-Luga as KEBCO grade crude.

If you are reading this story on the Bloomberg terminal, click here for a link to a PDF file of four-week average flows from Russia to key destinations.

--With assistance from Sherry Su.

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01/23/2024 10:59:11 [BN] Bloomberg News

Russian Fuel Exports Above Target Despite Slip to Seven-Week Low

By Julian Lee

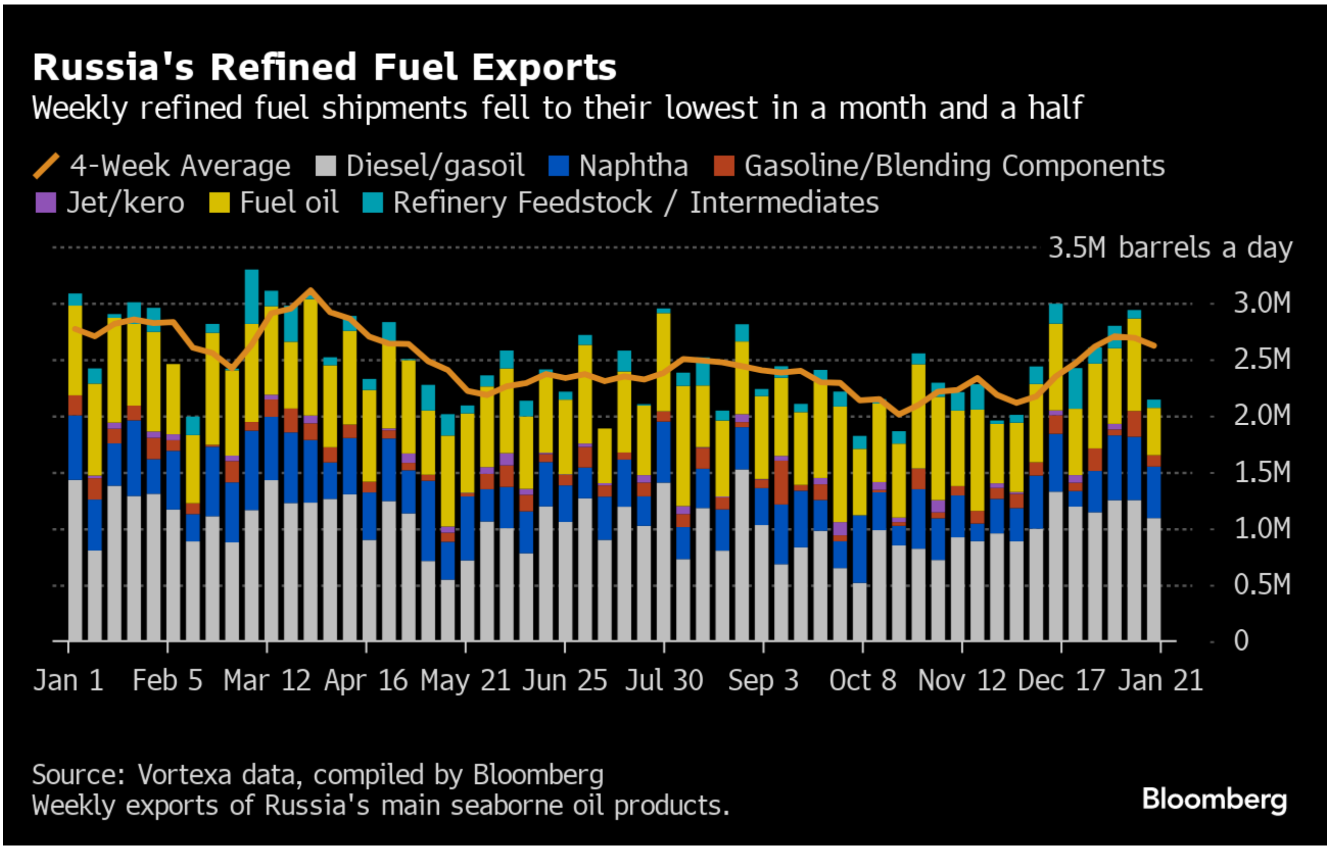
(Bloomberg) -- Russia's refined fuel exports fell to the lowest in a month-and-a-half as flows of most finished products declined. Despite the drop, shipments remain markedly above the first quarter target.

Exports averaged 2.62 million barrels a day in the four weeks to Jan. 21, according to data compiled by Bloomberg from analytics firm Vortexa Ltd. That's about 70,000 barrels, or 3%, lower than the revised figure for the previous week.

The more volatile weekly flows slumped 27% from the revised figure for the previous week to 2.14 million barrels a day in the third week of January.

Moscow has pledged to curb exports of refined products by 200,000 barrels a day in the first quarter, compared with the May-June 2023 baseline, estimated at 2.28 million barrels a day from the Vortexa data. That puts the latest four-week average shipments 536,000 barrels a day above the first quarter target. The weekly figure exceeded the target by more than 58,000 barrels a day.

Russian seaborne crude exports were also above their target level in the four weeks to Jan. 21.



Poor weather may depress shipments again this week, while the recent drone attack on facilities at the Baltic Sea port of Ust-Luga — though it probably didn't impact the most recent numbers — has opened up a new front in Moscow's war on Ukraine that highlights the vulnerability of oil exports from Russia's western ports.

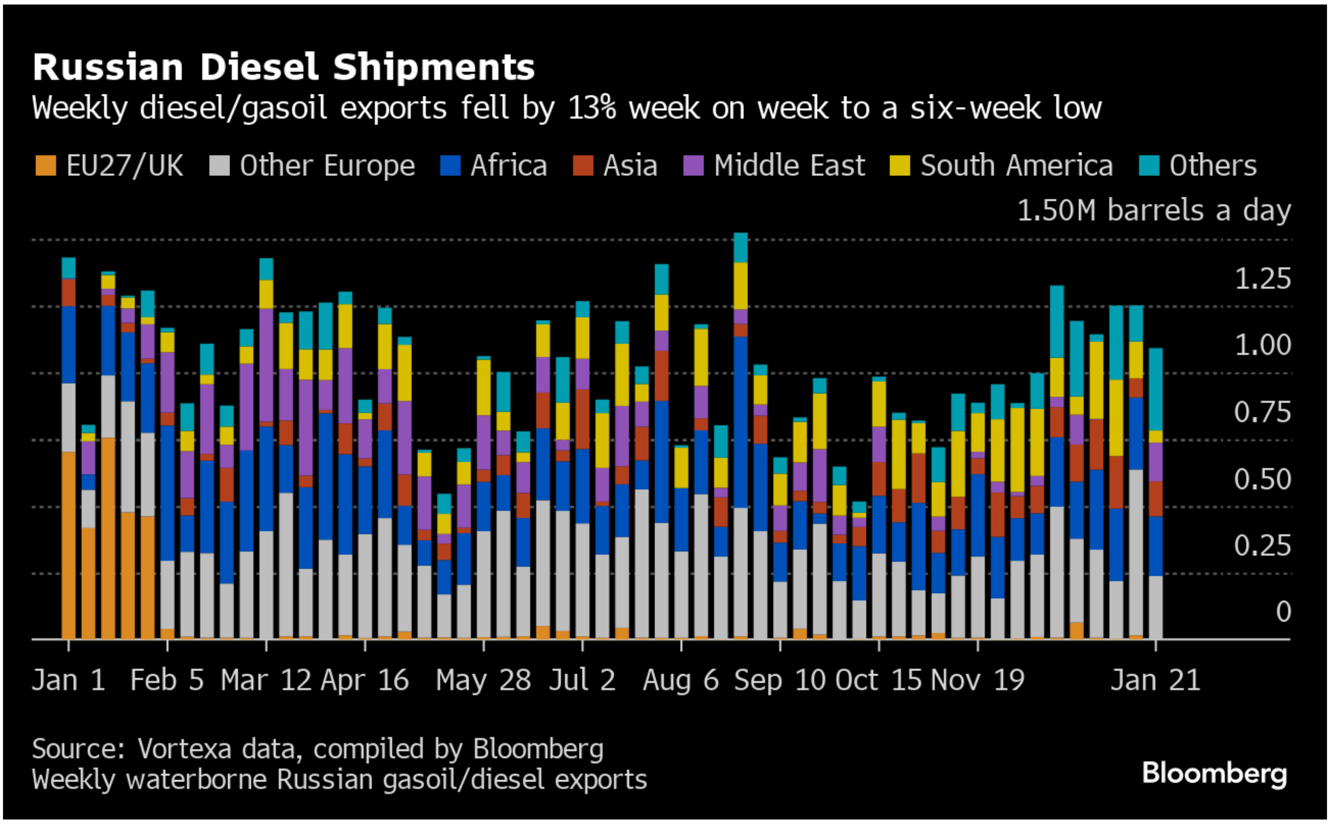
Storm warnings in the Baltic and the Black Sea continue to disrupt shipments. Flows from Nakhodka on the Pacific coast may also drop in the coming week. Several tankers anchored near the terminal waiting to load left the area on Sunday for open water.

Here's a breakdown of shipments from Russian ports for the week to Jan. 21:

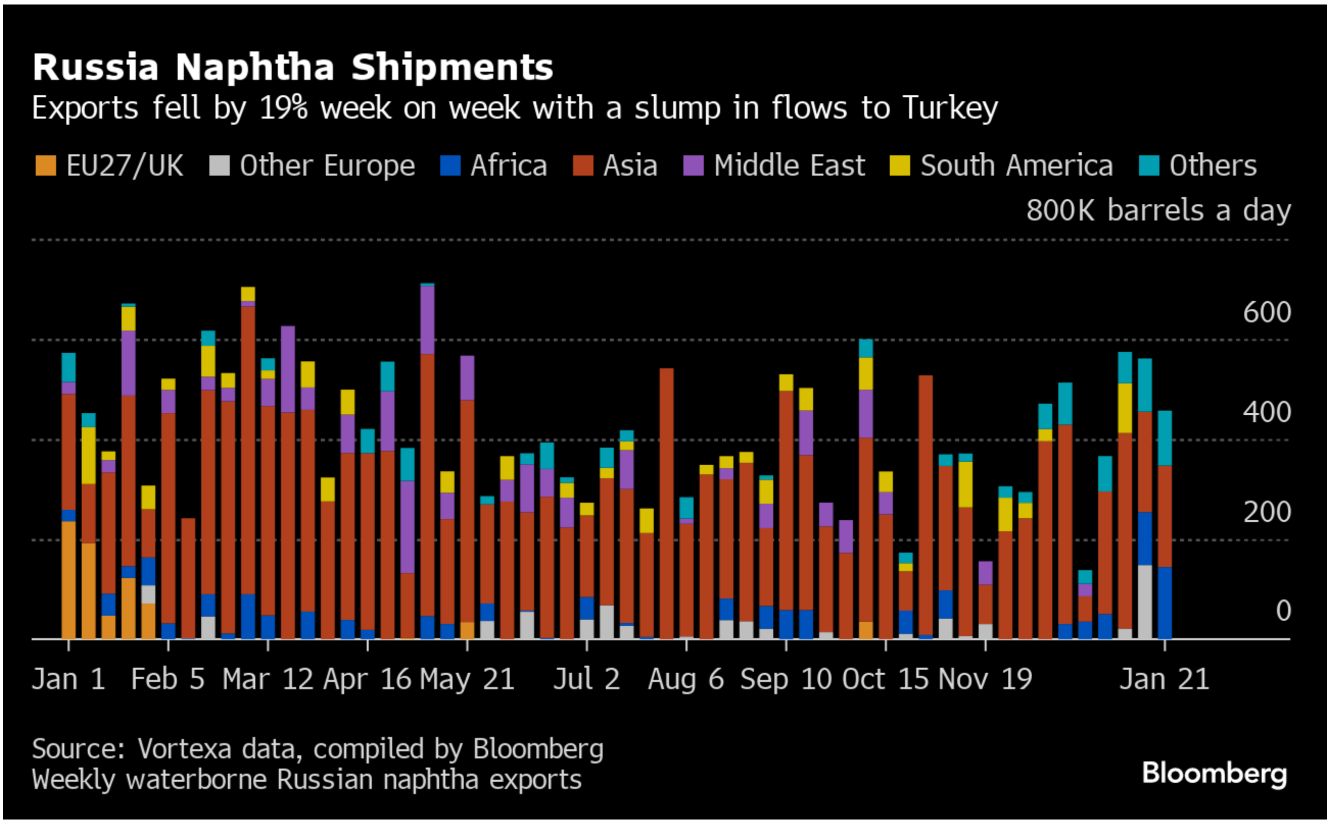
Diesel and gasoil exports fell by 13% from the previous week to 1.09 million barrels a day, the lowest in six weeks. Cargoes bound for non-EU Europe — predominantly Turkey — fell last week, more than offsetting increases in flows to the Middle East, Asia and other destinations.

While Russia has eased earlier curbs on overseas shipments of road fuels, some restrictions on the export of winter-grade diesel remain. The energy ministry has allowed outflows only for fuels delivered to ports by pipeline and refiners need to keep at least 50% of their output at home.

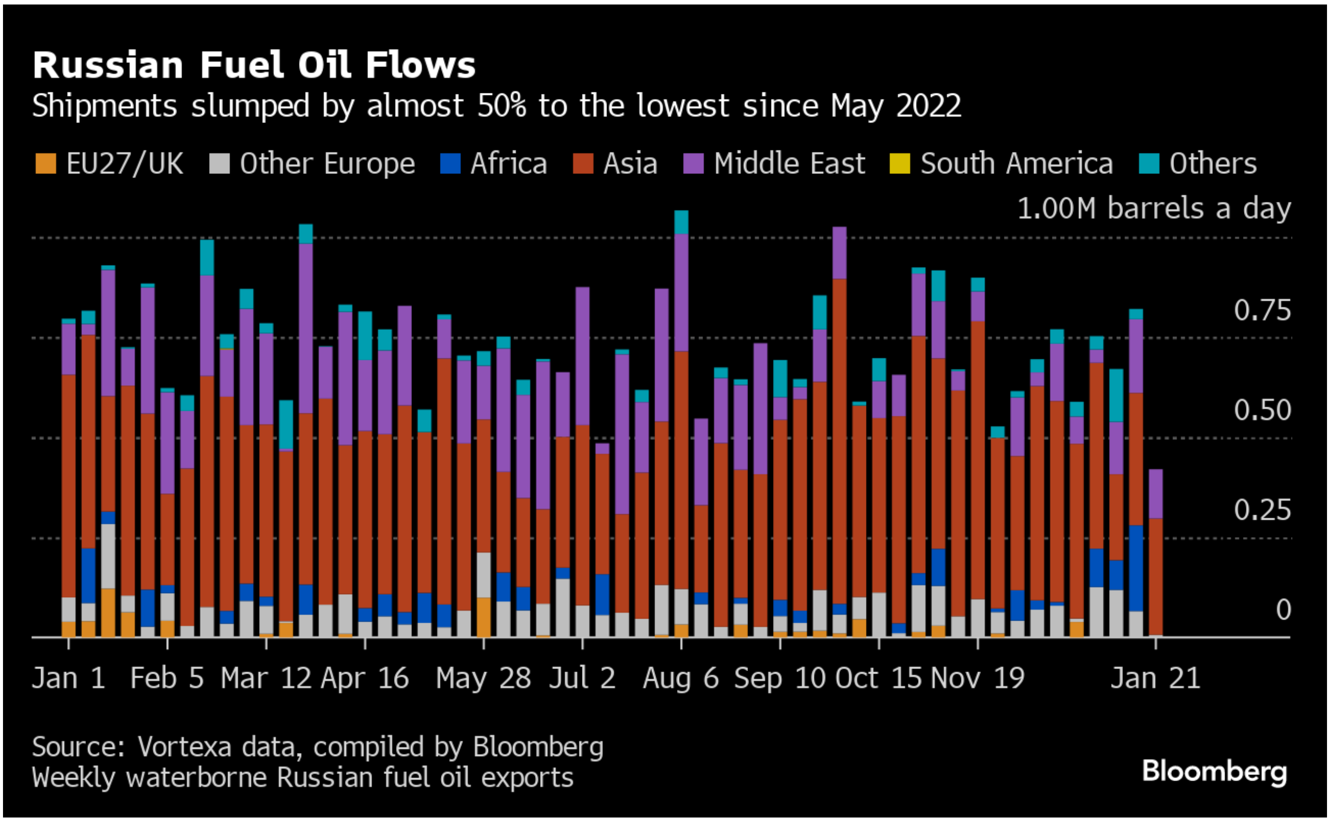
Though gasoline makes up only a small part of Russia's refined product exports, shipments could be curtailed following an incident at Lukoil's Norsi refinery, with the government reported by IFX to be considering a ban. Shipments fell by 56% to 101,000 barrels a day in the week to Jan. 21.



Naphtha shipments fell by 19% to a three-week low of about 460,000 barrels a day. There were no jet fuel shipments reported for a second week in the period ending Jan. 21.



Fuel oil exports slumped by almost 50% to 420,000 barrels a day, the lowest since May 2022, with a sharp drop in cargoes sailing toward Africa and the Middle East.



Exports of refinery feedstocks like vacuum gasoil edged lower to 73,000 barrels a day from a revised 75,000 barrels.

Cargo volumes and destinations are likely to be revised as more port data or vessel information becomes available.

Read More:

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- Russian Oil Producers Plan to Raise Fuel Output in 2024: Govt
- Russia, China Ships Are Safe in Red Sea, Houthis Tell Izvestia
- Russia Cuts High-Octane Gasoline Exports After Refinery Issue

--With assistance from Prejula Prem.

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https://english.almasirah.net.ye/post/37588/Deputy-Foreign-Minister-Yemen-Capable-of-Sinking-Enemy-Ships-Across-Red%2C-Arabian%2C-Mediterranean-Seas

Deputy Foreign Minister: Yemen Capable of Sinking Enemy Ships Across Red, Arabian, Mediterranean Seas

News - Yemen: Deputy Foreign Minister, Hussein Al-Ezzi, affirmed that Sana'a is capable of sinking enemy ships at any point across the Red, Arabian, and Mediterranean Seas.

"By the power of God, we can sink ships and battleships [from any point on the Yemeni mainland to any point in the Red, Arabian, and Mediterranean Seas]," Al-Ezzi wrote in a post on X on Saturday.

"But we leave that for another time," he, however, added, noting, "We are still keen on peace with the least amount of escalation possible."

On Friday, Yemeni Armed Forces announced that they had carried out a targeting operation against a British oil tanker in the Gulf of Aden.

The military spokesperson for the Armed Forces, Brigadier General Yahya Sare'e, stated in a press release that the operation was carried out by the naval forces.

Over the past month, the Yemeni Armed Forces have been staging many such strikes against Israeli vessels or those bound for the occupied Palestinian territories' ports.

The operations have been described as a response to the October 7-present war and siege that the Israeli regime has been waging against Gaza following an operation carried out by the Palestinian territory's resistance movements.

Around 26,000 Palestinians, some 70 percent of whom are women, children, and adolescents, have been killed in the brutal onslaught so far.

The United States and the UK have also conducted several missile attacks against Yemeni targets in response to the Yemeni strikes.

The latest operation raises the number of American ships targeted by the Yemeni Armed Forces to six since January 10, following an attack on three Yemeni naval boats by US forces, resulting in the martyrdom and loss of ten Navy personnel on December 30.

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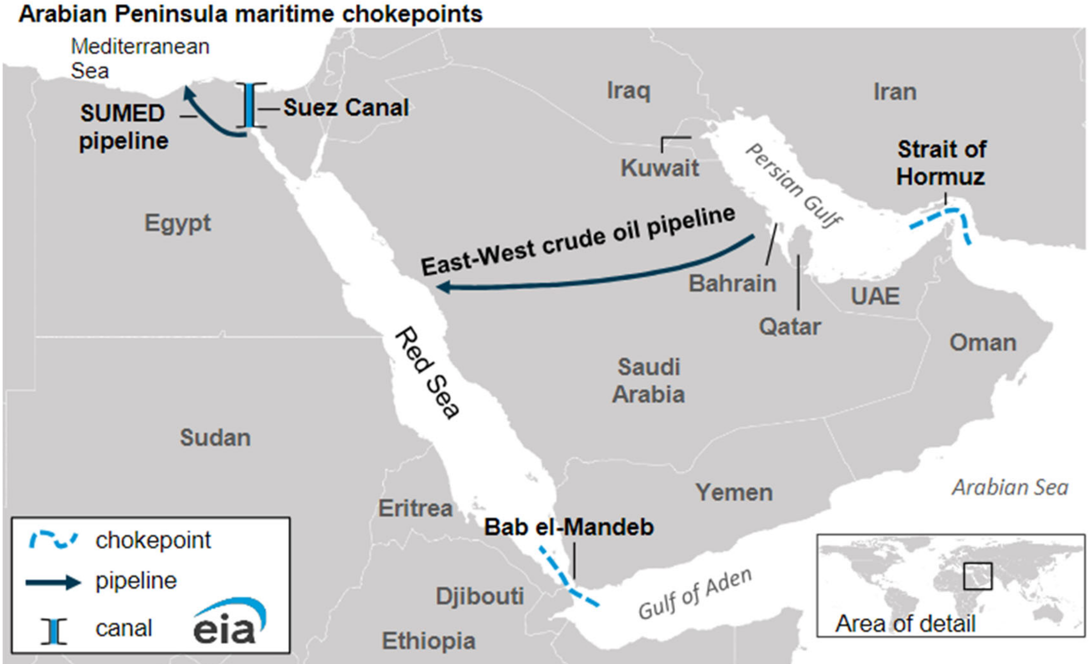
DECEMBER 4, 2023

Red Sea chokepoints are critical for international oil and natural gas flows

Arabian Peninsula maritime chokepoints



Data source: U.S. Energy Information Administration

The Suez Canal, the SUMED pipeline, and the Bab el-Mandeb Strait are strategic routes for Persian Gulf oil and natural gas shipments to Europe and North America. Total oil shipments via these routes accounted for about 12% of total seaborne-traded oil in the first half of 2023, and liquefied natural gas (LNG) shipments accounted for about 8% of worldwide LNG trade.

