Energy Tidbits

321 Crack Spreads -$2.27 WoW to $14.79. Haven't been <$15 Since Feb/21 when WTI was ~$60.

Produced by: Dan Tsubouchi

September 8, 2024

Dan Tsubouchi
Chief Market Strategist
dtsubouchi@safgroup.ca

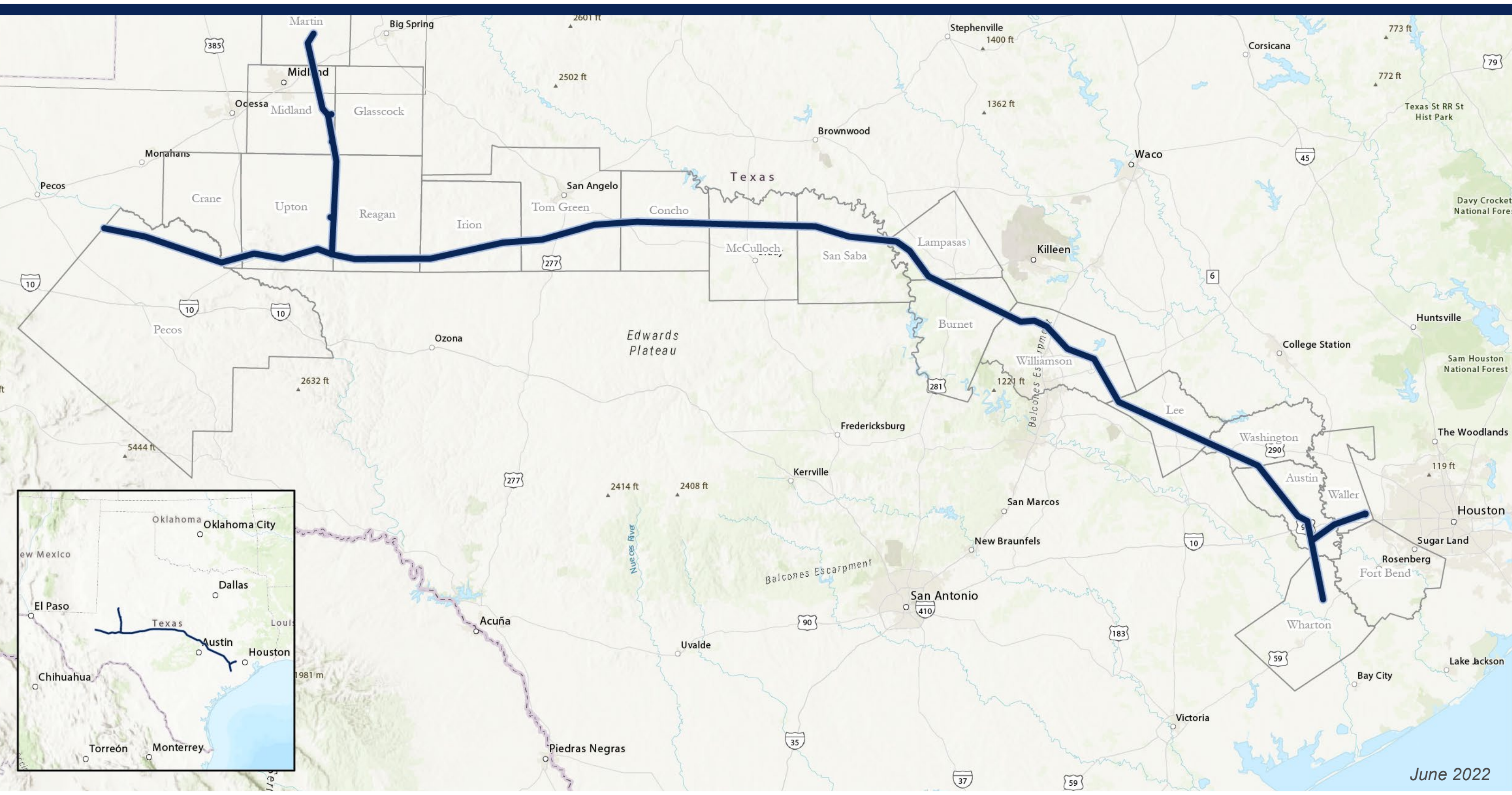
Ryan Dunfield
CEO
rdunfield@safgroup.ca

Aaron Bunting
COO, CFO
abunting@safgroup.ca

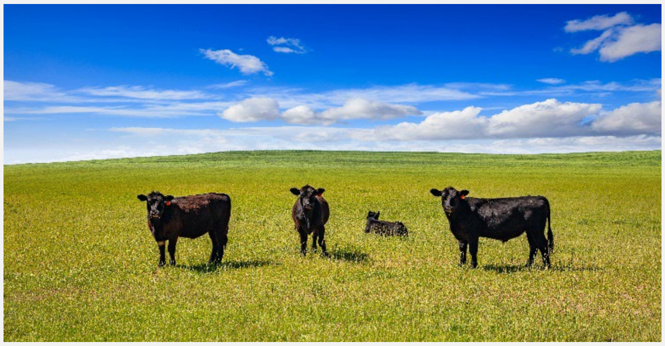
Ian Charles
Managing Director
icharles@safgroup.ca

Ryan Haughn
Managing Director
rhaughn@safgroup.ca

Matterhorn Express Pipeline Overview



The Matterhorn Express Pipeline is an approximately 580-mile intrastate pipeline designed to transport up to 2.5 billion cubic feet per day of natural gas from the Permian Basin to the Katy area near Houston, Texas. As natural gas production in the Permian Basin continues to grow, the Matterhorn Express Pipeline will provide critical takeaway capacity moving product to market for end use and play a significant role enhancing our nation's energy security, reducing energy costs, and minimizing emissions related to flaring.



Economic Benefits[1]

- Designed to deliver energy for up to 2 million homes
- Through the completion of construction, contribute an estimated $75 million in taxes to state and local governments
- Once fully operational, contribute an estimated $35 million in taxes to state and local governments annually
- Employ more than 3,500 skilled workers during the construction phase of the project
- Create 50 permanent jobs in Texas once completed

Our Commitment to Landowners

The Matterhorn Express Pipeline is committed to being good neighbors and incorporating feedback from all relevant stakeholders into both the proposed route and the project's overall design.

[1] Words such as "anticipated," "expected," "targeted," "projected," "estimated," and similar expressions are intended to identify forward-looking statements. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside the control of the Company, which could cause results to differ materially from those expected by management of the Company.

https://www.botas.gov.tr/Icerik/botas-and-shell-sign-long-term/1008

BOTAŞ And Shell Sign Long Term LNG Supply Contract

Türkiye’s Petroleum Pipeline Corporation (BOTAŞ) and Shell International Trading Middle East (Shell) have signed a long-term supply agreement through which Shell will provide BOTAŞ with up to approximately 4 billion cubic meters of liquefied natural gas (LNG) a year from its global portfolio, with deliveries starting in 2027.

The agreement was signed by Abdulvahit FİDAN, BOTAŞ Chairman and General Manager, and Tom SUMMERS, Senior Vice President of Shell LNG Marketing and Trading, during a ceremony under the auspices of Alparslan BAYRAKTAR, the Republic of Türkiye’s Minister of Energy and Natural Resources, and with the participation of Shell CEO Wael Sawan.

The deal will enable BOTAŞ to expand its LNG capacity and use its extensive terminal and pipeline infrastructure to assist Türkiye to diversify its gas resources and become a major regional gas hub.

Minister BAYRAKTAR said: “Our goal in natural gas, 99% of which we imported until the discovery of Black Sea Gas, is to diversify the supply side and offer natural gas to our citizens and industry in a more competitive and affordable rate. In this context, we have strengthened our infrastructure with international pipelines, LNG terminals and underground storage projects.”

The LNG supply agreement signed with Shell today will increase the diversity and flexibility of our portfolio. We are also pleased that BOTAŞ will acquire new capabilities in the field of LNG transport via ships by receiving the LNG at the loading port within the scope of the agreement.

Such agreements make significant contributions to the supply security of not only our country but also the region.

Wael Sawan, Chief Executive Officer of Shell, said: “Building on 100 years of Shell’s presence in Türkiye, we are delighted to work with BOTAS and supply LNG to assist Türkiye diversify its national gas supply. LNG offers a flexible and reliable source of energy and around the world it has a vital role to play in the transition to a lower carbon energy system.”

Date: 2/9/2024

https://rbnenergy.com/analyst-insights/alberta-sets-new-crude-oil-production-record-july-year-year-growth-decelerates

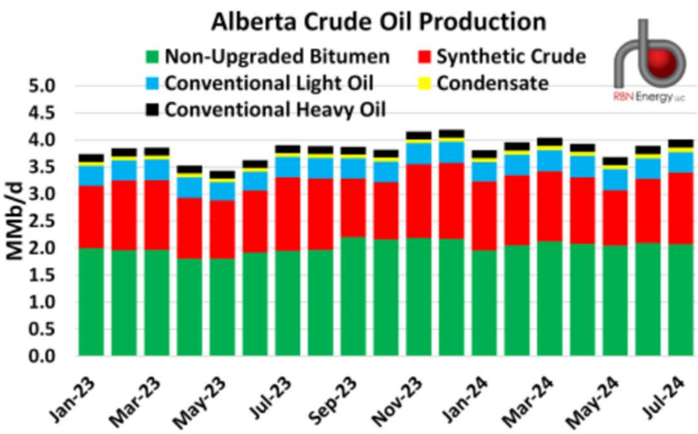
Analyst Insights

Alberta Sets New Crude Oil Production Record for July; Year-on-Year Growth Decelerates