The Suez Canal and SUMED pipeline are located in Egypt and connect the Red Sea with the Mediterranean Sea. The SUMED pipeline transports crude oil north through Egypt and has a capacity of 2.5 million barrels per day. The Bab el-Mandeb Strait is between the Horn of Africa and the Middle East, connecting the Red Sea to the Gulf of Aden and Arabian Sea. Most exports of petroleum and natural gas from the Persian Gulf to Europe and North America pass through multiple chokepoints, including the Suez Canal or the SUMED pipeline and both the Bab el-Mandeb and the Strait of Hormuz.

Volume of crude oil, condensate, and petroleum products transported through the Suez Canal, SUMED pipeline, and Bab el-Mandeb Strait (2018–1H23)
million barrels per day

	2018	2019	2020	2021	2022	1H23
Total oil flows through Suez Canal and SUMED pipeline	**6.4**	**6.2**	**5.3**	**5.1**	**7.2**	**9.2**
crude oil and condensate	3.4	3.1	2.6	2.2	3.6	4.9
petroleum products	3.0	3.1	2.6	2.9	3.6	4.3
LNG flows through Suez Canal (billion cubic feet per day)	**3.3**	**4.1**	**3.7**	**4.5**	**4.5**	**4.1**
Total oil flows through Bab el-Mandeb Strait	**6.1**	**5.9**	**5.0**	**4.9**	**7.1**	**8.8**
crude oil and condensate	**3.0**	**2.7**	**2.2**	**1.9**	**3.3**	**4.5**
petroleum products	**3.1**	**3.2**	**2.8**	**3.1**	**3.8**	**4.4**
LNG flows through Bab el-Mandeb Strait (billion cubic feet per day)	**3.1**	**3.9**	**3.7**	**4.5**	**4.5**	**4.1**

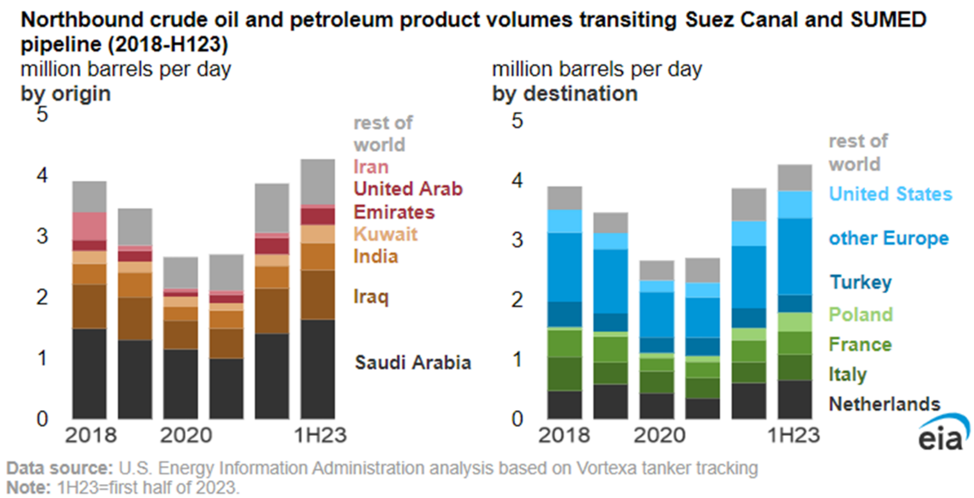
Data source: U.S. Energy Information Administration analysis based on Vortexa tanker tracking
Note: LNG=liquefied natural gas. 1H23=first half of 2023

Oil shipments

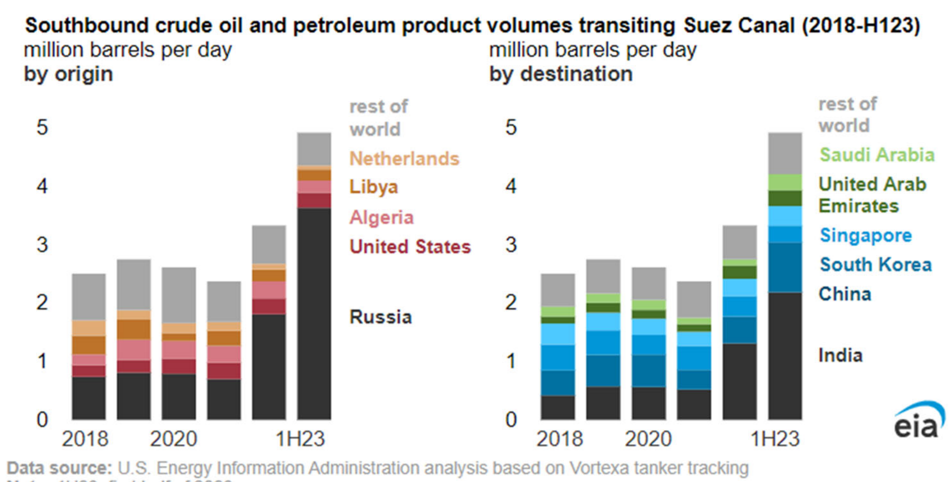
Northbound oil flows toward Europe via the Suez Canal and SUMED pipeline fell between 2018 and 2020. Renewed U.S. sanctions on

Iran reduced all exports from Iran, including those through the Suez Canal. In addition, less crude oil and oil products from Middle East producers moved through the Suez Canal because Europe imported less oil from the Middle East and more from the United States. The COVID-19 pandemic further reduced flows through the Suez Canal because of slowing global oil demand.

In the first half of 2023, northbound crude oil flowing through the Suez Canal and SUMED pipeline had increased by more than 60% from 2020, as demand in Europe and the United States rose from pandemic-induced lows. Also, Western sanctions on Russia's oil beginning in early 2022 shifted global trade patterns, leading Europe to import more oil from the Middle East via the Suez Canal and SUMED pipeline and less from Russia.

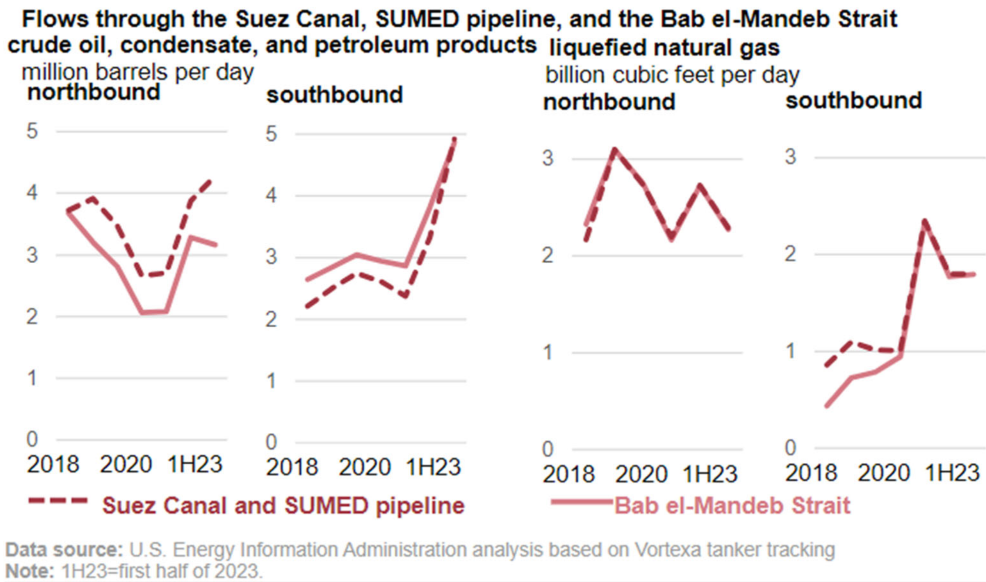


Southbound shipments through the Suez Canal rose significantly between 2021 and 2023, largely because of Western sanctions on Russia's oil exports. Oil exports from Russia accounted for 74% of Suez southbound oil traffic in the first half of 2023, up from 30% in 2021. Most of those export volumes were destined for India and China, which imported mostly crude oil from Russia. The Middle East, primarily Saudi Arabia and the United Arab Emirates, increased imports of refined oil products from Russia in 2022 and the first half of 2023 in order to generate electric power or to store or re-export.



LNG shipments

LNG flows through the Suez Canal in both directions rose to a combined peak in 2021 and 2022 of 4.5 billion cubic feet per day (Bcf/d) before total flows declined in the first half of 2023 to 4.1 Bcf/d. Southbound LNG flows more than doubled from 2020 to 2021, mainly driven by growing exports from the United States and Egypt heading to Asia. In 2022 and the first half of 2023, southbound LNG volumes via the Suez Canal declined as U.S. and Egyptian LNG exports both favored European destinations over Asian markets, supplanting some of the natural gas exports that Russia historically sent to Europe. Most of the variation in northbound volumes reflects changes in Qatar's exports to Europe (via the Suez Canal) compared with Asia. Qatar also sent more LNG to Europe in 2022 to replace some volumes from Russia, increasing northbound flows.



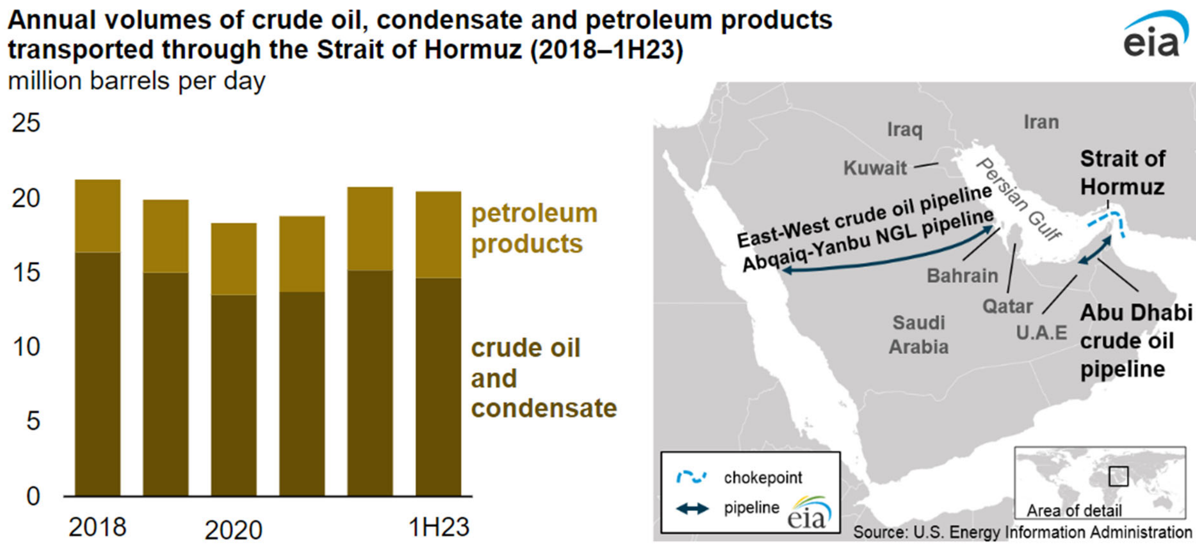
Data source: U.S. Energy Information

Although oil flow trends through the Bab al-Mandeb Strait are similar to those of the Suez Canal, more oil exits the Red Sea (northbound via the Suez Canal and southbound via the Bab el-Mandeb Strait) than enters the Red Sea through these chokepoints. Saudi Arabia transports some crude oil from the Persian Gulf via pipeline to the Red Sea for export mostly to Europe. LNG flows through the Bab el-Mandeb Strait have matched those in the Suez Canal over the last few years because the few LNG import terminals in the Red Sea have been used less.

Principal contributors: Candace Dunn, Justine Barden https://www.eia.gov/todayinenergy/detail.php?id=61002

NOVEMBER 21, 2023

The Strait of Hormuz is the world's most important oil transit chokepoint



Data source: U.S. Energy Information Administration analysis based on Vortexa tanker tracking and FACTS Global Energy
Note: 1H23=first half of 2023

The Strait of Hormuz, located between Oman and Iran, connects the Persian Gulf with the Gulf of Oman and the Arabian Sea. The Strait of Hormuz is the world's most important oil chokepoint because large volumes of oil flow through the strait. In 2022, its oil flow averaged 21 million barrels per day (b/d), or the equivalent of about 21% of global petroleum liquids consumption. In the first half of 2023, total oil flows through the Strait of Hormuz remained relatively flat compared with 2022 because increased flows of oil products partially offset declines in crude oil and condensate.

Chokepoints are narrow channels along widely used global sea routes that are critical to global energy security. The inability of oil to transit a major chokepoint, even temporarily, can create substantial supply delays and raise shipping costs, increasing world energy prices. Although most chokepoints can be circumvented by using other routes, which often add significantly to transit time, some chokepoints have no practical alternatives.

Between 2020 and 2022, volumes of crude oil, condensate, and petroleum products transiting the Strait of Hormuz rose by 2.4 million b/d as oil demand recovered after the economic downturn from the COVID-19 pandemic. In the first half of 2023, shipments of crude oil and condensates dropped because OPEC+ members implemented crude oil production cuts starting in November 2022. Flows through the Strait of Hormuz in 2022 and the first half of 2023 made up more than one-quarter of total global seaborne traded oil. In addition, around one-fifth of global liquefied natural gas trade also transited the Strait of Hormuz in 2022.

Volume of crude oil, condensate, and petroleum products transported through the Strait of Hormuz (2018–1H23)
million barrels per day

	2018	2019	2020	2021	2022	1H23
Total oil flows through Strait of Hormuz	**21.3**	**19.9**	**18.3**	**18.8**	**20.8**	**20.5**
Crude oil and condensate	16.4	15.0	13.5	13.7	15.2	14.7
Petroleum products	4.9	4.9	4.8	5.1	5.6	5.8
World maritime oil trade	**77.4**	**77.1**	**71.9**	**73.2**	**75.2**	**76.3**
World total petroleum and other liquids consumption	**100.1**	**100.9**	**91.6**	**97.1**	**99.6**	**100.3**
LNG flows through Strait of Hormuz (billion cubic feet per day)	**10.3**	**10.6**	**10.4**	**10.6**	**10.9**	**10.8**

Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, and U.S. Energy Information Administration analysis based on Vortexa tanker tracking and FACTS Global Energy
Note: World maritime oil trade excludes intra-country volumes except those volumes that transit the Strait of Hormuz. LNG=liquefied natural gas. 1H23=first half of 2023.

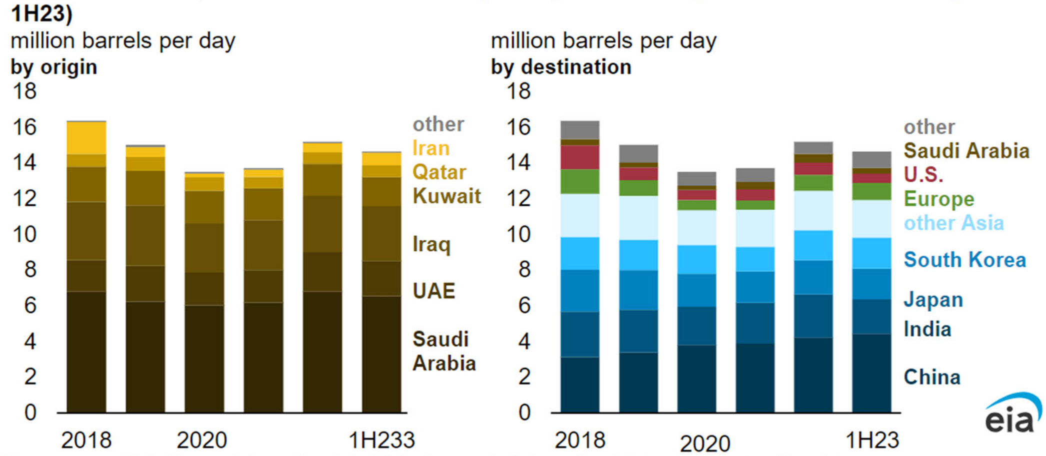
Only Saudi Arabia and the United Arab Emirates (UAE) have operating pipelines that can circumvent the Strait of Hormuz. Saudi Aramco operates the 5-million-b/d East-West crude oil pipeline and temporarily expanded the pipeline's capacity to 7 million b/d in 2019 when it converted some natural gas liquids pipelines to accept crude oil. The UAE links its onshore oil fields to the Fujairah export terminal on the Gulf of Oman with a 1.5 million b/d pipeline.

Iran inaugurated the Goreh-Jask pipeline and the Jask export terminal on the Gulf of Oman with a single export cargo in July 2021. The pipeline's capacity was 0.3 million b/d at that time, although Iran has not used the pipeline since then. We estimate that around 3.5 million b/d of effective unused capacity from these pipelines could be available to bypass the strait in the event of a supply disruption.

Based on tanker tracking data published by Vortexa, Saudi Arabia moves more crude oil and condensate through the Strait of Hormuz than any other country, most of which is exported to other countries. Around 0.5 million b/d transited the strait in 2022 from Saudi ports in the Persian Gulf to Saudi ports in the Red Sea.

We estimate that 82% of the crude oil and condensate that moved through the Strait of Hormuz went to Asian markets in 2022. China, India, Japan, and South Korea were the top destinations for crude oil moving through the Strait of Hormuz to Asia, accounting for 67% of all Hormuz crude oil and condensate flows in 2022 and the first half of 2023.

Annual volumes (crude oil and condensate) transported through the Strait of Hormuz (2018–1H23)



Data source: U.S. Energy Information Administration analysis based on Vortexa tanker tracking data
Note: 1H23=first half of 2023.

In 2022, the United States imported about 0.7 million b/d of crude oil and condensate from Persian Gulf countries through the Strait of Hormuz, accounting for about 11% of U.S. crude oil and condensate imports and 3% of U.S. petroleum liquids consumption. U.S. crude oil imports from countries in the Persian Gulf have fallen by half since 2018 as domestic production has increased.

Principal contributors: Candace Dunn, Justine Barden https://www.globaltimes.cn/page/202401/1306103.shtml

China braces for Spring Festival travel rush with record 9 billion passenger trips expected

By Xiong Xinyi and Tu Lei

Published: Jan 25, 2024 10:34 PM Updated: Jan 25, 2024 11:38 PM

The chunyun or Spring Festival travel rush for 2024 - the world's largest annual human migration - officially starts on Friday, and is expected to set a new record of 9 billion passenger trips during the 40-day travel peak. From jam-packed transportation hubs to the hustle and bustle seen in markets nationwide, the anticipated booming Chinese New Year holidays are poised to continue the country's steady recovery while ushering in a lively 2024.

At the Beijing Capital International Airport on Thursday, crowds of tourists were seen in the departure hall, children and parents were holding hands waiting for checked luggage at the counter, and Year of the Dragon stickers were also pasted on glass doors, adding to the coming Chinese Lunar New Year atmosphere.

The airport will see 7.2 million passenger trips during chunyun, a growth of more than 60 percent from the same period of 2023, the airport said on Thursday, adding that overseas passenger flow will reach 1.41 million passenger trips following the implementation of visa reciprocity policies between China and many countries.

The scene witnessed by the Global Times at the airport is just a snapshot illustrating the brisk personnel flow nationwide at one of the busiest times of the year in China. Observers expected the travel rush to boost consumption for the upcoming holidays, which will inject fresh vitality and bolster the country's economic progress in 2024.

Flourishing consumption

A retired white-collar worker surnamed Yin from Southwest China's Chongqing Municipality recently completed a self-driving road trip in South China's Hainan Province with her family. Yin told the Global Times on Thursday that she had already experienced a tourism boom with crowds of visitors and packed restaurants even before the holidays officially kicked off, adding that the well-constructed roads and convenient infrastructure facilities have elevated the traveling experience.

Propelled by the record-high personnel flow and China's steady economic recovery, both domestic and international tourism is set to become major driving forces spurring consumption.

China and Singapore on Thursday agreed on mutual visa exemption which will officially come into effect on February 9, 2024 - the eve of the Chinese New Year, as ordinary passport holders from both sides will be able to enter each other's countries without visa requirements for activities including tourism for 30 days.

Searches for hotels in Singapore on Chinese online travel platform Qunar.com surged four times after the two countries announced the decision, the company told the Global Times on Thursday. Meanwhile, Tongcheng Travel told the Global Times that Singapore-related searches rose by more than 340 percent on the platform within an hour after the visa-free policy announcement.

Domestic tourism is also thriving, represented by the sparkling ice-snow trips in popular cities such as Harbin in Northeast China's Heilongjiang Province. Bookings for products related to winter tourism on Trip.com for the holidays increased by more than 10 times year-on-year, the company told the Global Times in a recent statement.

The record-high chunyun reflected China's rapid development in transportation construction amid its advancing economic recovery, Jiang Yiyi, deputy head of the School of Leisure Sports and Tourism at Beijing Sport University, told the Global Times on Thursday.

Jiang emphasized that activities related to the cultural sector such as visiting museums will also play a significant role in promoting consumption.

In addition, consumption themed around the Chinese New Year's holidays has also been jacked up. Restaurants have been busy taking bookings for traditional Spring Festival reunion dinners, while e-commerce platforms saw sales surging as consumers stocked up on holiday necessities, according to media reports.

Among the 9 billion passenger trips, around 1.8 billion will be made through rail, road, aviation and water transportation, while the remaining 7.2 billion trips are expected to be self-driving trips, according to recent data released by the Ministry of Transport.

China's railway system already saw a pre-Spring Festival ticket sales peak with 61.08 million tickets for chunyun sold since January 12, a year-on-year increase of 159 percent, China State Railway Group Co said in a statement sent to the Global Times on Wednesday.

Amid the expected record-breaking chunyun, domestic carriers have ramped up efforts to ensure transportation capacity.

Air China said on Tuesday that it plans to arrange 67,691 flights during the 40-day travel peak with an average of 1,693 flights per day, an increase of 32 percent compared with 2019 and 40.6 percent compared with 2023. Meanwhile, four homegrown C919 aircraft from China Eastern Airlines will also be serving the travel rush. The four planes will fly routes between Beijing and Shanghai, and Shanghai and Chengdu in Southwest China's Sichuan Province, the first time the aircraft is being used for the Spring Festival travel.

Vital momentum to last in 2024

Consumption played an indispensable role in bolstering China's economic growth in 2023, with the final consumption contributing to 82.5 percent of GDP growth, official data showed. Experts noted that the momentum will extend into 2024 with optimistic outlooks, while the consumption boom for the Chinese New Year holidays will become an essential engine driving economic growth in the first quarter.

The recently released GDP data from multiple Chinese provinces and cities have showcased the uplifting achievements realized nationwide, while last year's considerable economic growth rate will lay a solid foundation for this year's economic expectations, Cong Yi, a professor at the Tianjin School of Administration, told the Global Times on Thursday.

Shanghai's GDP expanded by 5 percent year-on-year in 2023, while Guangdong's GDP passed 13 trillion yuan ($1.83 trillion) for the first time, according to the "report cards" released by the local governments.

Meanwhile, Cong highlighted the culture-infused tourism boom as an example of the country's continuous upgrading in consumption structure, further adding to optimistic expectations for the coming year.

In 2023, the consumption sector, especially the services industry, contributed primarily to the GDP growth rather than the primary and secondary industries, Cao Heping, a professor of economics at Peking University, told the Global Times on Thursday.

Data from the National Bureau of Statistics showed that the growth of retail sales of services increased by 20 percent year-on-year last year, while the catering sector achieved a revenue exceeding 5 trillion yuan for the first time.

Cao noted that developing consumption-related investment along with relevant industries will be a major focal point for China's economic transformation.

Cao said that holiday consumption is set to hugely boost GDP growth for the first quarter of 2024. He added that if the GDP growth rate for the first quarter exceeds 5.2 percent and can get close to 5.5 percent, then the growth rate for 2024 is very like to approach 5.5 percent, higher than the estimate of 4.6 percent projected by some foreign institutions.

The world's second-largest economy posted a GDP growth of 5.2 percent for 2023, successfully meeting the previously set annual target and aligning with market forecasts.

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OIL DEMAND MONITOR: Market Watchers Divided on Growth Outlook

- **OPEC sees consumption staying strong and persistent deficits**
- **IEA says market well supplied as macroeconomic headwinds loom**

By John Deane

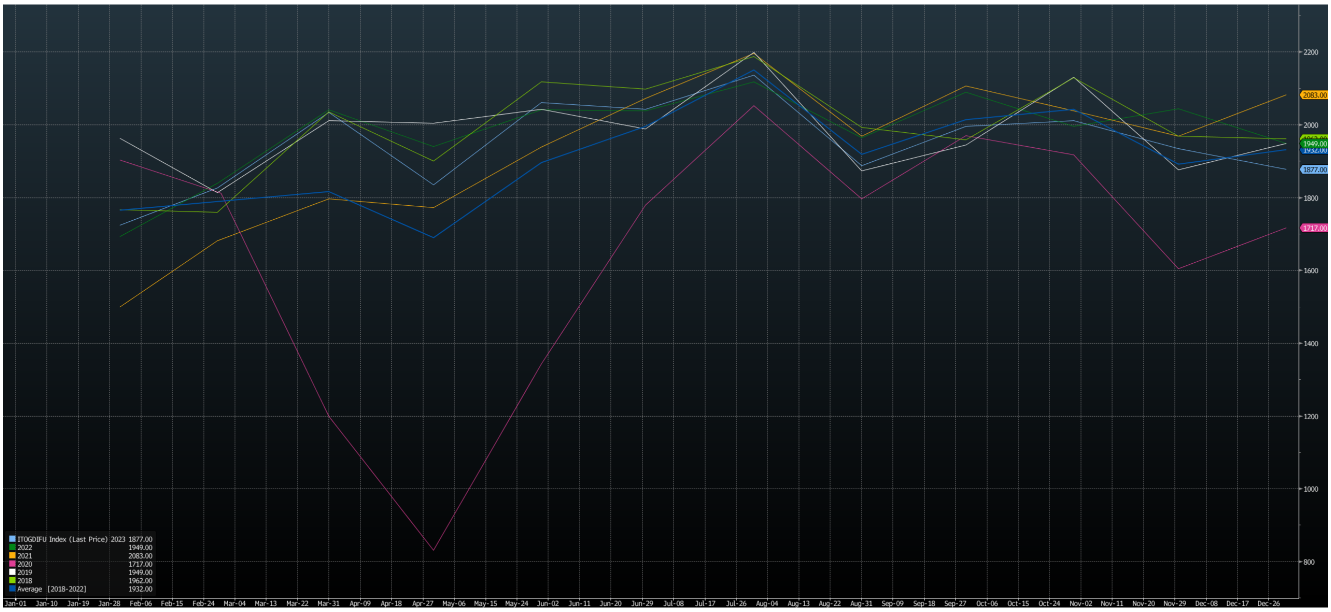
(Bloomberg) -- Oil market analysts are sharply divided in their outlooks for the trajectory of fuels consumption in the coming year.

The International Energy Agency sees global demand growth almost halving this year to 1.2 million barrels a day, amid macroeconomic headwinds and the growing popularity of electric vehicles. The market is likely to remain reasonably well supplied, with higher-than-expected non-OPEC+ production set to outpace demand growth by a "healthy margin," the Paris-based adviser to consuming nations said in its latest monthly report.

In contrast, the outlook released by the Vienna-based secretariat of the Organization of Petroleum Exporting Countries projected almost double that rate of demand growth this year – at 2.25 million barrels a day – and a market deficit through to the end of 2025. Secretary-General Haitham Al-Ghais said there's no peak for oil consumption on the horizon.

Earlier this month, the US Energy Information Administration pegged growth in global liquid fuels consumption at 1.4 million barrels a day this year and 1.2 million in 2025.

Among recent individual country data sets, France saw year-on-year declines of almost 5% in road fuel and overall petroleum product sales in December, driven by a sharp decline in diesel. There was a similar pattern in Italy, where gasoline and diesel sales also saw year-on-year declines last month. Transport diesel consumption was the lowest for the time of year since 2020.



Italy's transport diesel consumption was the lowest for the time of year since 2020 in December

In the first half of January, India – the third–largest oil consumer – saw a 3.2% drop in diesel sales on a month–on–month basis. Demand for refined oil products in the South Asian nation is likely to grow at the slowest pace in four years in 2024–25 amid a potential economic slowdown. The country is still expected to see 3% growth in demand for products like diesel, gasoline, jet fuel and liquefied petroleum gas in the fiscal year from April 1, according to data published by the oil ministry's Petroleum Planning and Analysis Cell.

Read More: India's Oil Demand Seen Growing at Weakest Rate in Four Years

On the upside, aviation still shows plenty of positive signs, with several major countries charting healthy gains in jet fuel usage last month. Commercial flights tracked by Flightradar24 were comfortably above both pre–pandemic and 2023 levels in data for the week to Monday, though Eurocontrol data for the continent showed weakness.

Typically, there's a diversity of views among banking analysts and researchers on where demand is going. Meanwhile demand–supply projections remain vulnerable to geopolitical twists, and in particular potential escalations in the war between Hamas and Israel, with its spillover impact on shipping through the Red Sea, and Russia's war with Ukraine. The weather is another wild–card.

Demand will have a weak first half and recover later, possibly giving OPEC+ a chance to ease or stop its supply curbs in the second half, Frederic Lasserre, Gunvor Group Ltd.'s global head of research and analysis, said at a conference earlier this week.

In the short term, bad weather in major markets may have suppressed demand, with JPMorgan Chase & Co. analysts saying consumption softened over the past week on account of "harsh" conditions in the US and Europe that limited travel.

The Bloomberg oil demand monitor uses a range of high–frequency data to help identify emerging trends. Following are the latest indicators. The first table shows fuel demand, the second shows air travel globally and the third refinery activity.

- NOTE: Due to ongoing issues with data feeds, this issue omits the table showing BNEF calculations of road congestion changes based on TomTom data. We are looking into potential alternative approaches.

Demand Measure	**Location**	%vs 2023	%vs 2022	% vs 2021	% vs 2020	% vs 2019	% m/m	**Freq**	Latest Date	**Latest Value**	**Source**
Gasoline product supplied	US	−3.2	−7.3	+0.6	−9	−11	−14	w	Jan. 19	7.88m b/d	EIA
Distillates product supplied	US	−2.4	−20	−12	−14	−19	−4.9	w	Jan. 19	3.78m b/d	EIA
Jet fuel product supplied	US	+7.4	+19	+22	−2.3	+0.6	−20	w	Jan. 19	1.52m b/d	EIA
Total oil products supplied	US	+0.6	−13	−0.6	−8.9	−9	−8.7	w	Jan. 19	19.56m b/d	EIA
Car use	UK	−1.1	+6.1	+55		−13	−9.4	m	Jan. 8	87	DfT
Heavy goods vehicle use	UK	−3	−3.9	+1		−2	−6.7	m	Jan. 8	98	DfT

All motor vehicle use index	UK	−1.1	+5.7	+46		−8	−8.9	m	Jan. 8	92	DfT
Gasoline (petrol) avg sales per filling station	UK		+1.9	+9.8	+42	−28	−29	m	Week to Dec. 31	5,210 liters/d	BEIS
Diesel avg sales per station	UK		−5.7	−6	+6.7	−54	−48	m	Week to Dec. 31	4,762 liters/d	BEIS
Total road fuels sales per station	UK		−1.9	+1.7	+23	−43	−40	m	Week to Dec. 31	9,972 liters/d	BEIS
Diesel sales	India	+1.7					−3.2	2/m	Jan. 1−15	3.07m tons	Bberg
Gasoline sales	India	+20					+5.2	2/m	Jan. 1−15	1.29m tons	Bberg
Jet fuel sales	India	−0.2					−5.7	2/m	Jan. 1−15	301k tons	Bberg
LPG sales	India	+6.3					−1.4	2/nm	Jan. 1−15	1.33m tons	Bberg
Diesel sales	India		−2.3				+1	m	December	7.605m tons	PPAC
Gasoline sales	India		+0.2				−4.4	m	December	2.99m tons	PPAC
Jet fuel sales	India		+9.3				+4.3	m	December	720k tons	PPAC
LPG sales	India		+2.3				+5.7	m	December	2.628m tons	PPAC
Total oil products	India		+2.6				+6.2	m	December	20.05m tons	PPAC
Naphtha	Germany		−7			−18	+9.7	m	October	804k tons	BAFA
Gasoline	Germany		+8.5			−3.5	+1.1	m	October	1.53m tons	BAFA
Diesel	Germany		+2.8			−13	+5.8	m	October	2.92m tons	BAFA
Heating oil	Germany		−8			−17	+43	m	October	1.03m tons	BAFA
LPG	Germany		−10			−33	−19	m	October	185k tons	BAFA
Jet fuel	Germany		−6			−5	+1.6	m	October	888k tons	BAFA
Total oil product sales	Germany		−0.2			−14	+8.8	m	October	7.7m tons	BAFA
Gasoline deliveries	Spain		+1.1				+7.2	m	December	551k m3	Exolum
Diesel (and heating oil) deliveries	Spain		−8.5				+3.2	m	December	2,324k m3	Exolum
Jet fuel deliveries	Spain		+18				+3.6	m	December	525k m3	Exolum
Total oil products deliveries	Spain		−3.9				+3.8	m	December	3,399k m3	Exolum
Road fuel sales	France		−4.9				+1.3	m	December	3.91m m3	UFIP
Gasoline sales	France		+2.1					m	December	n/a	UFIP
Road diesel sales	France		−7.6					m	December	n/a	UFIP

Jet fuel sales	France	+9			−2.7	+6.2	m	December	647k m3	UFIP
All petroleum products sales	France	−4.7				+1.7	m	December	4.42m tons	UFIP
All vehicles traffic	Italy	unch.				−2	m	December	n/a	Anas
Heavy vehicle traffic	Italy	−3				−16	m	December	n/a	Anas
Gasoline sales	Italy	−2.2			+7.7	+0.6	m	December	658k tons	Energy Ministry
Transport diesel sales	Italy	−3.7			−3.7	−2.9	m	December	1.88m tons	Energy Ministry
Diesel/gasoil sales	Italy	−4.1			−4.9	−3.5	m	December	2.14m tons	Energy Ministry
LPG sales	Italy	−2.6			−8.7	+20	m	December	305k tons	Energy Ministry
Jet fuel sales	Italy	+22			+3.1	+7	m	December	366k tons	Energy Ministry
Total oil product sales	Italy	−1.3			−6.8	−2.8	m	December	4.14m tons	Energy Ministry
Gasoline consumption	Portugal	+3.3	+11	+30	+8.5	+3.2	m	December	96,904 tons	ENSE
Diesel consumption	Portugal	−2.2	unch.	+11	−3.3	+2	m	December	405,904 tons	ENSE
Jet fuel consumption	Portugal	+16	+35	+155	+10	+4.5	m	December	130,935 tons	ENSE
% change in toll roads kms traveled	France	+1.1			−2.1		m	December	n/a	Mundys
% change in toll roads kms traveled	Italy	+3			+1.8		m	December	n/a	Mundys
% change in toll roads kms traveled	Spain	+4.6			−2.9		m	December	n/a	Mundys
% change in toll roads kms traveled	Brazil	+11			+8.2		m	December	n/a	Mundys
% change in toll roads kms traveled	Chile	−1.7			+5.5		m	December	n/a	Mundys
% change in toll roads kms traveled	Mexico	−0.1			+13		m	December	n/a	Mundys

Notes: Click here for a PDF with more information on sources, methods. The frequency column shows w for data updated weekly, 2/m for twice a month and m for monthly.

Note: Some month−on−month comparisons were likely affected by Christmas and New Year holidays.

Congestion:

- READ (Jan. 23): Oil Price Indicators Weekly: OPEC's Outlook Is an Outlier
- READ (Jan. 24): Road Traffic Indicators: China Up Due to Late New Year
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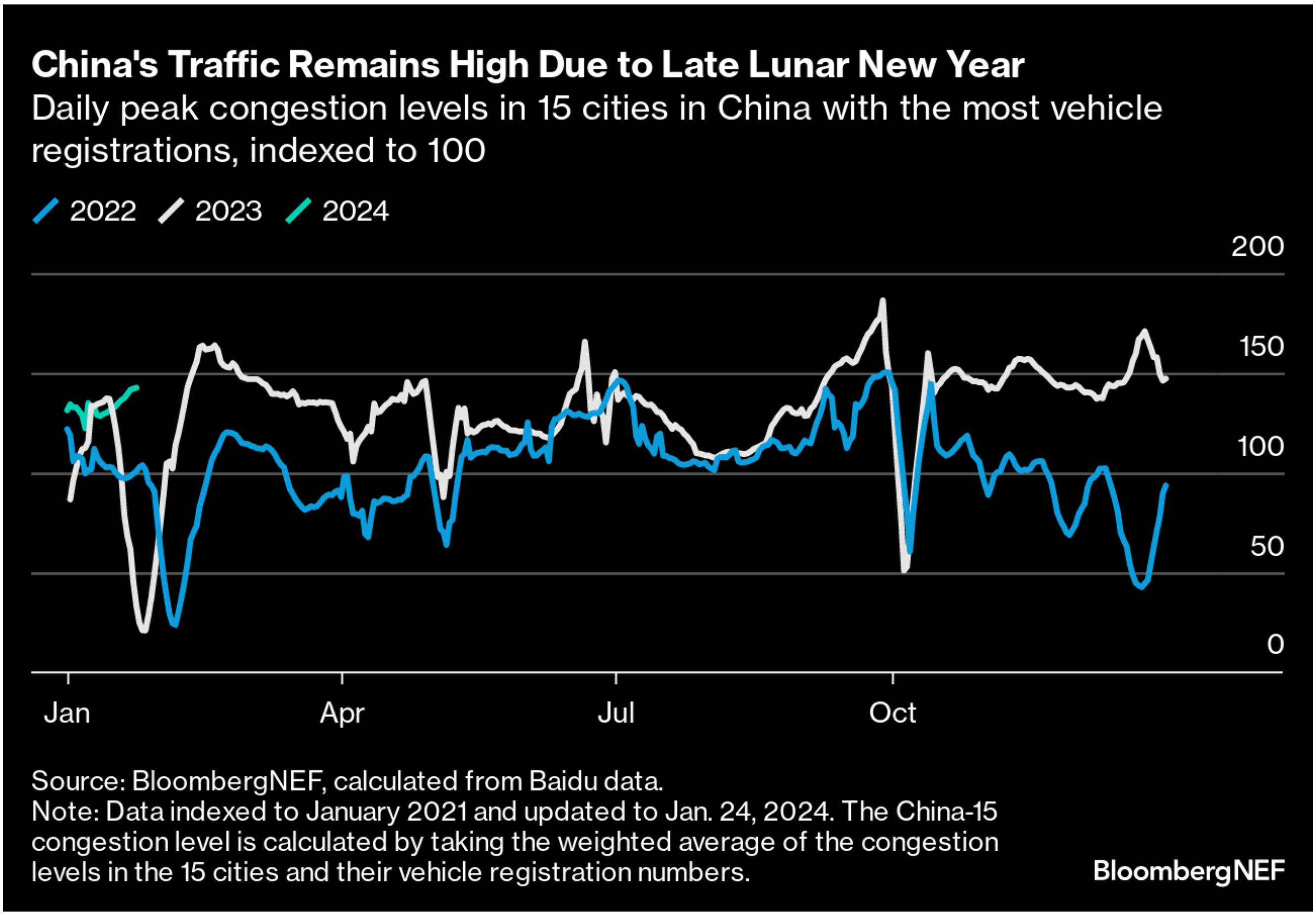

- NOTE: Due to ongoing issues with data feeds, this issue omits the table showing BNEF calculations of road congestion changes based on TomTom data. We are looking into potential alternative approaches.

Air Travel:

Measure	**Location**	**vs 2023**	**vs 2022**	**vs 2021**	vs 2020	**vs 2019**	**m/m**	**w/w**	**Freq.**	Latest Date	Latest Value	**Source**
			changes shown as %									
All flights	Worldwide	−0.5	+6.9	+27	−3.6	+7.8	−9.8	+1.2	d	Jan. 22	174,340	Flightradar24
Commercial flights	Worldwide	+9.9	+34	+77	+1.6	+9.3	−5.9	+1	d	Jan. 22	113,683	Flightradar24
Air traffic (flights)	Europe					−14	−11	+0.4	d	Jan. 22	23,372	Eurocontrol
Airline passenger throughput (7-day avg)	US	+3	+43	+184	−1	+5	−18	−3	w	Jan. 21	2.01m	TSA

Air passenger traffic per month	China	+171	+87	+20	−4.2	+3.3	m	December	50.6m	CAAC
Heathrow airport passengers	UK	+13	+115	+486	+0.1	+9.3	m	December	6.7m	Heathrow
Rome % change in passengers carried	Italy	+28			+0.3		m	December	n/a	Mundys

Note: Comparisons versus 2019 are a better measure of a return to normal for most nations, rather than y/y comparisons.

FlightRadar24 data shown above, and comparisons thereof, all use 7−day moving averages, except for w/w which uses single day data.

Refineries:

Measure	Location	vs 2023	vs 2022	vs 2021	vs 2019	m/m chg	Latest as of Date	Latest Value	Source
				Changes are in ppt unless noted					
Crude intake	US	+2	−1.4%	+3.8%	−10	−7.7%	Jan. 19	15.28m b/d	EIA
Utilization	US	−0.6	−2.2	+3.8	−7.4	−7.8	Jan. 19	85.5%	EIA
Utilization	US Gulf	−3.9	−3.1	+0.8	−8.3	−8.7	Jan. 19	83.8%	EIA
Utilization	US East	−7	+2.8	+21	+1.5	−0.5	Jan. 19	90.1%	EIA
Utilization	US Midwest	+2.7	−3.4	+4	−7.9	−11	Jan. 19	90.7%	EIA
Utilization (indep. refs)	Shandong, China	−0.7	−1.5	−11	−1	+5.9	Jan. 19	62.84%	Oilchem

Note: US refinery data is weekly. Changes are shown in percentages for the row on crude intake, while refinery utilization changes are shown in percentage points.

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https://www.trucking.org/news-insights/ata-truck-tonnage-index-increased-21-december

ATA TRUCK TONNAGE INDEX INCREASED 2.1% IN DECEMBER

Media Contact: Sean McNally

Jan 23, 2024

Index Fell 1.7% in 2023, Worst Year Since 2020

Washington — American Trucking Associations' advanced seasonally adjusted For-Hire Truck Tonnage Index increased 2.1% in December after falling 1.4% in November. In December, the index equaled 115.7 (2015=100) compared with 113.3 in November.

"While 2023 ended on a better note, truck tonnage remained in a recession as it continued to fall on a year-over-year basis," said **ATA Chief Economist Bob Costello.** "With that said, for-hire contract freight, which is what comprises our index, in December was 2.6% above the trough in April. For the entire year, tonnage contracted 1.7% from 2022 levels. This makes 2023 the worst annual reading since 2020 when the index fell 4% from 2019, and the only year since 2020 that tonnage contracted."

November's decline was revised down slightly from our December 19 press release.

Compared with December 2022, the SA index fell 0.5%, which was the tenth straight year-over-year decrease, albeit the smallest over that period. In November, the index was down 1.6% from a year earlier.

The not seasonally adjusted index, which represents the change in tonnage actually hauled by the fleets before any seasonal adjustment, equaled 110.7 in December, 1.9% below November's level (112.8). In calculating the index, 100 represents 2015. ATA's For-Hire Truck Tonnage Index is dominated by contract freight as opposed to spot market freight.