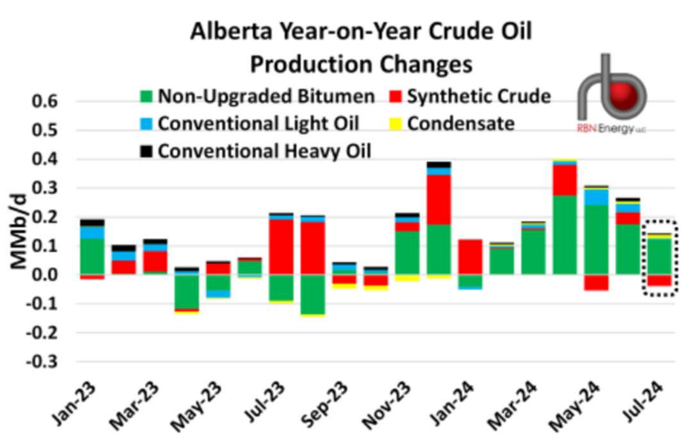
Thursday, 09/05/2024 (11:15 am)

Published by: Martin King

As reported by the Alberta Energy Regulator (AER), Alberta's oil production was 4.0 MMb/d in July 2024, a record for the month (rightmost stacked bars in chart below), 105 Mb/d higher than a year ago and the first time since March that output was at or better than 4 MMb/d. This was an increase of 116 Mb/d from June, driven by a recovery in the output of synthetic crude oil of 138 Mb/d after the completion of maintenance turnarounds at Canadian Natural Resources' Horizon upgrader (capacity 250 Mb/d) and Suncor's Base Plant upgrader (capacity 350 Mb/d) in June. July's total crude output was just 183 Mb/d below the individual monthly record set in December 2023 at 4.19 MMb/d.



The year-on-year production gain in July (black dashed rectangle in chart below) is the slowest rate of expansion since January (+71 Mb/d) when extreme cold for part of that month slowed operations at oil sands sites and upgraders. As has been the case since the start of 2024, production growth remains driven primarily by non-upgraded bitumen (green columns). Year-to-date growth through the first seven months of the year is pegged at 199 Mb/d, led by bitumen (+145 Mb/d). With the remainder of turnaround work completed in July at oil sands sites that produce non-upgraded bitumen, total crude oil output in August may well set a new individual monthly record north of 4.2 MMb/d.



Detroit Refinery

Overview

At Marathon Petroleum Corporation (MPC) we're working to enhance life's possibilities. Every day we live our core values of safety & environmental stewardship, integrity, respect, inclusion and collaboration. By reliably providing affordable, safe and abundant energy from coast-to-coast, we look to power today. We're inspired to make tomorrow even better, and we're just getting started.

Our Detroit refinery is located in southwest Detroit and has a crude oil refining capacity of 140,000 barrels per calendar day (bpcd). The refinery processes sweet and heavy sour crude oils into gasoline, distillates, asphalt, fuel-grade coke, chemical-grade propylene, propane and slurry. Products are distributed via pipeline, transport truck, rail and barge. The 2012 Detroit Heavy Oil Upgrade Project (DHOUP) enabled the processing of up to an additional 80,000 bpcd of heavy sour crude oils, including Canadian crude oils.

Health, Safety & Environment

At MPC, the health and safety of our employee, contractors and communities we call home is a priority. We take steps to ensure an accident-free, incident-free workplace. We've implemented cutting-edge safety measures at the refinery and are recognized as an industry leader.

At the same time, we are passionate stewards of the environment, engaged with multiple organizations to implement initiatives that protect our environment and inspire responsible practices for future generations. Below is a list of accolades and accomplishments earned by our Detroit refinery.

> 2010-present: Michigan OSHA Voluntary Protection Program Star Site
> 2017 and 2018 American Association of Railroads - Rail Grand Slam Award
> Maintains a forest habitat certified by the Wildlife Habitat Council
> 2010 American Chemistry Council Energy Efficiency Award
> 2010 and 2012 American Fuel and Petrochemical Manufacturers Distinguished Safety Award
> 2010 Norfolk Southern's Thoroughbred Chemical SafetyAward
> 2007-2012: U.S. Environmental Protection Agency ENERGY STAR facility
> 2012 Michigan OSHA Platinum Award winner for safety
> 2011-present: Behavior Based Safety Program certified by the Cambridge Center for Behavioral Studies
> DHOUP expansion completed with 9.6 million man-hours with zero lost-time incidents, and only seven minor Occupational Safety and Health Administration (OSHA) recordable injuries

Community

We believe in responsible citizenship, and are actively involved and engaged in the Detroit community. At MPC, we know that community is important. We make it a priority to offer time, talent and financial support for efforts that have a positive impact on the community through science, technology, engineering and math (STEM) related concepts and careers; that make our communities safer places to live and work; and that protect, conserve and sustain our environmental resources. Listed below are some of our partner organizations.

> Supported the renovation of the Kemeny Recreation Center with a $2 million donation
> United Way for Southeastern Michigan
> Mark Twain Elementary School Adopt-A-School program
> Friends of the Rouge and Fort-Rouge Gateway Project
> Mutual aid for fire and other emergencies
> Emergency response training with city of Detroit and local emergency responders
> Southwest Detroit Business Association Partner
> Life Remodeled
> Girls in Engineering Academy
> Rollercade
> River Rouge All-Star Giveback Turkey Drive
> Leaders Advancing and Helping Communities Turkey Drive
> Adopt -A-Family and Coat Drives refinery-wide

Quick Facts

EMPLOYMENT: Approximately 525 employees

REFINING CAPACITY: 140,000 bpcd

1001 South Oakwood Ave.
Detroit, MI 48217

MarathonPetroleum.com

April 2024 • RM79770C22

09/03/2024 07:17:13 [BN] Bloomberg News

Russia's Crude Shipments Edge Down to the Lowest in a Month

Flows remain in the narrow range they've occupied since the start of July

By Julian Lee

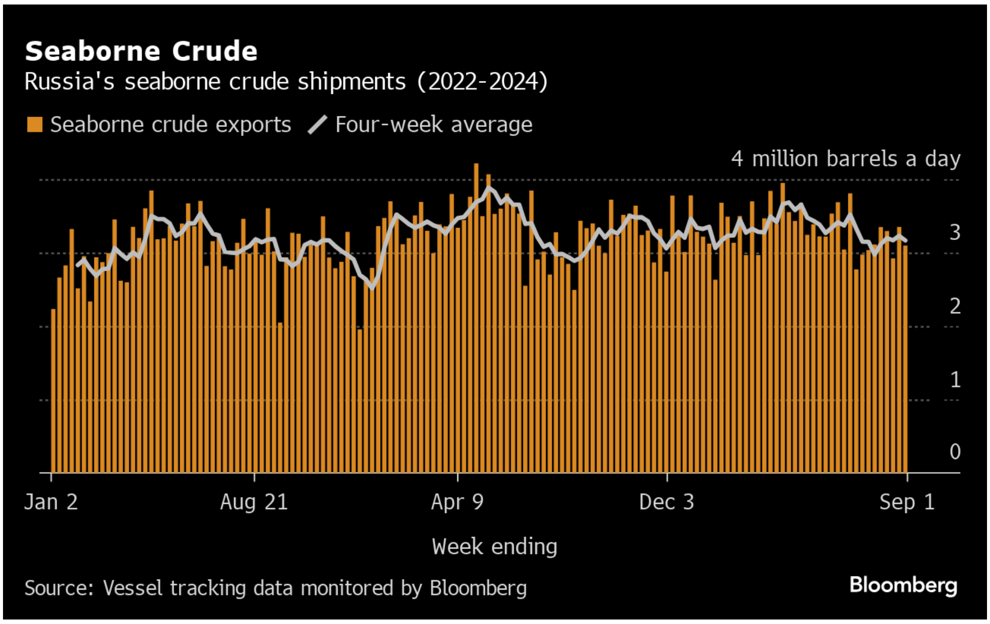
(Bloomberg) -- Russia's seaborne oil exports edged down to the lowest in almost a month, with maintenance work at the country's only offshore Arctic field likely contributing to the dip in shipments.

Four-week average crude volumes slipped to 3.16 million barrels a day in the week to Sept. 1, falling by 90,000 barrels a day compared with the previous period. Weekly flows, which are far more volatile, dropped 250,000 barrels a day.

Shipments from the offshore Arctic Prirazlomnoye field halted in mid-August. The stoppage is most likely due to maintenance. There was a similar month-long gap around the same time last year.

The decline came ahead of a plan by several OPEC+ member countries, including Russia, to ease output curbs from October. But the country's share of any additions will be tempered by Moscow's pledge to make deeper cuts to compensate for pumping above its OPEC+ target earlier this year. Its compensation cuts will offset about one-quarter of its allowed increase in October, rising to three-quarters in November.

Deputy Prime Minister Alexander Novak said Russia was complying with its OPEC+ output target by the end of August.