Trucking serves as a barometer of the U.S. economy, representing 72.6% of tonnage carried by all modes of domestic freight transportation, including manufactured and retail goods. Trucks hauled 11.46 billion tons of freight in 2022. Motor carriers collected $940.8 billion, or 80.7% of total revenue earned by all transport modes.

ATA calculates the tonnage index based on surveys from its membership and has been doing so since the 1970s. This is a preliminary figure and subject to change in the final report issued around the 5th day of each month. The report includes month-to-month and year-over-year results, relevant economic comparisons, and key financial indicators.

https://tipro.org/news/texas-upstream-employment-permian-production-and-energy-infrastructure-expand/

JANUARY 19, 2024

TEXAS UPSTREAM EMPLOYMENT, PERMIAN PRODUCTION AND ENERGY INFRASTRUCTURE EXPAND

Austin, Texas – Citing the latest Current Employment Statistics (CES) report from the U.S. Bureau of Labor Statistics (BLS), the Texas Independent Producers and Royalty Owners Association (TIPRO) today highlighted new employment figures showing an increase in upstream employment for the month of December 2023. According to TIPRO's analysis, direct Texas upstream employment for December totaled 211,700, an increase of 3,100 jobs from revised November employment numbers. Texas upstream employment in December 2023 represented the addition of 15,300 positions compared to December 2022, including an increase of 2,000 jobs in oil and natural gas extraction and 13,300 jobs in the services sector.

TIPRO's new employment data yet again indicated strong job postings for the Texas oil and natural gas industry during the month of December. According to the association, there were 10,928 active unique jobs postings for the Texas oil and natural gas industry in December, including 3,622 new job postings added during the month by companies. In comparison, the state of California had 2,970 unique job postings last month, followed by Louisiana (1,680), Oklahoma (1,406), and Pennsylvania (1,349). TIPRO reported a total of 49,895 unique job postings nationwide last month within the oil and natural gas sector.

Among the 17 specific industry sectors TIPRO uses to define the Texas oil and natural gas industry, Gasoline Stations with Convenience Stores led in the ranking for unique job listings in December with 2,962 postings, followed by Support Activities for Oil and Gas Operations (2,532), and Crude Petroleum Extraction (1,010). The leading three cities by total unique oil and natural gas job postings were Houston (2,881), Midland (815) and Odessa (488), said TIPRO.

The top three companies ranked by unique job postings in December were Cefco (1,148), Love's (780), and Zachry Brands (581), according to TIPRO. Of the top ten companies listed by unique job postings last month, six companies were in the services sector, followed by two in the gasoline stations with convenience stores category, one midstream company, and one in oil and natural gas extraction. Top posted industry occupations for December included first-line supervisors of retail sales workers (771), maintenance and repair workers (542) and heavy tractor-trailer truck drivers (333). The top posted job titles for December included store managers (260), customer service representatives (197), and maintenance people (142).

Top qualifications for unique job postings included valid driver's license (1,333), commercial driver's license (CDL) (189), and National Center for Construction Education & Research Certification (156). TIPRO reports that 41 percent of unique job postings had no education requirement listed, 33 percent required a bachelor's degree, and 28 percent required a high school diploma or GED. There were 1,391 advertised salary observations (13 percent of the 10,928 matching postings) with a median salary of $58,200. The highest percentage of advertised salaries (26 percent) were in the $90,000 to $500,000 range. TIPRO also notes that the average annual wage of $122,000 in 2023 for all Texas oil and natural gas industry sectors has increased by 17 percent since 2013.

Additional TIPRO workforce trends data:

- A sample of 500 industry job postings in Texas for December 2023 can be viewed here.

- The top three posting sources in December included www.indeed.com (4,770), www.simplyhired.com (2,567) and www.dayforcehcm.com (1,271).
- Average annual wages for the Texas oil and natural gas industry can be viewed here.
- Leading industry positions in Texas with median hourly earnings, education, work experience and typical on-the-job training is available here.

TIPRO also highlights recent data released from the Texas comptroller's office showing tax contributions provided by the Texas oil and natural gas industry in December. Texas energy producers last month paid $501 million in oil production taxes and contributed $171 million in natural gas production taxes. Oil and natural gas severance taxes remain an important source of revenue for state and local governments and continue to be used help to support and pay for road and infrastructure investments, water conservation projects, schools and education, first responders and other essential public services across the Lone Star State.

Oil output from the Permian Basin – the nation's top shale-producing region – is forecasted to expand slightly in February 2024 compared to January, with producers pumping a new record 5.974 million barrels per day (bpd), according to new production estimates published by the U.S. Energy Information Administration (EIA). Natural gas production in the Permian is also projected to increase in February compared to January for a total 24.393 billion cubic feet per day (bcf/d).

Oil and gas output from the other six leading basins around the country, with the exception of the Hayneville that remains flat, meanwhile, is expected to slow in February, noted the EIA, with total U.S. oil production forecasted to dip slightly to 9.680 million bpd from an estimated 9.682 million bpd in January. Total natural gas production in the nation's biggest shale basins is also projected to decline by 0.187 bcf/d to 98.889 bcf/d, EIA projections show. EIA's Drilling Productivity Report does not incorporate any weather events into its estimates.

Thanks to the leadership of Texas producers, EIA projects that U.S. crude oil production will reach 13.2 million barrels bdp in 2024 and more than 13.4 million bpd in 2025, both new records, while global petroleum consumption will increase by 1.4 million bpd in 2024 and 1.2 million bpd in 2025. Natural gas supply, including production and imports, will increase by more than 1.5 bcf/d in 2024, while demand, including domestic consumption and exports, increases by almost 2 bcf/d, driven by growth in exports.

TIPRO notes that U.S. energy infrastructure plays a critical role in meeting growing energy demand, providing the safest, most reliable means to transport oil and natural gas, while also lowering emissions by helping take trucks off the road. According to a recent Texan's for Natural Gas report, the Permian reached its lowest methane intensity yet, and did so during a record production year. The industry has been successful in reducing methane emission intensity by nearly 85 percent between 2011 and 2022.

In 2022 and 2023, the Texas Railroad Commission issued 178 new intrastate pipeline permits to pipeline operators, signaling the importance of adding additional energy infrastructure. This year, numerous pipelines with an estimated 51 mtpa in total capacity are expected to be approved within the Gulf Coast region – helping deliver cost-effective, reliable energy resources at home and abroad. In its 2023-2024 Winter Reliability Assessment, the North American Reliability Corporation (NERC) also flagged the need for additional pipeline capacity across several areas in the U.S. in order to avoid a lack of fuel supplies for natural gas-fired generation, specifically in the Midwest, Mid-Atlantic and Northeast regions.

Liquified natural gas (LNG) is a vital fuel source for the U.S. and its allies. The continued buildout and expansion of terminals in the U.S. reflects how important this energy source is for our economy and national security. Citing climate goals, environmentalists are eager to halt any new LNG project, while failing to acknowledge the emission reductions that natural gas has delivered as new production records are met. In response, the Biden Administration is considering expanding climate change assessments for LNG exports, which would negatively impact the Texas economy and energy security for U.S. allies abroad.

“Texas continues to lead in the production of oil and natural gas by a wide margin to meet growing global demand for our product,” said Ed Longanecker, President of TIPRO. “Additional energy infrastructure is needed in Texas and across the U.S., as are policies and regulations that support domestic production and the build out of this critical transportation system. As producers work to provide reliable energy for our country and trade partners, new pipeline projects are coming online to ensure production from basins like the Permian Basin and Eagle Ford can make it to export terminals, municipalities, and storage,” added Longanecker.

SAF Group created transcript of comments by Amos Hochstein (energy security advisor to White House) with Bloomberg's Jonathan Ferro, Lisa Abramowicz and Annmarie Hordern on Bloomberg Surveillance on Jan 25, 2024 https://www.bloomberg.com/news/videos/2024-01-25/iran-oil-sanctions-are-working-says-biden-adviser-video

Items in "italics" are SAF Group created transcript

At 6:18 min mark, Ferro "*Well let's talk about the bumps in the road right now. So Hertz, a bit of a reality check right now, they've going to dump 20,000 EVs, the cost of carry is just through the roof, can't afford them, demand's not there. F-150, not exactly exploding right now, they've been cutting production. You see example after example in America right now that it just feels like maybe we're trying to move too quickly.*"

Hochstein "*Well I think what you saw with the legislation that the president pushed through, was to do exactly, to address exactly this problem. So we've grown in the new car sales of EVs dramatically over the last couple years, sometimes doubling in one year. That's a lot. So we've accelerated beyond expectations. That comes with, the fact that you have to accelerate the infrastructure that needs to be there to support it, how many charging stations. People in multiple polls will say that one of the things that worries them about EVs is the charging stations: will they have enough? And that is what the IRA is supposed to do, to be able to invest and making sure that we have the deployment of the charging stations there".*

Ferro *"Secretary Kerry says the range anxiety is a misinformation campaign. What's that about?"*

Hochstein *"You'll have to ask him what he meant. But I think that people want to be able to have an affordable car that they can manage their day to day lives with. And most people don't go 200 miles in a 24hr period. They drive a lot less. They go to work. They take the kids to school. They go shopping. They come home, they maybe go out downtown. So the needing 400 miles on one charge, I think is not what's holding people back. They don't expect that on anything else. So, but we do have to have the comfort and the convenience that goes with knowing the peace of mind and knowing that if I go on the road, I will, I'll know what to do with my car if I run into a longer trip than expected. And I think those are the kids of issues that we need to work on. So instead of going into these, you know, extremes of EVs that don't work, EVs that, you know, are working, we have to look at what's stopping people from buying them. How do we address that issue? And that's what President Biden's been doing this whole time, trying to avoid the hyperbole, and going into what do we have? What are the solutions? How do we use, if we want to be the leader in the auto sector for the next, the 21st century? We have to invest now. We have to make the investments so that we are the sector elite. People are coming for us. They want to compete in this sector and they're investing enormous amounts of money. People always say that what we're doing is not fair because its not free market. I tell them the energy sector, there is no free market. Most of the energy sector is controlled by governments around the world and we need to put in American dollars not to replace the private sector, but to incentivize the direction of travel so that we can accelerate this energy transition, Because if we don't, we will fall behind. Not only will we sin to our children and grandchildren on climate change, but we will actually do a disservice to American economic security. The private sector is not going to make these investments because if they're not 20% IRRs, or 18%. So what we need to do is to have that incentive both on the tax side, credits, other incentives and the actual spending so that the private sector then comes in and make those investments. We've seen it work in the CHIPS act where that's not only an economic security, Jon, it's a national security concern if we're not making the chips for the future that we are trying to create, we lead the world in the technology. We have to have the infrastructure and we have to have the inputs into that."*

Prepared by SAF Group https://safgroup.ca/news-insights/

National Audit Office

REPORT

The government's support for biomass

Department for Energy Security & Net Zero

SESSION 2023-24
24 JANUARY 2024
HC 358

Key facts

£22bn

government support to businesses using biomass to generate power and heat – 2002 to 2023, in cash terms

11%

of UK electricity generated from biomass (known as bioenergy) in 2022

6.4%

of UK heat generated from biomass in 2021

3,000 megawatts	combined generating capacity of the two largest biomass power stations – Drax and Lynemouth
£6.5 billion	net amount in cash terms of government and consumer funding received by Drax, the largest recipient of the Renewables Obligation and Contracts for Difference schemes, between 2002 and 2023
£9.3 million	the average amount received by each generator via the Renewables Obligation, excluding the largest recipient Drax, between 2002 and 2023, in cash terms
9.1 million	tonnes of wood pellets imported to the UK for use in energy production in 2021
66%	of biomass used in UK electricity generation, heat and transport in 2022 was from domestic feedstocks

Note

1 Participants in the Renewables Obligation scheme are given Renewables Obligation Certificates for the power they generate. These certificates have a maximum notional value and are traded or sold to energy suppliers. The figures quoted in this report are based on the maximum notional value of the certificates issued.

Summary

1 Biomass, such as plants or food waste, can be used to generate power or heat, or made into biofuel for vehicles or other uses.[1] Since 2002, the government has provided financial support for businesses and households using biomass for power and heat because of its potential to be a low-carbon alternative to fossil fuels. Over that time, the use of biomass in energy production has increased significantly. For example, in 2022, biomass-fuelled power stations accounted for 11% of total UK electricity generation, an increase of around eight percentage points compared with 2010. Much of this power comes from biomass stations at Drax and Lynemouth, which have generating capacities of 2,580 Megawatts (MW) and 420 MW respectively. These large biomass power stations typically burn wood pellets, 9.1 million tonnes of which were imported into the UK in 2021. Unlike some other methods of generating electricity, such as solar and wind, biomass is not intermittent and can be used at critical times to support the electricity grid. The use of biomass to generate heat has increased significantly as well, more than doubling between 2010 and 2021 to account for 6.4% of UK heat generation. In 2022, 66% of biomass used in UK heat, electricity and transport was from domestic sources.

2 The government sees biomass as a low-carbon fuel, provided that it is produced from sustainable sources. For biomass to fulfil this potential though, government must have an assurance system that gives it confidence that the biomass is made up of genuinely sustainable resources. The government sees biomass as having a significant role in decarbonising many sectors of the economy ranging from transportation, power generation, industry and residential emissions. If sustainable biomass is enabled with carbon capture and storage, it could generate negative emissions. This is because biomass absorbs carbon as it grows. If, rather than being released back into the atmosphere when it is burnt to generate heat or power, the carbon is captured and stored it would result in an overall net decrease in atmospheric carbon dioxide. Although no UK biomass generators currently have the capability to capture and store carbon, the government is planning for this in the future. This would give sustainable biomass the potential to offset residual emissions in harder-to-decarbonise sectors, such as aviation. The Climate Change Committee (CCC), government's independent adviser on progress towards its climate ambitions, has said that sustainably harvested biomass can play a significant role in meeting long-term climate targets, provided it is prioritised for the most valuable end-uses.

1 Some biomass feedstocks, such as wood pellets, are burned to produce heat and energy. Other biomass feedstocks, such as biogenic waste used in anaerobic digestion, are used to produce fuels (in this case biomethane) that are burnt. For simplicity, we refer to biomass being burnt throughout the report.

3 The Department for Energy Security & Net Zero (DESNZ) has overall responsibility for government’s approach to supporting biomass. In August 2023, DESNZ published its *Biomass Strategy* setting out the significant role it considers biomass can play in achieving net zero by 2050. This included actions for strengthening sustainability criteria covering biomass use; prioritising the use of biomass given its limited supply; and the potential for biomass to be used in conjunction with carbon capture and storage, known as BECCS. The Office of Gas and Electricity Markets (Ofgem) administers the government schemes that provide the majority of financial support for biomass in the heat and power sectors – the Renewables Obligation and the Renewable Heat Incentive.

Scope and purpose of this report

4 This report examines:

- the current role of biomass in generating heat and power, and the responsibilities in government for biomass (Part One);
- the government schemes currently in place to support the deployment of biomass, how much they have cost, and how the government makes sure scheme participants meet sustainability criteria (Part Two); and
- the main features of DESNZ’s *Biomass Strategy* (Part Three).

5 The purpose of this report is to support Parliament’s understanding of the conditions in which the government considers biomass as a sustainable, low-carbon alternative to fossil fuels. It looks into government’s compliance regime for the current support schemes and identifies lessons that it should incorporate into current and future support schemes. The report highlights the main risks DESNZ will need to manage as it takes forward its *Biomass Strategy* and the impact these risks could have on its overall ambition to achieve net zero.

6 This report focuses on government support and oversight of biomass use in the power and heat sectors. Biomass is also used in transport, primarily in the form of biodiesel and bioethanol blended into standard diesel and petrol. These fuels are outside the scope of this report.

Key findings

Government support for biomass as a low-carbon alternative to fossil fuels

7 **The government and CCC consider biomass to be low carbon only if generators adhere to certain sustainability criteria.** Burning biomass derived from plants and trees releases carbon dioxide into the atmosphere in much the same way as burning fossil fuels. However, provided that the biomass came from a sustainable source, such as a well-managed forest, the carbon can be reabsorbed as it regrows in a relatively short time. This means that the net carbon impact over the whole process (including regrowth) will be much less than burning fossil fuels which cannot be replenished. For schemes where it provides support for biomass generators, the government has set sustainability criteria that focus on the land from which the biomass is sourced and its life cycle greenhouse gas emissions, including from cultivation, harvesting, transportation and processing (paragraphs 1.2 to 1.6 and paragraph 2.8)

8 **Between 2002 and 2023, the government provided £22 billion of support in cash terms to businesses using biomass through a combination of consumer- and taxpayer-funded schemes.** This includes:

- £14.1 billion consumer-funded support through the Renewables Obligation (RO) scheme, which looks to encourage the generation of electricity from renewable sources. As the largest biomass electricity generator in the scheme by some distance, Drax received £5.1 billion (36%) of this funding. The remaining £9.1 billion went to 973 generators (an average of £9.3 million per generator);
- Consumer-funded support with a net worth of £2 billion to date through Contracts for Difference (CfD). Drax has received net payments of £1.4 billion through these contracts and a second large power station, Lynemouth, has received £0.6 billion. A third large biomass station, MGT Teesside, began generating electricity under a CfD in September 2023. These contracts mean generators receive a fixed price for the electricity they generate, supported by consumer-funded top up payments collected through energy bills; and
- £5.5 billion through the Renewable Heat Incentive (RHI), a taxpayer-funded scheme to encourage homes and businesses to install low-carbon heating systems which can include biomass (paragraphs 1.15 and 2.3 to 2.5, Figures 5 and 6).

Ensuring compliance with sustainability criteria

9 **Scheme rules require participants to submit regular information to Ofgem to demonstrate their compliance with sustainability criteria.** The assurance arrangements were set in legislation when the government first introduced sustainability criteria in 2015 and aim to balance monitoring compliance with the challenges posed by the long, complex supply chains for biomass. For both the RO and CfD schemes, legislation requires scheme participants, depending on their capacity, to submit monthly information to Ofgem stating that they have complied with land and greenhouse gas emissions criteria. Generators are allowed to use third-party certification schemes, approved by the European Commission or recognised by the UK government, to demonstrate compliance. Generators need to demonstrate that 70% of any woody biomass burnt has met sustainability criteria for land from which the biomass has been sourced. The legislation also requires solid biomass and biogas stations with a generating capacity of one megawatt or more (and all bioliquid stations regardless of capacity) to confirm the accuracy of the sustainability information they submit by commissioning an independent, limited assurance audit report each year. Ofgem told us that it reviews the annual sustainability reports to ensure that they meet the reporting requirements set out in legislation. DESNZ considers these arrangements a proportionate approach to give government sufficient confidence in the credibility of the sustainability criteria for existing schemes (paragraphs 2.6 to 2.14, Figures 7 and 8).

10 **Ofgem is currently carrying out an investigation into Drax Power Limited.** Drax Power Limited falls under the compliance regime established in legislation. On 31 May 2023, Ofgem announced it was investigating whether Drax Power Limited was in breach of annual profiling reporting requirements relating to the RO scheme and other related matters. The annual profiling requirements mean generators with capacity greater than 50kW must submit information annually on the sustainability characteristics of their biomass used during the previous year such as the forest where it was grown and a description of forestry management practices. Ofgem has stated that the investigation does not imply that it has made any findings about possible non-compliance by Drax Power Limited. It expects to report in 2024 (paragraphs 2.14 to 2.15).

11 **The government plans to strengthen its sustainability criteria for future support.** DESNZ has reported that stakeholders have mixed views about the current sustainability criteria: in a recent call for evidence, roughly the same proportion of respondents stated that the current criteria were sufficient as stated that they were not. As part of its *Biomass Strategy*, DESNZ committed to develop and then consult on a common sustainability framework which can be applied to new future biomass policies and schemes across a range of applications. This framework will also consider issues such as biodiversity. Our experience from auditing other areas of government shows that to gain the necessary assurance about more stringent rules, DESNZ will need to commit more resources to monitoring and compliance. DESNZ has also committed to considering whether a requirement should be introduced that 100% of woody biomass is sustainable against the land criteria, rather than the current 70% (paragraphs 3.6 and 3.7).

12 The government has not evaluated whether the current arrangements provide adequate assurance that firms are complying with sustainability requirements. Good practice for any arrangements to manage non-compliance is to ensure controls are evaluated to assess how they are performing and to identify new and emerging risks. DESNZ has not reviewed the existing arrangements but accepts that its work to develop a cross-sector sustainability framework would be an opportune moment to review existing arrangements and consider how changes could be implemented in future schemes. It is planning to run a pilot between October 2023 and April 2024 with a range of generators on the Renewables Obligation scheme on increasing the requirements on data reporting by generators on their biomass feedstocks and supply chains. It hopes that this additional information would increase transparency and improve public trust. Ofgem told us that it had carried out its role in line with the assurance measures required by legislation, and that it has not reviewed the effectiveness of the current approach which is established in legislation, though it is happy to share its expertise to support the government in any such review. Ofgem also considers a review of the effectiveness of the current regimes would be a significant undertaking given the scale and complexity of the supply chain. An assessment of the current approach, which relies mainly on information provided by generators, would indicate how effective it has been at ensuring compliance and should help inform the development of a regime to monitor stronger sustainability criteria (paragraphs 2.18 to 2.22).

Risks to implementing the *Biomass Strategy*

13 There is limited biomass available, so departments across government will need to work together to prioritise how it is used. The government expects global demand for biomass to increase in the medium- to long-term as countries employ it in their efforts to reduce carbon emissions. This could create further pressure on supplies as there are competing priorities for land use in the UK which limit the potential to increase domestic biomass production, including reforestation and food supplies. DESNZ has set out four principles for guiding the use of biomass as it is a limited resource. These are: sustainability; air quality; net zero; and contribution to the circular economy and resource efficiency. The government has identified BECCS as a priority intervention in the long term (paragraphs 3.3 to 3.5 and 3.9).