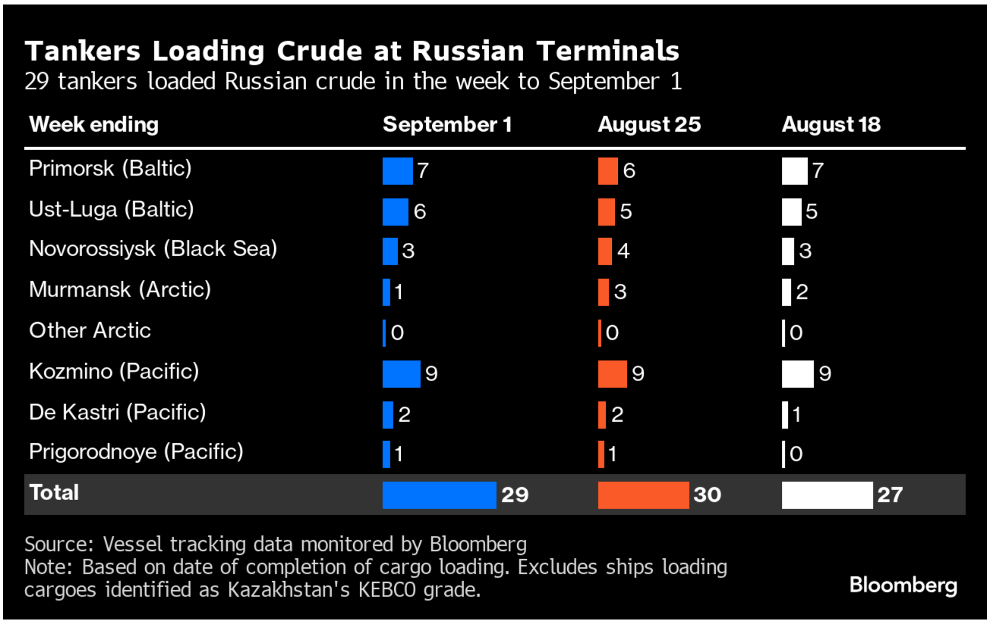


After the first cargoes carried on tankers sanctioned by the US were successfully delivered to China, Russia has become much more active in putting those ships back to work. At least 11 shipments of crude and refined products have now been made on vessels blacklisted by the US, UK or the European Union, with six of them loaded in August.

Crude processing rates at Russia's oil refineries averaged 5.52 million barrels a day in the first four weeks of August. That's the highest average monthly level since July 2023 and a month-on-month increase of about 90,000 barrels a day.

Crude Shipments

A total of 29 tankers loaded 21.7 million barrels of Russian crude in the week to Sept. 1, vessel-tracking data and port-agent reports show. The volume was down from 23.44 million barrels on 30 ships the previous week.



Tankers Loading Crude at Russian Terminals
29 tankers loaded Russian crude in the week to September 1

Week ending	September 1	August 25	August 18
Primorsk (Baltic)	7	6	7
Ust-Luga (Baltic)	6	5	5
Novorossiysk (Black Sea)	3	4	3
Murmansk (Arctic)	1	3	2
Other Arctic	0	0	0
Kozmino (Pacific)	9	9	9
De Kastri (Pacific)	2	2	1
Prigorodnoye (Pacific)	1	1	0
Total	**29**	**30**	**27**

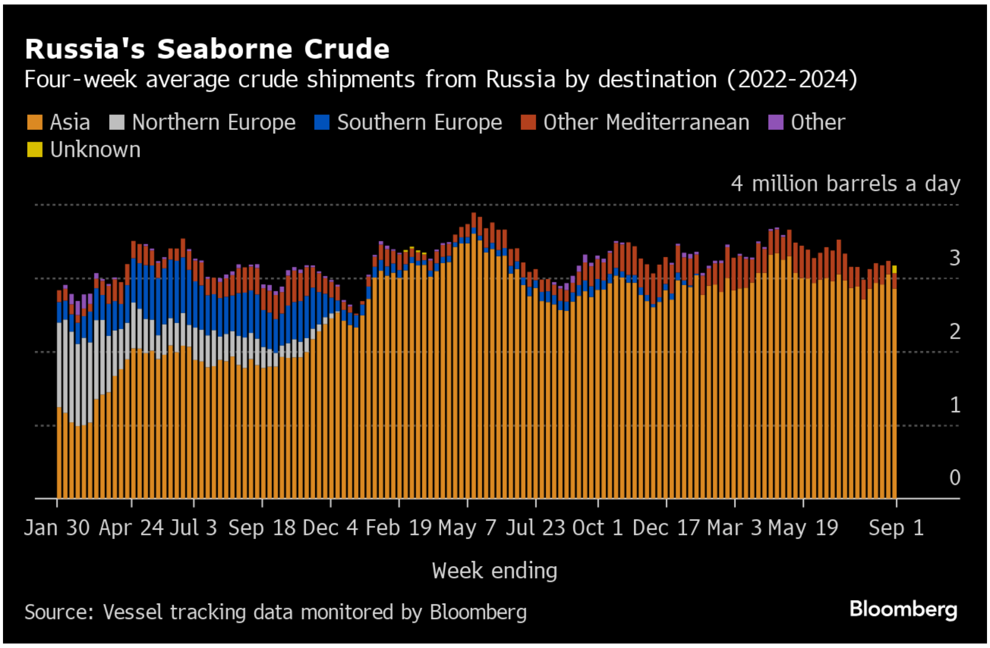
Source: Vessel tracking data monitored by Bloomberg
Note: Based on date of completion of cargo loading. Excludes ships loading cargoes identified as Kazakhstan's KEBCO grade.
Bloomberg

It means Russia's seaborne daily crude flows in the week to Sept. 1 fell by about 250,000 barrels to 3.1 million.

The less volatile four-week average was also down, falling by 90,000 barrels a day to 3.16 million from 3.25 million the previous week. Apart from one week when they dipped below 3 million barrels a day, shipments using this measure have ranged between 3.14 million and 3.25 million barrels a day since the beginning of July.

Crude shipments so far this year are about 40,000 barrels a day below the average for the whole of 2023.

One cargo of Kazakhstan's KEBCO crude was loaded at Novorossiysk during the week.



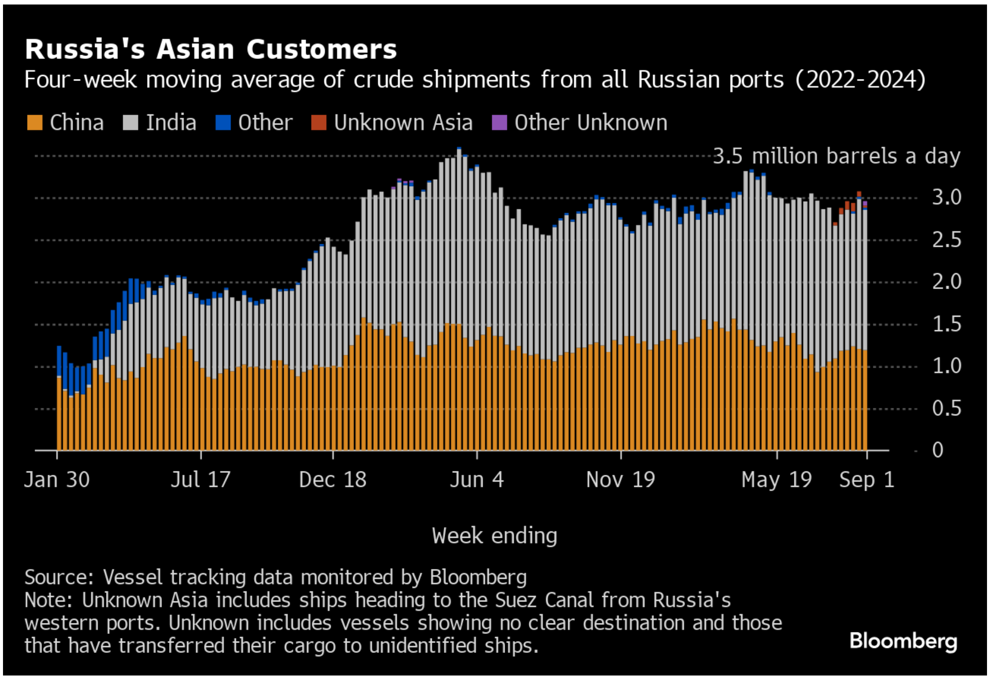
Russia terminated its export targets at the end of May, opting instead to restrict production, in line with its partners in the OPEC+ oil producers' group. The country's output target is set at 8.978 million barrels a day until the end of September, after which it is scheduled to rise at a rate of 39,000 barrels a day each month until September 2025, as long as market conditions allow. Producers are seen as likely to go ahead with the October increase as planned.

Still, Moscow has pledged to make deeper output cuts in October and November this year, then between March and September of 2025, to compensate for pumping above its OPEC+ quota earlier this year.

Flows by Destination

- ### Asia

Observed shipments to Russia's Asian customers, including those showing no final destination, fell to 2.96 million barrels a day in the four weeks to Sept. 1. That's about 9% below the average level seen in April.



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

Flows on ships signaling destinations in India averaged 1.66 million barrels a day, down from a revised 1.78 million for the period to Aug. 25.

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

The equivalent of about 30,000 barrels a day was on vessels signaling Port Said or Suez in Egypt. Those voyages typically end at ports in India or China and show up as "Unknown Asia" until a final destination becomes apparent.