14 Biomass's ability to generate negative emissions relies on the success of government's programme to develop carbon capture utilisation and storage (CCUS). There are no BECCS plants currently operating in the UK. DESNZ has a programme to promote CCUS technology and is negotiating commercial terms with a first wave of eight carbon capture projects. None of these are BECCS plants, although BECCS plants could be successful in later phases of the CCUS programme. On 16 January 2024, the Secretary of State for Energy Security and Net Zero granted development consent for Drax's BECCS project. DESNZ is considering whether to provide transitional support to large scale biomass generation, such as Drax and Lynemouth beyond 2027, when both their CfDs and Drax's support through the RO is due to finish, to enable them to convert to BECCS in the future (paragraphs 3.10 to 3.12)

15 **If biomass cannot make the contribution to achieving net zero that government currently expects, DESNZ may need to increase activity in other areas.** If DESNZ needs to lower its expectations around the contribution that biomass can make, either because of the supply or compliance challenges outlined above, it may require additional action elsewhere to achieve its net zero target. This could include increasing the capacity of other types of greenhouse gas removals technology, greater behaviour change or innovation. The CCC has said that in scenarios in which residual emissions are highest due to lower overall levels of behaviour change and innovation, achieving net zero is more dependent on technologies that remove carbon dioxide from the atmosphere (paragraph 1.12).

Conclusion

16 The government is relying on biomass, in combination with CCUS, to make a significant contribution to its net zero goals. For biomass to fulfil this role the government needs to be confident that the industry is meeting high standards of sustainability. Its current monitoring arrangements rely on a combination of information provided by generators, third-party certification schemes and limited-assurance audit reports. DESNZ considers this a proportionate approach that provides it sufficient confidence in the credibility of the sustainability criteria for existing schemes. But in our view the lack of an evaluation of how effective these arrangements have been, particularly given the long supply chains involved, means the government cannot demonstrate that its current arrangements are adequate to give it confidence industry is meeting sustainability standards.

17 The government must review the assurance arrangements for these schemes, including ensuring that it has sufficient resources to give it assurance over the billions of pounds involved. It should apply the lessons from its experience to date to make sure it has clarity about the roles, responsibilities and effectiveness of the different organisations that provide assurance around sustainability. Doing so will enable it to understand how its assurance approach will need to adapt to support its plans to strengthen sustainability criteria, and in response to increasing global demand for biomass.

Recommendations

18 In taking forward its *Biomass Strategy*, DESNZ should:

a as part of its commitment to consider whether a requirement that 100% of woody biomass is sustainable against its land criteria, define its risk appetite for non-compliance against this increased threshold and ensure a commensurate assurance approach.

b evaluate whether its current arrangements provide adequate assurance that generators are complying with sustainability criteria on the Renewables Obligation and Contracts for Difference schemes. This should include a detailed review of accreditation schemes such as the Sustainable Biomass Program, an estimate of the current rates of non-compliance, and an assessment of whether all parts of the system of oversight share a coherent view of the level assurance achieved.

c commission and then publish an assessment of the potential environmental impact of transitional support to large scale biomass generation beyond 2027, including clarification of how long it expects these subsidies to continue prior to being replaced by government support for BECCS.

d review annually its expectation of the contribution that BECCS will make to generating negative emissions and prepare in advance alternative options for achieving net zero in the event that BECCS's contribution is lower than currently expected.

https://www.canada.ca/en/immigration-refugees-citizenship/news/2024/01/canada-to-stabilize-growth-and-decrease-number-of-new-international-student-permits-issued-to-approximately-360000-for-2024.html

Canada to stabilize growth and decrease number of new international student permits issued to approximately 360,000 for 2024

From: Immigration, Refugees and Citizenship Canada

News release

January 22, 2024—Ottawa—International students enrich our communities and are a critical part of Canada's social, cultural and economic fabric. In recent years, the integrity of the international student system has been threatened. Some institutions have significantly increased their intakes to drive revenues, and more students have been arriving in Canada without the proper supports they need to succeed. Rapid increases in the number of international students arriving in Canada also puts pressure on housing, health care and other services. As we work to better protect international students from bad actors and support sustainable population growth in Canada, the government is moving forward with measures to stabilize the number of international students in Canada.

The Honourable Marc Miller, Minister of Immigration, Refugees and Citizenship announced today that the Government of Canada will set an intake cap on international student permit applications to stabilize new growth for a period of two years. For 2024, the cap is expected to result in approximately 360,000 approved study permits, a decrease of 35% from 2023. In the spirit of fairness, individual provincial and territorial caps have been established, weighted by population, which will result in much more significant decreases in provinces where the international student population has seen the most unsustainable growth. Study permit renewals will not be impacted. Those pursuing master's and doctoral degrees, and elementary and secondary education are not included in the cap. Current study permit holders will not be affected.

IRCC will allocate a portion of the cap to each province and territory, who will then distribute the allocation among their designated learning institutions. To implement the cap, as of January 22, 2024, every study permit application submitted to IRCC will also require an attestation letter from a province or territory. Provinces and territories are expected to establish a process for issuing attestation letters to students by no later than March 31, 2024.

These temporary measures will be in place for two years, and the number of new study permit applications that will be accepted in 2025 will be re-assessed at the end of this year. During this period, the Government of Canada will continue to work with provinces and territories, designated learning institutions and national education stakeholders on developing a sustainable path forward for international students, including finalizing a recognized institution framework, determining long-term sustainable levels of international students and ensuring post-secondary institutions are able to provide adequate levels of student housing.

In order to better align the Post-Graduation Work Permit Program, we are changing the eligibility criteria:

- Starting September 1, 2024, international students who begin a study program that is part of a curriculum licensing arrangement will no longer be eligible for a postgraduation work permit upon graduation. Under curriculum licensing agreements, students physically attend a private college that has been licensed to deliver the curriculum of an associated public college. These programs have seen significant growth in attracting international students in recent years, though they have less oversight than public colleges and they act as a loophole with regards to post-graduation work permit eligibility.
- Graduates of master's and other short graduate-level programs will soon be eligible to apply for a 3-year work permit. Under current criteria, the length of a postgraduation work permit is based solely on the length of an individual's study program, hindering master's graduates by limiting the amount of time they have to gain work experience and potentially transition to permanent residence.

In the weeks ahead, open work permits will only be available to spouses of international students in master's and doctoral programs. The spouses of international students in other levels of study, including undergraduate and college programs, will no longer be eligible.

The important measures announced today complement other recently announced reforms to the International Student Program. Taken together, they aim to ensure genuine students receive the support they require and have the resources they need for an enriching study experience in Canada, while at the same time stabilizing the overall number of students arriving and alleviating pressures on housing, health care and other services in Canada.

Quotes

"International students are vital to Canada and enrich our communities. As such, we have an obligation to ensure that they have access to the resources they need for an enriching academic experience. In Canada, today, this isn't always the case. Today, we are announcing additional measures to protect a system that has become so lucrative that it has opened a path for its abuse. Enough is enough. Through the decisive measures announced today, we are striking the right balance for Canada and ensuring the integrity of our immigration system while setting students up for the success they hope for."

– The Honourable Marc Miller, Minister of Immigration, Refugees and Citizenship

Quick facts

- In the coming months, we will continue to work to provide clear pathways to permanent residence for students with in-demand skills and explore new measures to better transition international students to the labour force.
- The department has introduced several measures recently to make sure the International Student Program works for in-coming students, as well as the country as a whole, including:
  - On January 1, 2024, the cost-of-living requirement for study permit applicants was updated to better reflect the true cost of living in Canada and help prevent student vulnerability and exploitation.
  - Since December 1, 2023, post-secondary designated learning institutions have been required to confirm every letter of acceptance submitted by an applicant outside Canada directly with IRCC. This enhanced verification process protects prospective students from fraud and ensures that study permits are issued based only on genuine letters of acceptance.
  - In 2024, we intend to implement targeted pilots aimed at helping underrepresented cohorts of international students pursue their studies in Canada.

Related products

- Backgrounder: Making Canada's International Student Program

Associated links

- News release: Revised requirements to better protect international students
- Report: An Immigration System for Canada's Future: Strengthening our communities
- News release: Changes to International Student Program aim to protect students

Contacts

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THE INVESTMENT FUNDS INSTITUTE OF CANADA | L'INSTITUT DES FONDS D'INVESTISSEMENT DU CANADA

IFIC Monthly Investment Fund Statistics – December 2023
Mutual fund and exchange-traded fund (ETF) assets and sales

January 25, 2024 (Toronto) – The Investment Funds Institute of Canada (IFIC) today announced investment fund net sales and net assets for December 2023.

Mutual fund assets totalled $1.936 trillion at the end of December, up by $43.0 billion or 2.3 per cent since November. Mutual fund net redemptions were $5.3 billion in December.

ETF assets totalled $382.5 billion at the end of December, up by $13.2 billion or 3.6 per cent since November. ETF net sales were $3.8 billion in December.

December insights

- Mutual fund and ETF assets increased for the second consecutive month.
- Mutual fund net redemptions were driven by outflows from balanced and equity funds, with bond funds, money market funds and speciality funds all seeing net inflows.
- For ETFs, bond funds accounted for 48 per cent of net inflows with the vast majority going into Canadian bond funds.
- Equity ETFs brought in 47 per cent of net sales with the largest share being directed to U.S. equity funds.
- ETF money market funds experienced net redemptions in December, marking the first month of negative money-market sales since November 2021.

Mutual fund net sales/net redemptions ($ millions)*

Asset class	Dec 2023	Nov 2023	Dec 2022	2023	2022
Long-term funds					
Balanced	(4,612)	(6,510)	(4,935)	(56,866)	(29,959)
Equity	(2,514)	(3,178)	(3,069)	(25,568)	(8,461)
Bond	845	(435)	(2,187)	6,986	(13,811)
Specialty	176	391	102	3,538	1,306
Total long-term funds	(6,105)	(9,732)	(10,088)	(71,909)	(50,925)
Total money market funds	790	1,227	1,802	14,825	7,196
Total	(5,315)	(8,506)	(8,286)	(57,084)	(43,729)

Mutual fund net assets ($ billions)*

Asset class	Dec 2023	Nov 2023	Dec 2022
Long-term funds			
Balanced	901.1	881.7	880.6
Equity	715.2	699.2	649.6
Bond	242.0	235.3	222.7
Specialty	26.8	26.6	22.2
Total long-term funds	1,885.1	1,842.8	1,775.1
Total money market funds	51.0	50.2	34.5
Total	1,936.1	1,893.0	1,809.6

* See below for important information about this data.

ETF net sales/net redemptions ($ millions)*

Asset class	Dec 2023	Nov 2023	Dec 2022	2023	2022
Long-term funds					
Balanced	237	196	125	1,824	1,634
Equity	1,766	2,835	1,950	12,439	13,981
Bond	1,816	582	3,524	11,933	9,301
Specialty	219	1,003	(94)	2,391	1,378
Total long-term funds	4,039	4,615	5,504	28,587	26,295
Total money market funds	(271)	452	2,172	9,028	9,797
Total	3,767	5,066	7,676	37,616	36,092

ETF net assets ($ billions)*

Asset class	Dec 2023	Nov 2023	Dec 2022
Long-term funds			
Balanced	15.1	14.5	12.0
Equity	233.0	225.1	194.9
Bond	94.6	90.4	80.4
Specialty	14.4	13.7	10.2
Total long-term funds	357.2	343.7	297.5
Total money market funds	25.3	25.6	16.3
Total	382.5	369.3	313.7

* See below for important information about this data.

IFIC direct survey data (which accounts for approximately 85 per cent of total mutual fund industry assets and approximately 83 per cent of total ETF industry assets) is complemented by estimated data to provide comprehensive industry totals.

IFIC makes every effort to verify the accuracy, currency, and completeness of the information, however, IFIC does not guarantee, warrant, represent or undertake that the information provided is correct, accurate or current.

*** Important information about investment fund data**

1. Mutual fund data is adjusted to remove double counting arising from mutual funds that invest in other mutual funds.

2. Starting with January 2022 data, ETF data is adjusted to remove double counting arising from Canadian-listed ETFs that invest in units of other Canadian-listed ETFs. Any references to IFIC ETF assets and sales figures prior to 2022 data should indicate that the data has not been adjusted for ETF of ETF double counting.
3. The balanced funds category includes funds that invest directly in a mix of stocks and bonds or obtain exposure through investing in other funds.
4. Mutual fund data reflects the investment activity of Canadian retail investors.
5. ETF data reflects the investment activity of Canadian retail and institutional investors.

About IFIC
The Investment Funds Institute of Canada is the voice of Canada's investment funds industry. IFIC brings together 150 organizations, including fund managers, distributors and industry service organizations to foster a strong, stable investment sector where investors can realize their financial goals. By connecting Canada's savers to Canada's economy, our industry contributes significantly to Canadian economic growth and job creation. To learn more about IFIC, please visit www.ific.ca.

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wtw

Global Pension Finance Watch – Fourth Quarter 2023

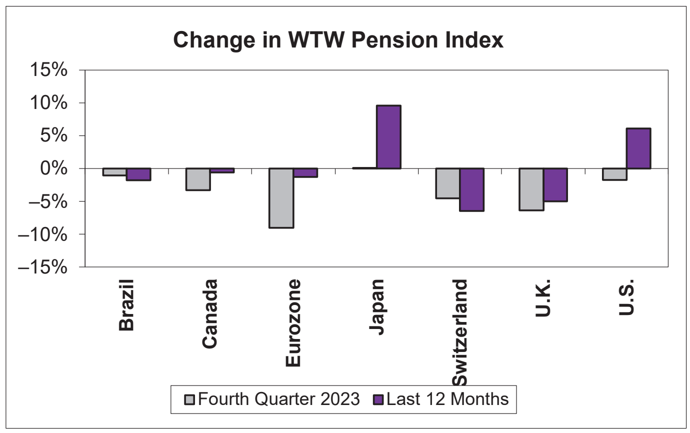
Volatile Fourth Quarter Index Results

More dovish Central Bank policies across key markets in Q4 2023 led to a more volatile quarter than Q3 marked by discount rate decreases across all countries. Asset performance was largely positive, and inflationary pressures remain but show signs of subsiding. Overall, the combined effects drove negative third quarter pension index results for all countries, with the exception of Japan. The pension index decreased in all regions over the full year, with decreases in the single digits, except for in Japan and the United States, where strong equity performance drove single digit increases.

While it is always the case that Global Pension Finance Watch captures results at the end of each quarter, we particularly want to highlight the point in time view of this publication in light of recent volatility. WTW supports the daily monitoring of pension funded status and other key pension financial metrics for those organizations wishing to inform key business decisions.

Change in WTW Pension Index	*Q4 2023*	*Last 12 Months*
Brazil	-1.0%	-1.8%
Canada	-3.3%	-0.6%
Eurozone	-9.0%	-1.3%
Japan	0.1%	9.6%
Switzerland	-4.5%	-6.5%
U.K.	-6.4%	-5.0%
U.S.	-1.7%	6.1%

The WTW Pension Index is the ratio of the market value of assets to the projected benefit obligation (PBO) for a hypothetical benchmark plan.



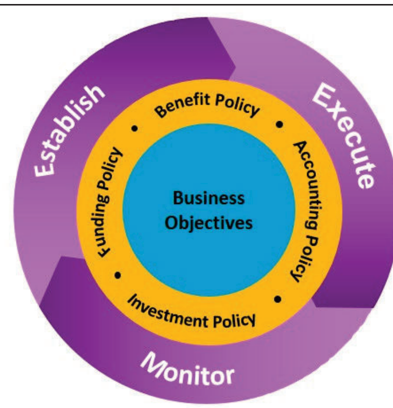
About this report

Global Pension Finance Watch, published quarterly, reviews how capital market performance affects defined benefit pension plan financing in major retirement markets worldwide, with a focus on linked asset/liability results. We cover defined benefit pension plans in Brazil, Canada, the Eurozone, Japan, Switzerland, the U.K. and the U.S. Specific plan results will vary, often substantially, based on liability characteristics, contribution policy, portfolio composition and management strategy among other factors. The passage of time since quarter end, may also have a significant impact on pension plan financing.

The impact of capital markets on these pension plans is twofold:

- Investment performance on fund assets
- Changes in economic assumptions on plan liabilities (as measured under international accounting standards)

If you have questions or comments about this report, please contact Nathan Pavlik in Chicago at nathan.pavlik@wtwco.com or David Finn in London at david.finn@wtwco.com.



Investment returns and liability growth

All countries experienced positive asset returns during the fourth quarter.

Investment returns	*Q4 2023*	*Last 12 Months*
Brazil	6.5%	19.1%
Canada	12.1%	12.1%
Eurozone	6.6%	11.0%
Japan	1.8%	10.7%
Switzerland	3.8%	7.4%
U.K.	12.4%	3.9%
U.S.	9.6%	16.2%

Note: All regional financial results are stated on a local currency basis.

Benchmark discount rates experienced large decreases in all countries.

Benchmark discount rate*	Plan Duration	Dec. 2023	Sep. 2023	Jun. 2023
Brazil	13.8	9.69%	10.08%	9.68%
Canada	14.8	4.62%	5.63%	4.88%
Eurozone	16.8	3.14%	4.08%	3.55%
Japan	15.8	2.36%	2.43%	1.97%
Switzerland	16.8	1.32%	1.86%	1.78%
U.K.	17.1	4.50%	5.55%	5.17%
U.S.	13.8	5.18%	5.98%	5.28%

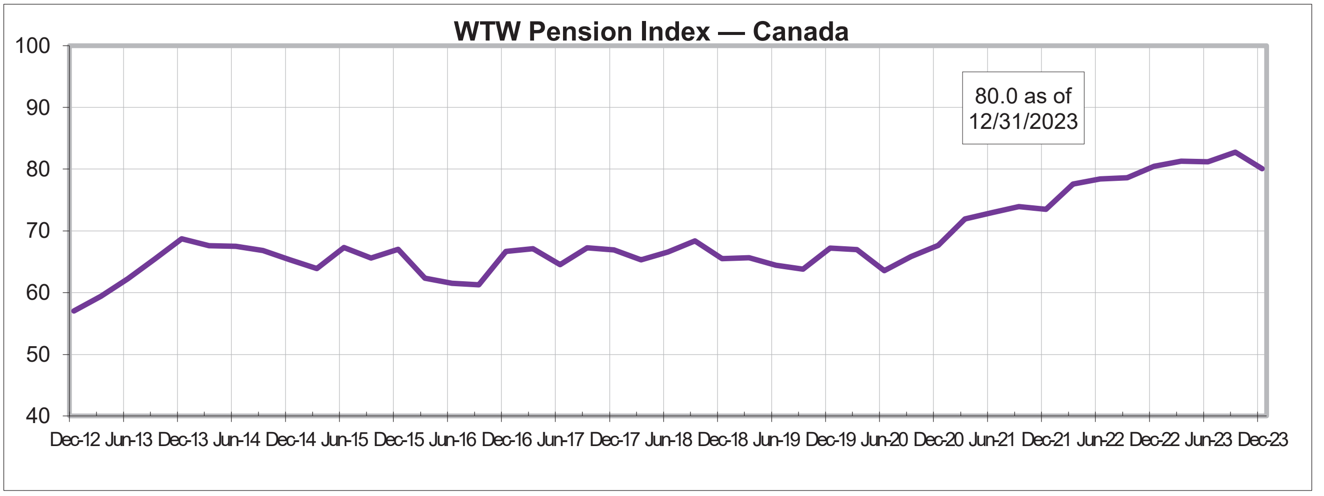
*Discount rates for the benchmark plans were determined using WTW's RATE:Link methodology in those countries where it is available. There is generally more than one acceptable approach for determining the discount rate in each country. The approach used for index purposes is one of several possible approaches; other acceptable methodologies may result in higher or lower discount rates.

Liability values increased over the fourth quarter for all regions.

Liability growth factor	*Q4 2023*	*Last 12 Months*
Brazil	7.6%	21.3%
Canada	15.9%	12.7%
Eurozone	17.1%	12.4%
Japan	1.7%	1.0%
Switzerland	8.7%	14.9%
U.K.	20.0%	9.4%
U.S.	11.5%	9.5%

Note: The liability growth factor reflects the net change in the benchmark plan's PBO due to interest accumulation and changes in financial assumptions.

Canada



Equities and domestic bonds showed positive returns over the quarter. Overall, the benchmark portfolio increased 12.1% over the quarter.

The benchmark discount rate decreased by 101 basis points over the quarter, which taken together with interest accumulation, increased the liability by 15.9% over the quarter.

The combined effect of the asset and liability movements was a 3.3% decrease in the pension index over the fourth quarter.

Investment returns	*Q4 2023*	*Last 12 Months*
Domestic equity	8.1%	11.8%
International equity	8.3%	19.3%
Domestic fixed income	14.8%	9.5%
International fixed income	NA	NA
Benchmark portfolio	12.1%	12.1%

Interest rates	Dec. 2023	Sep. 2023	Jun. 2023
30-year govt. bond	3.02%	3.81%	3.09%
10-year govt. bond	3.10%	4.03%	3.26%
Three-month govt. bond	5.05%	5.13%	4.92%
Long-term AA-rated corporate bond	4.04%	4.94%	4.17%
Benchmark discount rate	4.62%	5.63%	4.88%

General comments

In order to obtain a general indication of pension plan performance in various countries, we defined a benchmark pension plan that is intended to be representative of the pension liabilities and plan assets (including asset mix) that are typically found in each global market. Note that certain simplifying assumptions are made about cash contributions made to the benchmark plan and other characteristics.

Liability measurement

Pension plan liabilities under many commonly used international accounting standards (including ASC 715, CICA 3461, CVM 371, FRS 17 and IAS 19) are measured using a discount rate that is set based on yields available on high-quality corporate bonds as of the date that liabilities are measured.

While the discount rate is the most commonly quoted assumption, liability and expense calculations depend on a number of additional assumptions, both economic (such as expected salary increases and expected benefit increases) and demographic. Other financial assumptions are adjusted so as to remain consistent with changes in the discount rate.