The "Other Unknown" volumes, running at about 50,000 barrels a day in the four weeks to Sept. 1, are those on tankers showing no clear destination. Most originate from Russia's western ports and go on to transit the Suez Canal, but some could end up in Turkey. Others may be moved from one vessel to another, with the majority of such transfers now taking place in the Mediterranean, most recently off Egypt, or near Sohar in Oman.

Russia's oil flows continue to be complicated by the Greek navy carrying out exercises in an area that's become associated with the transfer of Russian crude. These naval drills have now been extended to Sept. 15. As a result, recent cargo switches have moved to the waters off Egypt's Port Said, where two Suezmax cargoes were transferred to a larger vessel for shipment to Asia via the Cape of Good Hope. In late August another cargo was moved from one vessel to another at the Omani port of Duqm.

Crude Shipments to Asia
Shipments of Russian crude to Asian buyers in million barrels a day

4 weeks ending	China	India	Other	Unknown Asia	Other Unknown	Total
July 28, 2024	1.09	1.58	0.00	0.04	0.00	2.71
August 4, 2024	1.18	1.62	0.00	0.07	0.00	2.88
August 11, 2024	1.19	1.67	0.00	0.10	0.00	2.96
August 18, 2024	1.23	1.57	0.03	0.10	0.00	2.93
August 25, 2024	1.20	1.78	0.03	0.06	0.00	3.07
September 1, 2024	1.19	1.66	0.03	0.03	0.05	2.96

Source: Vessel tracking data compiled by Bloomberg
Bloomberg

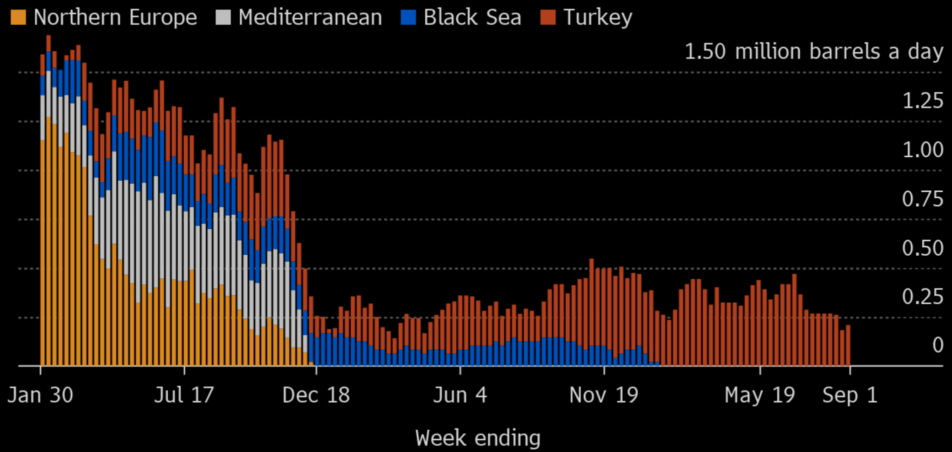
- ## Europe and Turkey

Russia's seaborne crude exports to European countries have ceased, with flows to Bulgaria halted at the end of last year. Moscow also lost about 500,000 barrels a day of pipeline exports to Poland and Germany at the start of 2023, when those countries stopped purchases.

Pipeline deliveries to Hungary and Slovakia, which cross Ukraine through the southern leg of the Druzhba pipeline system, have also been disrupted in recent weeks by Kyiv's ban on crude belonging to Lukoil PJSC crossing its territory. Hungary said refiner Mol Nyrt is discussing a workaround, and the company's CEO said the country won't suffer any oil shortages.

Turkey is now the only short-haul market for shipments from Russia's western ports, with flows in the 28 days to Sept. 1 edging up to about 210,000 barrels a day from the previous week's 16-month low.

Russia's Crude Shipments to Europe and Turkey
Four-week average crude shipments from Russia (2022-2024)



Source: Vessel tracking data monitored by Bloomberg
Note: Four-week moving average of crude shipments from all Russian ports.
Bloomberg