Asset smoothing

ASC 715 and CICA 3461 allow plan sponsors to use smoothing mechanisms to buffer the effects of year-to-year investment performance. Plans using these approaches will see the effect of investment return experience spread over a period of years.

Exchange rates (currency per US$1)	Dec. 2023	Sep. 2023	Jun. 2023
Brazil	4.85	5.02	4.85
Canada	1.32	1.35	1.33
Eurozone	0.91	0.94	0.92
Japan	140.99	149.3	144.56
Switzerland	0.84	0.91	0.90
U.K.	0.79	0.82	0.79

Currency effects

The results presented in this document are in local currency. Changes in relative currency values may have a significant impact on asset and liability measurements. The effect of currency movements depends on the company's reporting currency and its global allocation of assets and liabilities. The accompanying table shows the value of foreign currency that equates to one U.S. dollar at various measurement dates.

Local regulatory requirements

This update reviews financial results for pension plans based on measurements defined by international accounting standards. Local accounting or funding requirements may be based on significantly different types of asset or liability measures in some locations.

Eurozone benchmark plan

The results shown for the Eurozone are based on typical funded plans found in Belgium and the Netherlands.

Definition of terms

Bond yields

- Government bond yields are based on published information. Government bond yields for the Eurozone are based on German government bonds. Due to the lack of marketable securities, Brazilian government bond yields are real rates, except for the three-month government bond yield, which is a nominal rate (i.e., includes inflation).
- Corporate bond yields reflect the FTSE TMX Corporate Bond Index for Canada, iBoxx EURO Corporates AA 10+ for the Eurozone, iBoxx 15+ AA Corporate Bond Index for the U.K. and ML 10+ High-Quality Index in the U.S.
- Benchmark discount rates are determined for the average plan based on yields available on high-quality corporate bonds as of the date that liabilities are measured. Discount rates for Canada, the Eurozone, Japan, Switzerland, the U.K. and the U.S. are based on our RATE:Link methodology. Discount rates for Brazil are a proxy for the yield on corporate bonds, developed from the real yield on 30-year government bonds with an adjustment to account for liquidity characteristics and the addition of a long-term inflation assumption. Higher or lower discount rates might be appropriate for other plans.

Benchmark investment returns

- Benchmark investment returns reflect the combined effect of price changes and interest or dividend income. This will typically differ from the daily results published in financial journals, which are based solely on price changes.
- Investment returns have been based on commonly quoted local benchmarks, as detailed below:
  - For Brazil, domestic equity returns are based on the FTSE All-World Brazil index, and domestic fixed-income returns on the iBoxx GEMX Brazil index.
  - For Canada, domestic equity returns are based on the S&P/TSX Composite, international equity returns on 10% S&P 500 (in Canadian dollars), 20% S&P TSX Composite (in Canadian dollars), 10% MSCI EAFE Total Return Index Net Dividends (in Canadian dollars) and domestic fixed-income returns on 60% FTSE TMX Long Bond Total Return.
  - For the Eurozone, domestic equity returns are based on the MSCI Eurozone market index, international equity returns on the MSCI World ex-EMU total return index and domestic fixed-income returns on the iBoxx EUR Overall index.
  - For Japan, domestic equity returns are based on the FTSE All-World Japan index, international equity returns on the MSCI World (ex-Japan) Index with net dividends reinvested, domestic fixed-income returns on the FTSE Japan Government Total index and international fixed-income returns on the FTSE Global Government Bond index.
  - For Switzerland, portfolio returns are based on the Pictet Index 2005 BVG-40+ index.
  - For the U.K., domestic equity returns are based on the FTSE All Share, international equity returns on the FTSE All-World ex-U.K. and domestic fixed-income returns on the FTSE Over 15 Years Gilts.
  - For the U.S., domestic equity returns are based on 80% S&P 500 Index and 20% Russell 2500, international equity returns on the MSCI EAFE Index, and domestic fixed-income returns on 87.5% Barclays Capital Aggregate Bond Index and 12.5% three-month T-bills.
- Benchmark portfolio returns have been based on a typical diversified portfolio in each country that has not yet been secured via an insurance policy. Benchmark portfolio returns for this quarter have been based on the following asset allocations:
  - Brazil:10% domestic equity and 90% domestic fixed income
  - Canada: 40% equity (20% domestic, 20% international) and 60% domestic fixed income
  - Eurozone: 40% domestic equity and 60% domestic fixed income
  - Japan: 30% equity (20% domestic, 10% international) and 70% fixed income (50% domestic, 20% international)
  - Switzerland: 30% equity (10% domestic, 20% international), 50% fixed income (30% domestic, 20% international), 10% real estate and 10% other assets (5% hedge funds, 5% private equity)
  - U.K.: 20% equity (10% domestic, 10% international) and 80% domestic fixed income
  - U.S.: 60% equity (50% domestic, 10% international) and 40% domestic fixed income

WTW Pension Index

- The WTW Pension Index is a measure of the PBO funded ratio, or the ratio of the market value of assets to the PBO for a benchmark plan. Asset values change from quarter to quarter based on the investment performance of the benchmark portfolio, assumed contributions and benefit payments. Liability values change with accumulated service cost and interest, benefit payments and the effect of any changes in financial assumptions. Contributions are assumed to be equal to the service cost for each benchmark plan, so that the Index captures the impact of capital market results.

https://www.ebayinc.com/stories/news/ensuring-ebays-long-term-success/

Ensuring eBay's Long-Term Success

Jamie Iannone, President and CEO

A note from eBay's CEO

Editor's note: This note was sent to our internal workforce on Tuesday, Jan. 23.

Team,

We are on a path to building a stronger eBay for the future — one that is growing, and resilient in the face of any challenge. Over the past three years, we made fundamental changes in our experiences across categories and accelerated the pace of innovation at eBay. In areas where we're investing, we are seeing consistent increases in customer satisfaction and a meaningful improvement in our growth relative to the market.

Our strategy is the right one, but there is more we can do to ensure our success. We need to better organize our teams for speed — allowing us to be more nimble, bring like-work together, and help us make decisions more quickly. Today, I am sharing news about changes we are implementing to better position eBay for long-term, sustainable growth.

The most significant and toughest of these decisions is to reduce our current workforce by approximately 1,000 roles or an estimated 9% of full-time employees. Additionally, we plan to scale back the number of contracts we have within our alternate workforce over the coming months. These are not actions we take lightly — and we recognize the impact they will have on all eBayers. We have to say goodbye to people who have made so many important contributions to the eBay community and culture, and this isn't easy.

The Need for Change

Despite facing external pressures, like the challenging macroeconomic environment, we know we can be better with the factors we control. While we are making progress against our strategy, our overall headcount and expenses have outpaced the growth of our business. To address this, we're implementing organizational changes that align and consolidate certain teams to improve the end-to-end experience, and better meet the needs of our customers around the world.

Next Steps

Shortly, we will begin notifying those employees whose roles have been eliminated and entering into a consultation process in areas where required. Leaders will communicate the news directly via Zoom, and your VP or eLT member will send an email once the notifications in their group have been completed.

We request that all U.S. employees work from home on January 24th to provide some space and privacy for these conversations. We're committed to treating everyone with respect and empathy through this transition and providing impacted employees with support and resources.

Looking Ahead

These changes are difficult, but I'm confident that by working together we will become stronger than ever. In the months ahead, you will see a more focused, agile, and responsive eBay — one that is better positioned to advance our purpose of creating economic opportunity for all.

Thank you,
Jamie

SAF

Dan Tsubouchi @Energy_Tidbits · 3h

"We are still keen on peace with the least amount of escalation possible" Houthis FM after reminding "*we can sink ships & battleships [from any point on the Yemeni mainland to any point in the Red, Arabian, & Mediterranean Seas],"*

Houthis haven't gone away but being hurt by...
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https://english.almasirah.net.ye/post/37588/Deputy-Foreign-Minister-Yemen-Capable-of-Sinking-Enemy-Ships-Across-Red%2C-Arabian%2C-Mediterranean-Seas

Deputy Foreign Minister: Yemen Capable of Sinking Enemy Ships Across Red, Arabian, Mediterranean Seas

News - Yemen: Deputy Foreign Minister, Hussein Al-Ezzi, affirmed that Sana'a is capable of sinking enemy ships at any point across the Red, Arabian, and Mediterranean Seas.
"By the power of God, we can sink ships and battleships [from any point on the Yemeni mainland to any point in the Red, Arabian, and Mediterranean Seas]," Al-Ezzi wrote in a post on X on Saturday.
"But we leave that for another time," he, however, added, noting, "We are still keen on peace with the least amount of escalation possible."
On Friday, Yemeni Armed Forces announced that they had carried out a targeting operation against a British oil tanker in the Gulf of Aden.
The military spokesperson for the Armed Forces, Brigadier General Yahya Sare'e, stated in a press release that the operation was carried out by the naval forces.
Over the past month, the Yemeni Armed Forces have been staging many such strikes against Israeli vessels or those bound for the occupied Palestinian territories' ports.
The operations have been described as a response to the October 7-present war and siege that the Israeli regime has been waging against Gaza following an operation carried out by the Palestinian territory's resistance movements.
Around 26,000 Palestinians, some 70 percent of whom are women, children, and adolescents, have been killed in the brutal onslaught so far.
The United States and the UK have also conducted several missile attacks against Yemeni targets in response to the Yemeni strikes.
The latest operation raises the number of American ships targeted by the Yemeni Armed Forces to six since January 10, following an attack on three Yemeni naval boats by US forces, resulting in the martyrdom and loss of ten Navy personnel on December 30.
about 4 Hours

Almasirah Media Network

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Dan Tsubouchi @Energy_Tidbits · 11h

Good @amoshochstein interview.

Sees lack of charging stations the holdback to EVs ramp.

Seems to recognize insufficient IRRs for charging stations so govt needs to step up.

Wouldn't touch Kerry's range anxiety is a misinformation campaign.

See 👇 transcript...
Show more

SAF Group created transcript of comments by Amos Hochstein (energy security advisor to White House) with Bloomberg's Jonathan Ferro, Lisa Abramowicz and Annmarie Hordern on Bloomberg Surveillance on Jan 25, 2024
https://www.bloomberg.com/news/videos/2024-01-25/iran-oil-sanctions-are-working-says-biden-adviser-video

Items in "italics" are SAF Group created transcript

At 6:18 min mark, Ferro "*Well let's talk about the bumps in the road right now. So Hertz, a bit of a reality check right now, they've going to dump 20,000 EVs, the cost of carry is just through the roof, can't afford them, demand's not there. F-150, not exactly exploding right now, they've been cutting production. You see example after example in America right now that it just feels like maybe we're trying to move too quickly.*"

Hochstein "*Well I think what you saw with the legislation that the president pushed through, was to do exactly, to address exactly this problem. So we've grown in the new car sales of EVs dramatically over the last couple years, sometimes doubling in one year. That's a lot. So we've accelerated beyond expectations. That comes with, the fact that you have to accelerate the infrastructure that needs to be there to support it, how many charging stations. People in multiple polls will say that one of the things that worries them about EVs is the charging stations: will they have enough? And that is what the IRA is supposed to do, to be able to invest and making sure that we have the deployment of the charging stations there*".

Ferro "*Secretary Kerry says the range anxiety is a misinformation campaign. What's that about?*"

Hochstein "*You'll have to ask him what he meant. But I think that people want to be able to have an affordable car that they can manage their day to day lives with. And most people don't go 200 miles in a 24hr period. They drive a lot less. They go to work. They take the kids to school. They go shopping. They come home, they maybe go out downtown. So the needing 400 miles on one charge, I think is not what's holding people back. They don't expect that on anything else. So, but we do have to have the comfort and the convenience that goes with knowing the peace of mind and knowing that if I go on the road, I will, I'll know what to do with my car if I run into a longer trip than expected. And I think those are the kids of issues that we need to work on. So instead of going into these, you know, extremes of EVs that don't work, EVs that, you know, are working, we have to look at what's stopping people from buying them. How do we address that issue? And that's what President Biden's been doing this whole time, trying to avoid the hyperbole, and going into what do we have? What are the solutions? How do we use, if we want to be the leader in the auto sector for the next, the 21st century? We have to invest now. We have to make the investments so that we are the sector elite. People are coming for us. They want to compete in this sector and they're investing enormous amounts of money. People always say that what we're doing is not fair because its not free market. I tell them the energy sector, there is no free market. Most of the energy sector is controlled by governments around the world and we need to put in American dollars not to replace the private sector, but to incentivize the direction of travel so that we can accelerate this energy transition, Because if we don't, we will fall behind. Not only will we sin to our children and grandchildren on climate change, but we will actually do a disservice to American economic security. The private sector is not going to make these investments because if they're not 20% IRRs, or 18%. So what we need to do is to have that incentive both on the tax side, credits, other incentives and the actual spending so that the private sector then comes in and make those investments. We've seen it work in the CHIPS act where that's not only an economic security, Jon, it's a national security concern if we're not making the chips for the future that we are trying to create, we lead the world in the technology. We have to have the infrastructure and we have to have the inputs into that.*"

Prepared by SAF Group https://safgroup.ca/news-insights/

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Dan Tsubouchi @Energy_Tidbits · 39m

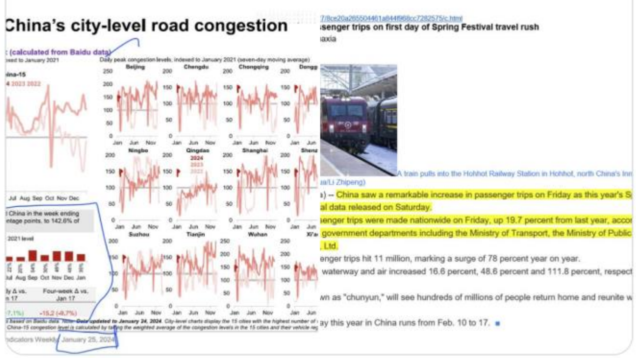
China scheduled domestic flights +3.1% to 94,749 flights for Jan 16-22 week.

Spring Festival travel rush started Friday Jan 26.

Smaller WoW increase for Jan 23-29 week but then a bigger ramp for Jan 30-Feb 5 week with Feb 10 Lunar New Year.

Thx @BloombergNEF C Lubis
#OOTT

> **Dan Tsubouchi** @Energy_Tidbits · 1h
>
> China Baidu city level road congestion will plunge this week. See @BloombergNEF 👇 chart below.
>
> Because China 40-day Spring Festival travel rush started yesterday with 189 passenger trips nationwide, +19.7% YoY. Xinhua....
> Show more



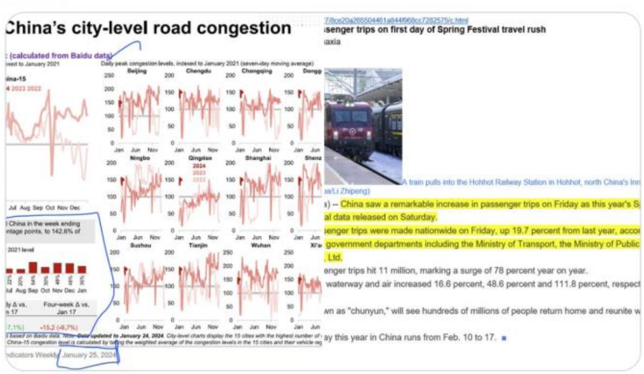
3 · 4 · 843

Dan Tsubouchi @Energy_Tidbits · 1h

China Baidu city level road congestion will plunge this week. See @BloombergNEF 👇 chart below.

Because China 40-day Spring Festival travel rush started yesterday with 189 passenger trips nationwide, +19.7% YoY. Xinhua.

More Chinese travelling = less people working.
#OOTT



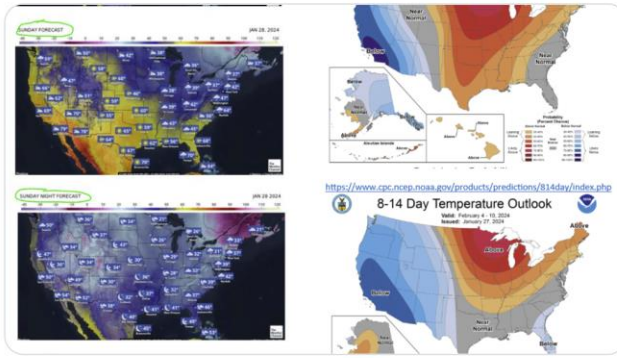
2 · 2 · 1.5K

Dan Tsubouchi @Energy_Tidbits · 5h

Cold temperatures to continue for next few days across US but then turn to above normal temperatures for Great Lakes/NE US in Feb 2-10.

Hopefully support next few days for HH #NatGas price, but then could be a little softer.

Thx @weatherchannel @NOAA
#OOTT



1 · 4 · 1.6K

Dan Tsubouchi @Energy_Tidbits · 10h ·

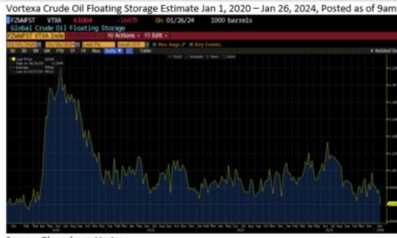
Houthis Red Sea impact?

Lowest floating #Oil storage since Covid. 01/26 61.06 mmb. Only been 6 wks in 60s since Covid.

Are some floating storage barrels filling any delivery gaps from tankers having to go via Cape of Good Hope to avoid Red Sea?

Thx @Vortexa @business
#OOTT

Vortexa Crude Oil Floating Storage Estimate Jan 1, 2020 – Jan 26, 2024, Posted as of 9am MT, Jan 27



Source: Bloomberg, Vortexa

Posted Jan 27, 9amMT

FZWWFST VTXA Index 01/01/2020 - 01/26/2024

	Date	Last Px
Fr	01/26/2024	61064
Fr	01/19/2024	77542
Fr	01/12/2024	73796
Fr	01/05/2024	81873
Fr	12/29/2023	81657
Fr	12/22/2023	97378
Fr	12/15/2023	77156
Fr	12/08/2023	84601
Fr	12/01/2023	69306
Fr	11/24/2023	90436
Fr	11/17/2023	86704

Jan 20, 9am MT

FZWWFST VTXA Index 01/01/2020 - 01/19/2024

	Date	Last Px
Fr	01/19/2024	73708
Fr	01/12/2024	72559
Fr	01/05/2024	82708
Fr	12/29/2023	81956
Fr	12/22/2023	96907
Fr	12/15/2023	77733
Fr	12/08/2023	85271
Fr	12/01/2023	70512
Fr	11/24/2023	89399
Fr	11/17/2023	88115
Fr	11/10/2023	77492

Jan 13, 9am MT

FZWWFST VTXA Index 01/01/2020 - 01/12/2024

	Date	Last Px
Fr	01/12/2024	71844
Fr	01/05/2024	87254
Fr	12/29/2023	81292
Fr	12/22/2023	95772
Fr	12/15/2023	76307
Fr	12/08/2023	85351
Fr	12/01/2023	68416
Fr	11/24/2023	86661
Fr	11/17/2023	86611
Fr	11/10/2023	74885
Fr	11/03/2023	80652

Source: Bloomberg, Vortexa

Vortexa Crude Oil Floating Storage by Region (mmb)				Original Posted	Recent Peak	
Region	Jan 26/24	Jan 19/24	WoW	Jan 19/24	Jun 23/23	Jan 26 vs Jun 23
Asia	27.78	38.91	-11.13	35.87	73.82	-46.04
Europe	2.84	4.43	-1.59	4.46	6.44	-3.60
Middle East	6.12	7.39	-1.27	9.25	6.76	-0.64
West Africa	5.85	3.44	2.41	3.70	7.62	-1.77
US Gulf Coast	2.52	2.89	-0.37	2.94	1.05	1.47
Other	15.95	20.48	-4.53	17.49	37.46	-21.51
Global Total	61.06	77.54	-16.48	73.71	133.15	-72.09
Vortexa crude oil floating storage posted on Bloomberg 9am MT on Jan 27						
Source: Vortexa, Bloomberg						

Prepared by SAF Group: https://safgroup.ca/news-insights/

2 17 47 6.5K

Dan Tsubouchi @Energy_Tidbits · Jan 26

"*my bet is where we are today in total activity, you won't see this till summer production data. We're probably at best flat in the sum of oil and gas production*" $LBRT CEO when asked if frack activity was enough to offset production decline.
#OOTT

Q - Dan Kutz {BIO 20860734 <GO>}

Fair enough. And then maybe Chris, you'd mentioned earlier a comment about kind of needing more activity just to offset production declines. I was wondering if you'd done any work or could unpack that. Do you think that we're kind of below where we need to be for both oil and gas activity to offset production declines? Do you think publics or privates are kind of below where they would need to be from an activity perspective to hold production flat or maybe grow a little bit? I'm just wondering if you could unpack the comment about activity as it relates to production.

A - Chris Wright {BIO 5777543 <GO>}

Yeah, I wish I had a more confident comment because we do do some bottom up analysis of productivity and where we're going, but honestly, we were also probably a bit surprised by the rate of growth last year given that activity. And I think the most likely reason is a larger percent of that activity was from sizable publics that have the best acreage. So the quality of locations drilled, which is generally trending downward. People drill their best stuff first and move out. But as you saw a shrinkage of private activity last year and a growth actually among the activity among the publics that have the very best drilling locations, that probably was the biggest factor, a bit in the surprise for how fast oil and gas production grew.

Page 20 of 26

FINAL TRANSCRIPT 2024-01-25
Liberty Energy Inc (LBRT US Equity)

But we've got to go through our data, so I don't have any great confident proclamations there. My guess is current, certainly on a granular level, we're working for players that are at activity levels now that are definitely declining production, others that are modest growth and others that are flat. But my bet is where we are today in total activity, you won't see this till summer production data. We're probably at best flat in the sum of oil and gas production. So yeah, I don't think activity drops much from where it is here. It's more likely to move up a little bit as the year goes on to stay around modest growth, which I think is the target.

4 16 4.6K

Dan Tsubouchi @Energy_Tidbits · Jan 26

Brutal year for net redemptions in balanced and equity mutual funds in Canada.

@ific reflects $82.5 billion net redemptions including $56.9b from balanced mutual funds and $25.6b from equity mutual funds.

#OOTT

Mutual fund net sales/net redemptions ($ millions)*

Asset class	Dec 2023	Nov 2023	Dec 2022	2023	2022
Long-term funds					
Balanced	(4,612)	(6,510)	(4,935)	(56,866)	(29,959)
Equity	(2,514)	(3,178)	(3,069)	(25,568)	(8,461)
Bond	845	(435)	(2,187)	6,986	(13,811)
Specialty	176	391	102	3,538	1,306
Total long-term funds	(6,105)	(9,732)	(10,088)	(71,909)	(50,925)
Total money market funds	790	1,227	1,802	14,825	7,196
Total	(5,315)	(8,506)	(8,286)	(57,084)	(43,729)

Source: IFIC

4 6 2.5K

Dan Tsubouchi @Energy_Tidbits · 1h

Brent was up ~$1 post this breaking news.

@UK_MTO didn't identify the vessel hit and on fire.

See 👇 #Houthis say it was UK tanker, Marlin Luanda. If so, actually hitting an oil tanker will raise this Houthis risk another step up.

Expect big US/UK response!

#OOTT

https://www.saba.ye/en/news3299502.htm

Yahya Sare'e

Yemeni naval forces carried out a targeting operation on the British oil ship (MARLIN LUANDA) in the Gulf of Aden, using a number of appropriate naval missiles, the strike was direct, and resulted the burning of the vessel.

Yemeni armed forces target British oil ship in Gulf of Aden

Yemeni armed forces target British oil ship in Gulf of Aden

[26/January/2024]

SANAA January 26, 2024 (Saba) - In vindication of the oppressed Palestinian people and in support and solidarity with our brothers in the Gaza Strip, and within the response to the American-British aggression against our country.

Yemeni naval forces carried out a targeting operation on the British oil ship (MARLIN LUANDA) in the Gulf of Aden, using a number of appropriate naval missiles, the strike was direct, and resulted the burning of the vessel.

Yemeni Armed Forces persist with their military operations: enforcing a blockade on Israeli navigation in the Red and Arabian seas until a ceasefire is achieved in Gaza, and food and medicines are allowed in to the besieged Palestinian people in the Gaza Strip.

The Yemeni Armed Forces confirm that they are taking all military procedures within the right to defend dear Yemen and in confirmation of the continuous practical solidarity with the Palestinian people.

United Kingdom Maritime Trade Operations (UKMT @UK_MT(· 2h

UKMTO WARNING 021/JAN/2024 UPDATE 001

ukmto.org/indian-ocean/p...

#MaritimeSecurity #MarSec

2 2 4 1.9K

Dan Tsubouchi @Energy_Tidbits · 6h

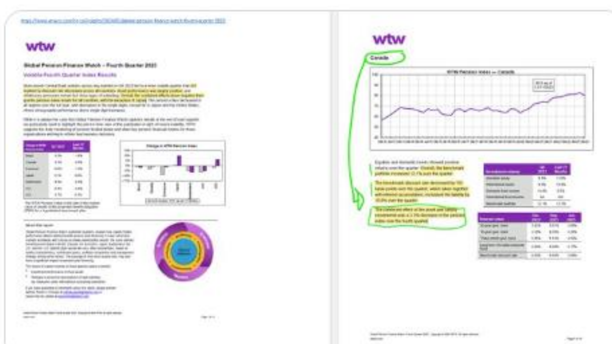
Interest rates go down = discounted liability of pensions go up.

See 👇 wtw Global Pension Finance Watch.

Canada Q4: portfolio benchmark +12.1%, but lower discount rate increased liability +15.5% ie. combined effect was -3.3%.

Pensions will need higher returns.

#OOTT



1 1 967

Dan Tsubouchi @Energy_Tidbits · 7h

Read it carefully.

if "our" refers to US, it's hard, if not impossible, to see any future approvals of #LNG exports absent a crisis.

EU better hope #IEA is right & #NatGas consumption peaks this decade.

Reminds it's regulatory agencies, not laws, hurt #Oil #NatGas.

#OOTT

JANUARY 26, 2024

Statement from President Joe Biden on Decision to Pause Pending Approvals of Liquefied Natural Gas Exports

JANUARY 26, 2024

FACT SHEET: Biden-Harris Administration Announces Temporary Pause on Pending Approvals of Liquefied Natural Gas Exports

> **Dan Tsubouchi** @Energy_Tidbits · Jan 25
>
> Hope #LNG any delays do better than Keystone XL.
>
> Biden to order @ENERGY " *to halt reviews of applications to ship natural gas abroad, allowing time for officials to better factor in the long-term climate ...*
>
> Show more

2 · 5 · 6 · 3.8K

Dan Tsubouchi @Energy_Tidbits · 16h

Chinese customers flying less overseas

#LVMH "*when they tend to travel, they travel to Hong Kong & Macau. No surprises there. But regarding France in Q4, I myself was surprised by the numbers we are looking at about 30% below what we used to do with the Chinese in 2019*"

#OOTT

INITIAL DRAFT TRANSCRIPT
LVMH Moet Hennessy Louis Vuitton SE (MC FP Equity) 2024-01-25

with us any thoughts that you might see the Chinese consumers coming back to Europe this year. Thank you.

Unidentified Speaker

You don't mind if I answer in French because it's late, so. The other categories or other sectors that we might be interested in. I'll say two.

Things, it's going to remain marginal and for the time being, it remains confidential. So it's a bit difficult for me to venture into that area. I'm really sorry to disappoint you on that. Please repeat your question on clusters. Sorry, I missed part of it.

Unidentified Participant

Sorry. It was about what you're seeing today in terms of the clusters and the outlook at the sensitivity across regions, but also the clusters of nationality. Thank you.

Unidentified Speaker

Well, the fundamental question then, I mean, it's easy enough to measure customer movement, but it's difficult to correlate customer trends and regions because up until last year, chinese customers were domestic, but now they're traveling all over the world. And when you see, when they tend to travel, they travel to Hong Kong and Macau. No surprises there. But regarding France in Q4, I myself was surprised by the numbers we are looking at about 30% below what we used to do with the Chinese in 2019.

So we're not back to where we were. I mean, Vuitton is the bit. We are close to where we were, say, in 2019, it's not the same customers, fewer groups, much more independent travelers with higher worth. So this is a trend we can adjust to. We'll see whether this is a lasting trend. We're not particularly concerned, neither pessimistic nor optimistic, but we don't see the big bus loads of chinese customers coming in groups. But we're still doing significant business with the Chinese in Europe and in France.

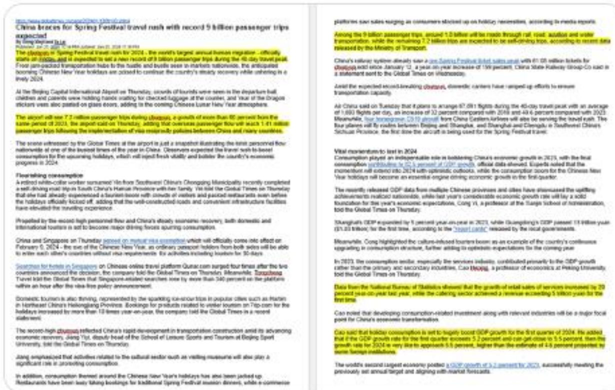
Luca Solca (BIO 15039825 <GO>)

1 · 5 · 1.2K

Dan Tsubouchi @Energy_Tidbits · 16h

Will we see more signs Chinese consumer is back to spending?

"*Spring Festival travel rush for 2024 - the world's largest annual human migration - officially starts on Friday, and is expected to set a new record of 9 billion passenger trips during the 40-day travel peak*"
#OOTT



1 · 1K

Dan Tsubouchi @Energy_Tidbits · Jan 25

Hope #LNG any delays do better than Keystone XL.

Biden to order @ENERGY " *to halt reviews of applications to ship natural gas abroad, allowing time for officials to better factor in the long-term climate impacts of expanded LNG exports*" report by @AriNatter @jendlouhyhc
#OOTT

halt reviews of applications to ship natural gas abroad,
allowing time for officials to better factor in the long-term
climate impacts of expanded LNG exports, according to the people
who asked not to be named because the plan isn't public. The
pause is set to at least temporarily stall projects in
development, including Commonwealth LNG, Energy Transfer LP and
Venture Global LNG Inc. facilities planned in Louisiana.
Spokespeople for the Energy Department and White House did
not immediately respond to requests for comment.
At issue is whether additional exports are in the public
interest, a threshold under federal law. An Energy Department
review and rulemaking could set new requirements for determining
what constitutes the public interest, giving great weight to the
potential climate consequences of additional exports.
Read More: Biden's Plans for LNG Threatens to Stall Export
Projects
The effort responds to concerns from climate activists who
say additional approvals will only prolong the world's reliance
on natural gas and discourage investments in cleaner, emission-
free alternatives. The issue has taken on higher prominence
after nearly 200 nations agreed last month that the world must
transition away from fossil fuels — and ahead of November US
elections in which climate is a key issue. Activists have
planned a Feb. 6-8 sit-in at the Energy Department to demand it
halt new LNG approvals.
The US is already the world's largest LNG exporter — and
the planned halt isn't likely to change that. The multibillion-
dollar facilities to liquefy natural gas for export around the
globe take years to build, and developers must clear multiple
federal government reviews to start shipping. The US has issued
dozens of LNG export licenses, but the pause is set to apply
only to applications now awaiting review at the Energy

1 · 8 · 9 · 7.4K

Dan Tsubouchi @Energy_Tidbits · Jan 25

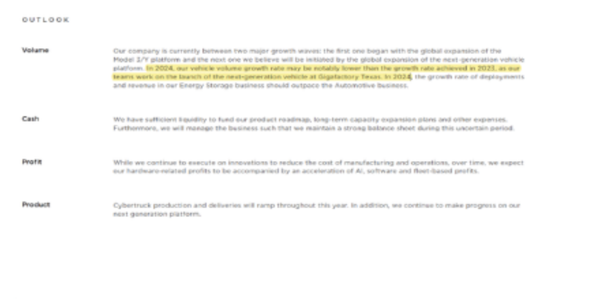
"*if you can't move Tesla's* ....". Great @BeckyQuick lead in just now then says something like it's indicative of the #EV market and not a good sign for EVs

Never a positive for any market when the dominant market leader slows down.

#Oil #Gasoline needed for longer.

#OOTT

> Dan Tsubouchi @Energy_Tidbits · Jan 24
>
> Tesla shares -3.4% in after market post Q4 based on the "***notably lower*** *than the growth rate achieved in 2023*".
>
> Should be the first question on the Q4 call at 3:30pm MT.
>
> ...
>
> Show more



OUTLOOK

Volume	Our company is currently between two major growth waves: the first one began with the global expansion of the Model 3/Y platform and the next one we believe will be initiated by the global expansion of the next-generation vehicle platform. In 2024, our vehicle volume growth rate may be notably lower than the growth rate achieved in 2023, as our teams work on the launch of the next-generation vehicle at Gigafactory Texas. In 2024, the growth rate of deployments and revenue in our Energy Storage business should outpace the Automotive business.
Cash	We have sufficient liquidity to fund our product roadmap, long-term capacity expansion plans and other expenses. Furthermore, we will manage the business such that we maintain a strong balance sheet during this uncertain period.
Profit	While we continue to execute on innovations to reduce the cost of manufacturing and operations, over time, we expect our hardware-related profits to be accompanied by an acceleration of AI, software and fleet-based profits.
Product	Cybertruck production and deliveries will ramp throughout this year. In addition, we continue to make progress on our next generation platform.

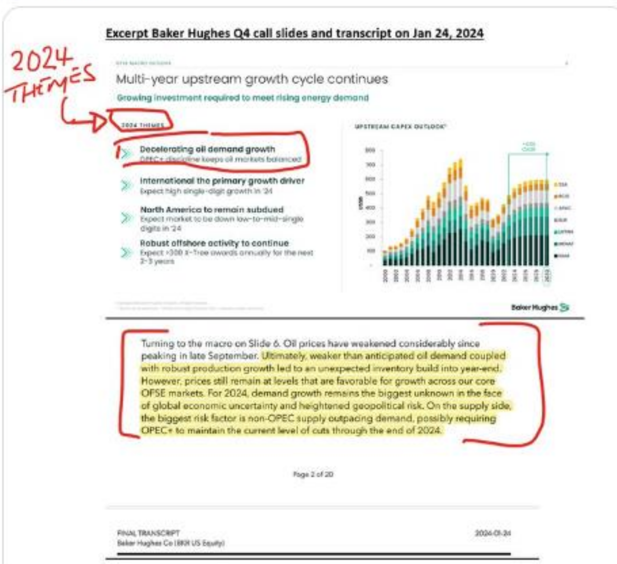
4 16 5.5K

Dan Tsubouchi @Energy_Tidbits · Jan 24

.$BKR continued challenge for #Oil in 24.

"*demand growth remains the biggest unknown in the face of global economic uncertainty & heightened geopolitical risk...supply side, the biggest risk factor is non-OPEC supply outpacing demand, possibly requiring OPEC+ to maintain the...*

Show more



4 4 1.9K

Dan Tsubouchi @Energy_Tidbits · Jan 24

Tesla shares -3.4% in after market post Q4 based on the "***notably lower** than the growth rate achieved in 2023*".

Should be the first question on the Q4 call at 3:30pm MT.

#EVs #OOTT

OUTLOOK

Volume	Our company is currently between two major growth waves: the first one began with the global expansion of the Model 3/Y platform and the next one we believe will be initiated by the global expansion of the next-generation vehicle platform. In 2024, our vehicle volume growth rate may be notably lower than the growth rate achieved in 2023, as our teams work on the launch of the next-generation vehicle at Gigafactory Texas. In 2024, the growth rate of deployments and revenue in our Energy Storage business should outpace the Automotive business.
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Product	Cybertruck production and deliveries will ramp throughout this year. In addition, we continue to make progress on our next generation platform.

1 5 7.2K

Dan Tsubouchi @Energy_Tidbits · Jan 24

Did Houthis hit a US ship?

Houthis say in their clash with US navy ships protecting 2 US commercial ships, resulted in "*a direct hit on an American vessel. Forcing the 2 US commercial vessels to withdraw & return*". Not clear what ship was hit assuming one was hit.

#OOTT

https://www.saba.ye/en/news3299174.htm

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Armed Forces: There was clash with number of American destroyers & warships in Gulf of Aden & Bab al-Mandab

Armed Forces: There was clash with number of American destroyers & warships in Gulf of Aden & Bab al-Mandab

[24/January/2024]

SANA'A January 24. 2024 (Saba) - In vindication of the oppressed Palestinian people and in support and solidarity with our brothers in the Gaza Strip, and as a response to the American-British aggression on our country.

A clash occurred today between a number of American destroyers and warships in the Gulf of Aden and Bab al-Mandab while they were protecting two American commercial ships. The result of the clash was as follows:

-A direct hit on an American vessel.
- Forcing the two American commercial vessels to withdraw and return.

-Several of our ballistic missiles struck their targets despite warships' attempts to intercept them.

The Yemeni military forces used a number of ballistic missiles during more than two-hour clashes.

Yemeni Armed Forces persist with their military operations: enforcing a blockade on Israeli navigation in the Red and Arabian seas until a ceasefire is achieved in Gaza, and the imposed siege is lifted.

The Yemeni Armed Forces affirm that they will take all necessary military procedure within the legitimate right of defense of our country, our people, and our nation, by targeting all hostile American and British targets in the Red and Arab seas.

E.H

3 1 4 1.7K

Dan Tsubouchi @Energy_Tidbits · Jan 24

Is $BKR CEO pointing to down YoY, or flat at best YoY, US #Oil production over 2024?

CEO "I*n NA, activity continues to lag, and we are now anticipating no meaningful recovery in activity during the first half of the year. On our last quarterly call, we expected 2024 North...*

Show more

> **Dan Tsubouchi** @Energy_Tidbits · Jan 23
>
> Will US #Oil production growth move from negative to oil price to at least neutral in 2024?
>
> $HAL CEO didn't give a number for YoY US production growth in 2024, but seems to imply not much YoY growth & also reminds more growth...
>
> Show more
>
> **Q - Neil Mehta** {BIO 16213187 <GO>}
>
> Yes, good morning, Jeff, team. Appreciate the time. First question is around more macro question, which is one of the things that surprised us last year was the exit to exit of U.S. oil production, which came in above. I think we're consensus expectations were, you have unique visibility into the U.S. completion and volumes. What do you think happened there? And as we think about 2024, how do you think about exit rate of U.S. growth? Maybe talk about the moving pieces including ducks?
>
> **A - Jeff Miller** {BIO 17768856 <GO>}
>
> Yes. Look, if I'm thinking about production growth in '24 production is a function of service intensity, so simply put, more sand, more barrels, and we saw peak levels of service intensity throughout, really in the first half of last year, and a lot of that comes on in the latter half. And I think, some of this is efficiency in the sense that we are delivering more sand to the reservoir, and that comes in a lot of forms. The e-fleets are part of that, and some of the technology that we've brought to market.
>
> But I also think that the market that we see for next year, it's hard for me to forecast at this point exactly what operators will do, because every operator plays their own game. But at the same time, I would probably take the over on rigs because I think that, we'll run out of ducks at some point. I think I would take the under on production only because whatever you think it is, I'll take the under only because what we see are stable customers delivering to their plans, but what we don't see is
>
> Page 10 of 24
>
> FINAL TRANSCRIPT 2024-01-23
> Halliburton Co (HAL US Equity)
>
> a lot of the smaller companies coming into the market in an effort to really ramp up production.
>
> So I think, from our perspective at Halliburton, very stable market. But from a production standpoint, as we watch it unfold, it'll be a matter of how much incremental sand gets pumped to overcome what is clearly going to be a decline rate that comes with, when we add barrels rapidly, obviously they fall off rapidly.

2 · 4 · 20 · 10K

Dan Tsubouchi @Energy_Tidbits · Jan 24

Looks like no change in today's Q4 call Baker Hughes #LNG FID outlook in near term and to 2030 vs its Q3 call on Oct 29/23.

- 65 MTPA for 2024
- 30-60 MTPA for 2025 and 2026
- 800 MTPA installed capacity by 2030.

#NatGas #OOTT

Excerpt SAF Group Oct 29, 2023 Energy Tidbits memo

Natural Gas: Baker Hughes maintains bullish outlook for LNG FIDs to 2030

We don't understand why but for some reason Baker Hughes CEO Simonelli decided to drop some of his bullish LNG FID outlook out of his normal quotes in the Q3 release and save it for the earnings call. On Wed morning, Baker Hughes reported Q3 and once we saw the release, we tweeted [LINK] *"See 👇 as always wonder why items dropped vs Q2 message, $BKR Q3 drops specifics on #LNG FIDs in 23/24 & mention of LNG cycle extending for several yrs. Hope analysts drill down on his LNG outlook past 23 in Q3 call as will give insight to overall LNG market. #NatGas #OOTT."* Our tweet included Simonelli's message in Q3 vs Q2 vs Q1 release and we noted the lack of LNG outlook to 2030, which has been a key and very bullish part of his normal message. In his prepared remarks and in the Q&A, Simonelli continued with the same bullish outlook for expected FIDs for LNG supply to 2030. As a reminder, Baker Hughes is the most involved services company in global LNG projects so knows basically every LNG project and what is being discussed. His prior forecast was for 65 MTPA of new FIDs in 2023 and in 2024. In the Q3 call, he said there was 53 MTPA FID so far in 2023 and he still sees 65 MTPA for 2024. In the Q2 call, he expected 65 MTPA in both 2023 and 2024. And he had not change as he looked out to 2025 and 2026 and confirmed that he stills sees FIDs as stated previously at the rate of 30 to 60 MTP, and that the outlook continues to point to the 800 MTPA of LNG supply that is needed by 2030. Our Supplemental Documents package includes the Baker Hughes President message from the Q1, Q2 and Q3 reports, and excerpts from the Q3 call transcript.

2 5 1.9K

Dan Tsubouchi @Energy_Tidbits · Jan 24

For those not near their laptops. @EIAgov just released at 8:30am MT its #Oil #Gasoline #Distillates inventory as of Jan 19. Table below compares EIA data vs @business expectations and vs @APIenergy yesterday. Prior to release, WTI was $74.75. #OOTT

Oil/Products Inventory Jan 19: EIA, Bloomberg Survey Expectations, API

(million barrels)	EIA	Expectations	API
Oil	-9.23	-1.40	-6.67
Gasoline	4.91	2.00	7.18
Distillates	-1.42	1.00	-0.25
	-5.74	1.60	0.26

Note: Oil is commercial so builds in +0.9 mmb in SPR for the Jan 19 week

Note: Included in the oil data, Cushing had a 2.01 mmb draw for Jan 19 week

Source EIA, Bloomberg

Prepared by SAF Group https://safgroup.ca/news-insights/

1 5 1.4K

Dan Tsubouchi @Energy_Tidbits · Jan 24

What else but #NatGas to fill any gap here?

@NAOorguk: UK relying on #Biomass but hasn't shown it meets sustainability requirements. Wasn't this inevitable?

Remember the 👇10/03/22 tweet on BBC @joe_crowley @TimRobinsonTV expose on the wood pellets to fuel UK biomass.

#OOTT

> Dan Tsubouchi @Energy_Tidbits · Oct 3, 2022
>
> Inconvenient Truth! Burning wood pellets fits into a clean energy plan, gets UK green subsidies to add higher emissions power. No wonder companies don't want to talk about it, especially if wood pellets come from clearing Cdn forest. Thx @joe_crowley @TimRobinsonTV. #OOTT twitter.com/BBCPanorama/st...

3 5 4.7K

Dan Tsubouchi @Energy_Tidbits · Jan 24

Imagine how much worse this would have been if not for two warm winters that kept power/#NatGas prices low?

EU manufacturing PMIs hopefully bottoming.

Jan PMIs for
Germany 45.23
France 43.20
Eurozone 46.6
UK 47.3....
Show more

1 2 10 2.6K

Dan Tsubouchi @Energy_Tidbits · Jan 23

Peak #Oil #NatGas demand?

Not so says $HAL CEO "*long-term expansion of the global economy will continue to create enormous demands on all forms of energy. I expect oil & gas remains a critical component of the global energy mix, with demand* ***growth*** *well into the future*"
#OOTT

FINAL TRANSCRIPT
Halliburton Co (HAL US Equity)
2024-01-23

Let me begin with my views on the strength of the oilfield services market. As we look past the news cycle and near-term commodity price volatility, the fundamentals for oilfield services remain strong. Here are two reasons why. First, we see an increase in service intensity everywhere we operate. Whether it's longer laterals in North America, smaller and more complex reservoirs in mature fields or offshore deep water, customers require more services to develop their resources, not fewer.

Second, long-term expansion of the global economy will continue to create enormous demands on all forms of energy. I expect oil and gas remains a critical component of the global energy mix, with demand growth well into the future. With this positive macro outlook, I believe Halliburton's strong execution, leading technology and collaborative approach will drive demand for Halliburton's products and services around the world.

Now, let's turn to international markets where Halliburton's performance delivered another year of profitable growth. Halliburton's full year international revenue grew 17% year-on-year and our quarterly revenue grew 12% compared to the same quarter of last year.

Each region delivered year-on-year revenue growth throughout 2023 and both divisions delivered improved international margins year-on-year. Our results in 2023 demonstrate the effectiveness of Halliburton's profitable international growth strategy, the strength of our global competitiveness across product lines, and the power of our value proposition with customers.

In 2024, we expect international E&P spending to grow at a low double-digit pace and foresee multiple years of sustained activity growth. Although we anticipate regional differences in growth rates for 2024, we believe the Middle East/Asia region will likely experience the greatest increases in activity, with other regions closely behind.

As we look out to 2025, we expect Africa and Europe, among others, to demonstrate above average growth. Beyond 2025, we see an active tender pipeline with work scopes extending through the end of the decade, which gives me confidence in the duration of this multiyear upcycle.

While we expect overall activity growth, we also see above-market growth within our well construction product lines, where customers choose Halliburton to improve the reliability, consistency and efficiency of their drilling operations. One such technology is our LOGIX Autonomous Drilling Platform, which is now used on 90% of our iCruise runs worldwide.

Customers also rely on Halliburton's subsurface expertise to develop today's most complex reservoirs. This requires technologies to reduce uncertainties, such as our DecisionSpace 365, Unified Ensemble Modeling and Advanced Formation Evaluation systems like our iStar Logging while Drilling Platform and Reservoir Examiner Formation Testing Service.

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3 26 4.5K

Dan Tsubouchi @Energy_Tidbits · Jan 23

Will US #Oil production growth move from negative to oil price to at least neutral in 2024?

$HAL CEO didn't give a number for YoY US production growth in 2024, but seems to imply not much YoY growth & also reminds more growth adds more decline to offset.

Worth a read.
#OOTT

Q - Neil Mehta {BIO 16213187 <GO>}

Yes, good morning, Jeff, team. Appreciate the time. First question is around more macro question, which is one of the things that surprised us last year was the exit to exit of U.S. oil production, which came in above. I think we're consensus expectations were, you have unique visibility into the U.S. completion and volumes. What do you think happened there? And as we think about 2024, how do you think about exit rate of U.S. growth? Maybe talk about the moving pieces including ducks?

A - Jeff Miller {BIO 17768856 <GO>}

Yes. Look, if I'm thinking about production growth in '24 production is a function of service intensity, so simply put, more sand, more barrels, and we saw peak levels of service intensity throughout, really in the first half of last year, and a lot of that comes on in the latter half. And I think, some of this is efficiency in the sense that we are delivering more sand to the reservoir, and that comes in a lot of forms. The e-fleets are part of that, and some of the technology that we've brought to market.

But I also think that the market that we see for next year, it's hard for me to forecast at this point exactly what operators will do, because every operator plays their own game. But at the same time, I would probably take the over on rigs because I think that, we'll run out of ducks at some point. I think I would take the under on production only because whatever you think it is, I'll take the under only because what we see are stable customers delivering to their plans, but what we don't see is

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FINAL TRANSCRIPT
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2024-01-23

a lot of the smaller companies coming into the market in an effort to really ramp up production.

So I think, from our perspective at Halliburton, very stable market. But from a production standpoint, as we watch it unfold, it'll be a matter of how much incremental sand gets pumped to overcome what is clearly going to be a decline rate that comes with, when we add barrels rapidly, obviously they fall off rapidly.

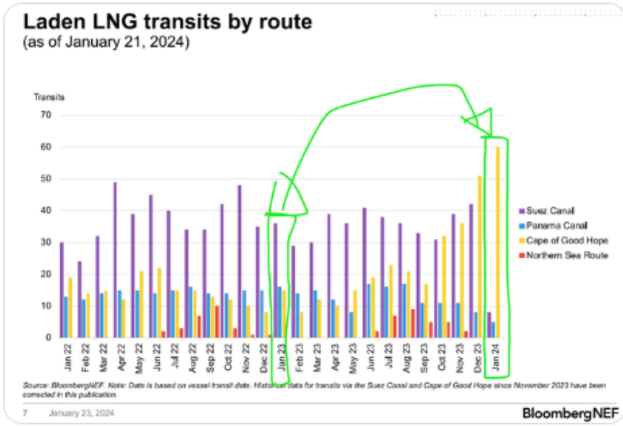
2 14 53 23K

Dan Tsubouchi @Energy_Tidbits · 6h

Should have also included this other chart from @BloombergNEF LNG Trade Weekly

Shows how Laden LNG transits by route for Cape of Good Hope are 4 times higher in Jan 24 vs Jan 23.

#NatGas #OOTT



Dan Tsubouchi @Energy_Tidbits · 9h

#LNG floating volumes up 60% YoY

First it was #PanamaCanal lower transits because of drought.

...

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1 3 2.1K

SAF

Dan Tsubouchi @Energy_Tidbits · 9h

#Houthis response to US/UK latest bombing is "*American-British attacks will not go unanswered and punished.*"

US/UK bombing has to be hitting Houthis missile/drone capability. But Houthis not likely going away quickly. Saudi couldn't do it despite yrs of bombing.

#OOTT

https://www.saba.ye/en/news3298659.htm

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Armed Forces: American-British attacks will not go unanswered

Armed Forces: American-British attacks will not go unanswered

[23/January/2024]

SANA'A January 23. 2024 (Saba) - The Armed Forces confirmed that the American-British attacks will not go unanswered and punished.

The official spokesman for the Armed Forces, Brigadier General Yahya Saree, said in a statement that the American-British aggression aircraft launched 18 raids on the capital Sana'a and four governorates during the past hours.

Saree stressed that these attacks will not go unanswered and unpunished.

M.M

1 1 3 1.1K

Dan Tsubouchi @Energy_Tidbits · 9h
#LNG floating volumes up 60% YoY

First it was #PanamaCanal lower transits because of drought.

Then #Houthis missile/drone attacks on ships in Red Sea/Bab el Mandeb.

Thx @BloombergNEF Han Wei, Komelija Dauksaite

#NatGas #OOTT

1 · 3 · 7 · 3.8K

Dan Tsubouchi @Energy_Tidbits · 10h
EU #NatGas continues weak.

Big wind generation with Storm Jocelyn with est wind gusts to 80 mph.

Germany fcast to have record wind power generation on Wed, set to peak at 57,736 MW forecasts Bloomberg.
Thx @EamonFarhat @WeatherSullivan @CeliaBergin

#LNG #OOTT...
Show more

1 · 2.3K

Dan Tsubouchi @Energy_Tidbits · 10h

No specific outlook insight from $HAL Q4 release.

But don't often hear a CEO say they had a "*great*" year.

2024 looks good. "*The outlook for oilfield services demand remains strong*" *HAL CEO.*

Infers no slowdown in #Oil #NatGas activity.

#OOTT

PRESS RELEASE

HALLIBURTON

3000 N. Sam Houston Pkwy E., Houston, TX 77032
Phone: 281-871-2699

FOR IMMEDIATE RELEASE

HALLIBURTON ANNOUNCES FOURTH QUARTER 2023 RESULTS AND INCREASES DIVIDEND

- Net income of $0.74 per diluted share.
- Adjusted net income per diluted share[1] of $0.86, excluding losses in Argentina primarily due to currency devaluation.
- Revenue of $5.7 billion and operating margin of 18%.
- Cash flow from operations of $1.4 billion and free cash flow[2] of $1.1 billion.
- 2024 first quarter dividend increases by $0.01 per share to $0.17 per share.

HOUSTON – January 23, 2024 – Halliburton Company (NYSE: HAL) announced today net income of $661 million, or $0.74 per diluted share, for the fourth quarter of 2023. This compares to net income for the third quarter of 2023 of $716 million, or $0.79 per diluted share. Adjusted net income[3] for the fourth quarter of 2023, excluding losses in Argentina primarily due to the currency devaluation, was $769 million, or $0.86 per diluted share. Halliburton's total revenue for the fourth quarter of 2023 was $5.7 billion, flat when compared to the third quarter of 2023. Operating income was $1.1 billion in the fourth quarter of 2023, a 2% increase when compared to the third quarter of 2023.

Total revenue for the full year of 2023 was $23.0 billion, an increase of $2.7 billion, or 13% from 2022. Operating income for 2023 was $4.1 billion, compared to 2022 operating income of $2.7 billion and adjusted operating income[4] of $3.1 billion, excluding impairments and other charges related to our exit from Russia.

"2023 was a great year for Halliburton, both of our divisions achieved their highest operating margins in over a decade," commented Jeff Miller, Chairman, President and CEO.

"We generated about $2.3 billion of free cash flow during the year, retired approximately $300 million of debt, and returned $1.4 billion of cash to shareholders through stock repurchases and dividends, which represents over 60% of our free cash flow.

"I am excited about 2024. The outlook for oilfield services demand remains strong. I expect we will deepen and strengthen our value proposition, and generate significant free cash flow," concluded Miller.

Halliburton/Page 2

1 · 4 · 1.2K

Dan Tsubouchi @Energy_Tidbits · 11h

Libya #Oil production restored 1.2 mmb/d, where it was when protests shut in Sharara on Jan 7.

"Libya's oil production returned to 1.2m b/d following the restart of its largest field Sharara, oil minister Mohamed Oun tells Bloomberg" reports @S_Elwardany

#OOTT

1K

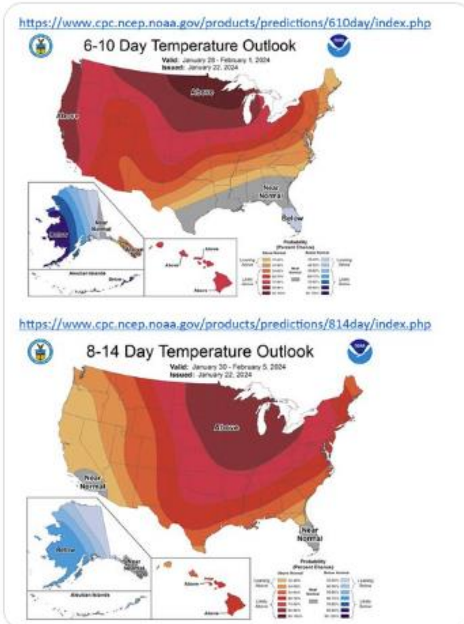
Dan Tsubouchi @Energy_Tidbits · 19h

HH #NatGas is $2.42.

Never a positive for HH if its warmer than normal in late Jan/early Feb, normally part of coldest time of the winter.

@NOAA updated 6-10 & 8-14 day temperature outlook calls for well above normal temps across almost all of the US for Jan 26-Feb 5.

#OOTT



1 · 1 · 4 · 1.7K

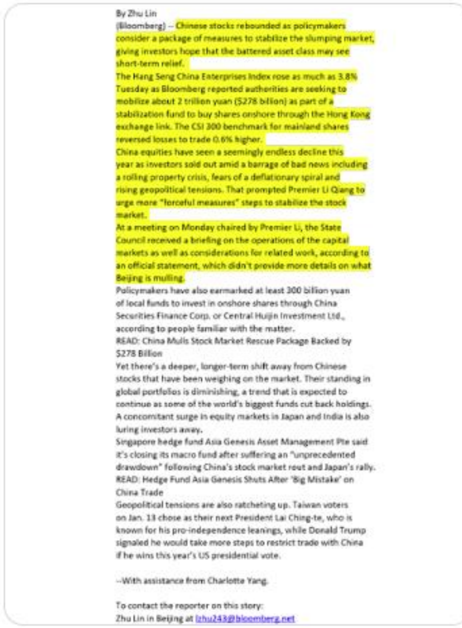
Dan Tsubouchi @Energy_Tidbits · 20h

Breaking.

Big move up in Hang Seng, currently +2.6%.

"Bloomberg reported authorities are seeking to mobilize about 2 trillion yuan ($278 billion) as part of a stabilization fund to buy shares onshore through the Hong Kong exchange link." reports @business Lin Zhu.

#OOTT



By Zhu Lin

(Bloomberg) -- Chinese stocks rebounded as policymakers consider a package of measures to stabilize the slumping market, giving investors hope that the battered asset class may see short-term relief.

The Hang Seng China Enterprises Index rose as much as 3.8% Tuesday as Bloomberg reported authorities are seeking to mobilize about 2 trillion yuan ($278 billion) as part of a stabilization fund to buy shares onshore through the Hong Kong exchange link. The CSI 300 benchmark for mainland shares reversed losses to trade 0.6% higher.

China equities have seen a seemingly endless decline this year as investors sold out amid a barrage of bad news including a rolling property crisis, fears of a deflationary spiral and rising geopolitical tensions. That prompted Premier Li Qiang to urge more "forceful measures" steps to stabilize the stock market.

At a meeting on Monday chaired by Premier Li, the State Council received a briefing on the operations of the capital markets as well as considerations for related work, according to an official statement, which didn't provide more details on what Beijing is mulling.

Policymakers have also earmarked at least 300 billion yuan of local funds to invest in onshore shares through China Securities Finance Corp. or Central Huijin Investment Ltd., according to people familiar with the matter.

READ: China Mulls Stock Market Rescue Package Backed by $278 Billion

Yet there's a deeper, longer-term shift away from Chinese stocks that have been weighing on the market. Their standing in global portfolios is diminishing, a trend that is expected to continue as some of the world's biggest funds cut back holdings. A concomitant surge in equity markets in Japan and India is also luring investors away.

Singapore hedge fund Asia Genesis Asset Management Pte said it's closing its macro fund after suffering an "unprecedented drawdown" following China's stock market rout and Japan's rally.

READ: Hedge Fund Asia Genesis Shuts After 'Big Mistake' on China Trade

Geopolitical tensions are also ratcheting up. Taiwan voters on Jan. 13 chose as their next President Lai Ching-te, who is known for his pro-independence leanings, while Donald Trump signaled he would take more steps to restrict trade with China if he wins this year's US presidential vote.

--With assistance from Charlotte Yang.

To contact the reporter on this story:
Zhu Lin in Beijing at lzhu243@bloomberg.net

2 6 2.3K

Dan Tsubouchi @Energy_Tidbits · 21h

Unofficial kickoff for Liberals for next Canada election that is by Oct 20, 2025?

Stress on housing, home/rent prices, health care, etc.

CAN to decrease # of "**NEW**" international students permits to 360,000 in 2024, down from ~550,000 in 2023. 2025 is TBD.

What's next?

...

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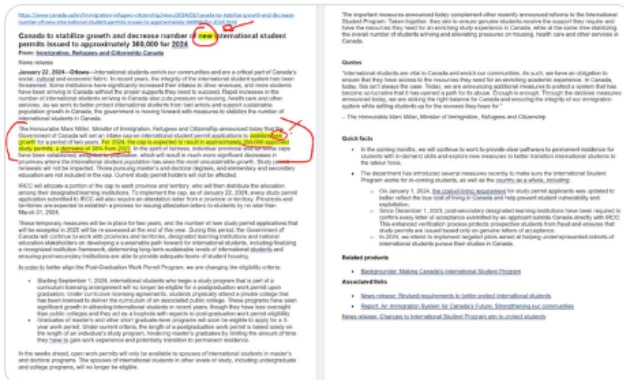

Canada to stabilize growth and decrease number of new international student permits issued to approximately 360,000 for 2024

2 · 4 · 6 · 2.9K

Dan Tsubouchi @Energy_Tidbits · 22h

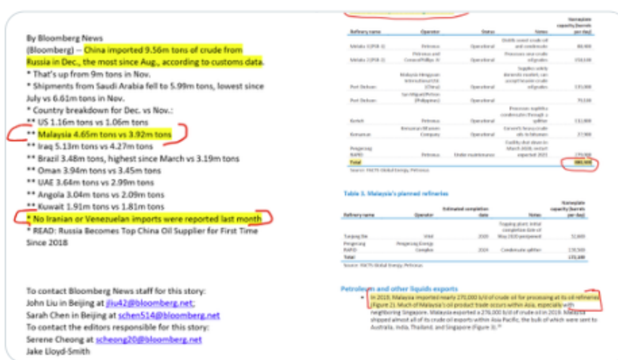
Iran #Oil being re-branded as Malaysian oil.

Dec China oil imports. Zero from Iran/Venezuela.

Yet 1.1 mmb/d from Malaysia. Malaysia produces ~0.5 mmb/d crude oil, has refinery capacity ~0.8 mmb/d & historically imported oil for its refineries.

Thx @business @EIAgov.

...


By Bloomberg News

(Bloomberg) -- China imported 9.56m tons of crude from Russia in Dec., the most since Aug., according to customs data.

* That's up from 9m tons in Nov.
* Shipments from Saudi Arabia fell to 5.99m tons, lowest since July vs 6.61m tons in Nov.
* Country breakdown for Dec. vs Nov.:
** US 1.16m tons vs 1.06m tons
** Malaysia 4.65m tons vs 3.92m tons
** Iraq 5.13m tons vs 4.27m tons
** Brazil 3.48m tons, highest since March vs 3.19m tons
** Oman 3.94m tons vs 3.45m tons
** UAE 3.64m tons vs 2.99m tons
** Angola 3.04m tons vs 2.09m tons
** Kuwait 1.91m tons vs 1.81m tons
* No Iranian or Venezuelan imports were reported last month
* READ: Russia Becomes Top China Oil Supplier for First Time Since 2018

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To contact the editors responsible for this story:
Serene Cheong at scheong20@bloomberg.net
Jake Lloyd-Smith

1 · 3 · 12 · 2.1K

Dan Tsubouchi @Energy_Tidbits · Jan 22

HH #NatGas price down $0.15 this morning to $2.37.

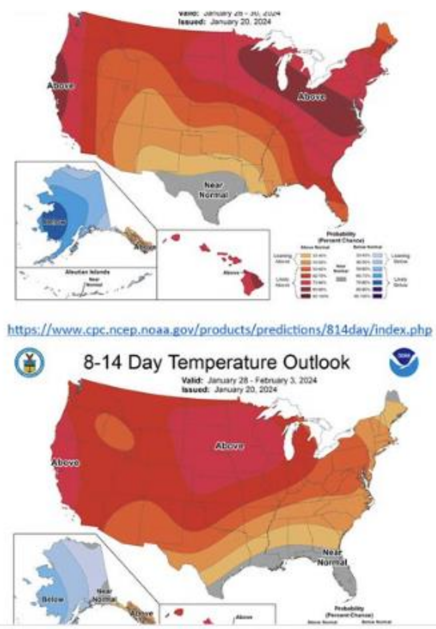
Never a positive when its warm in what is normally part of the peak winter temperature demand period for natural gas.

#OOTT

Dan Tsubouchi @Energy_Tidbits · Jan 20

Continued negative to HH #NatGas. HH closed Fri at $2.52, down $0.79 from $3.31 on Jan 12.

@NOAA updated 6-10 & 8-14 day temperature outlook fcasts much warmer than normal for Jan 26-Feb 3, which is part of the normal pea... Show more



1 1 4 2.7K

Dan Tsubouchi @Energy_Tidbits · Jan 21

Big wealth loss for Chinese investors with huge losses in Hang Seng & Shanghai indices since pre-Covid.

Modified the @business TV graph to include Shanghai and Dow and to also show shortened period from Jan 22, 2019 to present to show wealth loss vs pre-Covid.

#OOTT

3 · 6 · 3K

Dan Tsubouchi @Energy_Tidbits · Jan 21

US sees #Houthis conflict dragging on.

"*deterrence is not a light switch. It* ***requires a pattern & a practice of activity over time*** *... also seeking to degrade the Houthis ability to continue launching these attacks.... taking out these stockpiles so that they will not be able to...*

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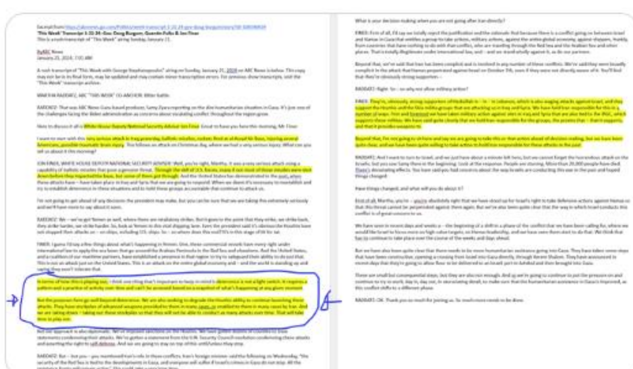

2 · 3 · 2K