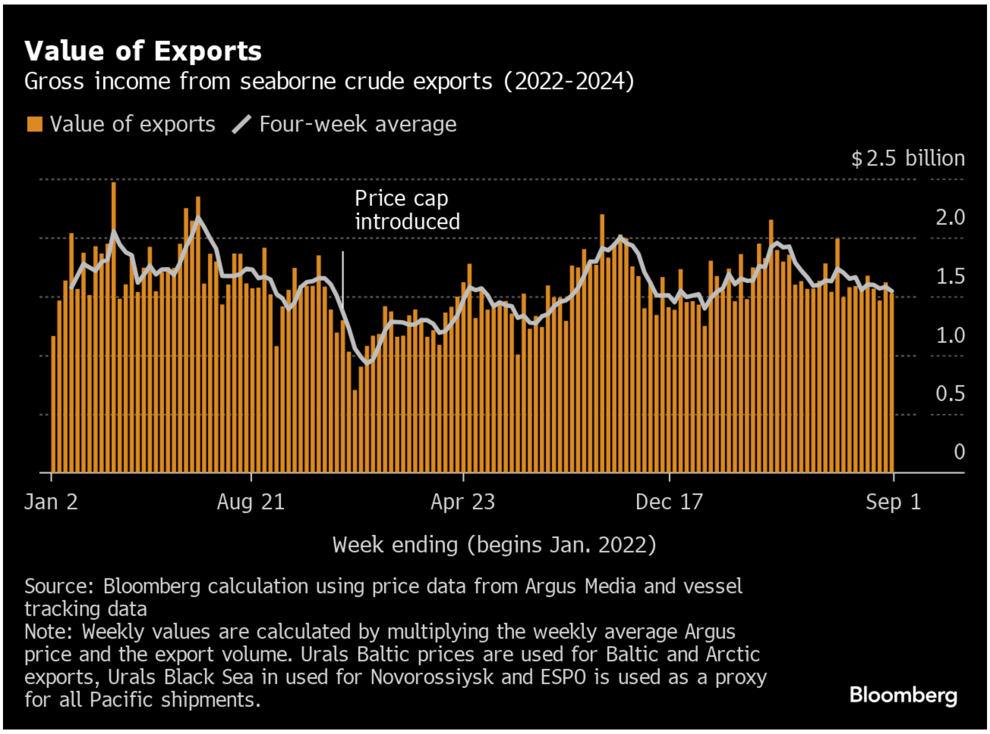
Export Value

The gross value of Russia's crude exports fell to $1.52 billion in the seven days to Sept. 1, from $1.62 billion in the period to Aug. 25. The lower weekly flows were partly offset by a small increase in prices for Russia's major crude streams.

Export values at Baltic ports were up week-on-week by about $1.10 a barrel, while shipments from the Black Sea and prices for key Pacific grade ESPO rose by about $1.20 a barrel. Delivered prices in India were also up, rising by about $1 a barrel, all according to numbers from Argus Media.

Four-week average income was down slightly at about $1.54 billion a week. The four-week average peak of $2.17 billion a week was reached in the period to June 19, 2022.

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.



NOTES

This story forms part of a weekly series tracking shipments of crude from Russian export terminals and the gross value of those flows. The next update will be on Tuesday, Sept. 10.

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 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 stream. Since

Russia's invasion of Ukraine, Kazakhstan has rebranded its cargoes to distinguish them from those shipped by Russian companies.

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.

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

––With assistance from Sherry Su.

To contact the author of this story:
Julian Lee in London at jlee1627@bloomberg.net

To contact the editor responsible for this story:
John Deane at jdeane3@bloomberg.net

https://www.opec.org/opec_web/en/press_room/7369.htm

Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria, and Oman extend voluntary cuts

No 13/2024
Vienna, Austria
05 Sep 2024

The OPEC+ countries, which previously announced additional voluntary cuts in April and November 2023, including Saudi Arabia, Russia, Iraq, the United Arab Emirates, Kuwait, Kazakhstan, Algeria, and Oman, held a virtual meeting on September 5th, 2024, during which the eight member countries emphasized their collective resolve to ensure full compliance with the voluntary production adjustments. The group includes Iraq and Kazakhstan, who have overproduced since January 2024, but have strongly reaffirmed their commitment to the agreement and to their compensation schedules submitted to the OPEC Secretariat as agreed under the 53rd meeting of the JMMC on April 3rd 2024.

In August 2024, Saudi Arabia, Russia, the United Arab Emirates, Kuwait, Algeria, and Oman, conducted two ministerial discussions with Iraq and Kazakhstan. Both countries were urged to achieve full conformity and compensate for the overproduced volumes since January 2024. Iraq and Kazakhstan committed to engage with secondary sources to outline their plans for production adjustments to achieve compliance and meet the compensation schedules they submitted to the OPEC Secretariat on August 22nd.

Iraq and Kazakhstan reinforced their commitment during the OPEC Secretary General's visits in late August, conducted in coordination with Saudi Arabia's Minister of Energy and the Chairman of the OPEC and non-OPEC Ministerial Meetings. During those visits, the OPEC Secretariat organized workshops with the secondary sources where both countries provided extensive details on the immediate and concrete measures they are implementing to achieve full conformity with the required production levels and to meet their compensation schedules for August and for September. These measures included advancing field maintenance plans and reducing production alongside with delaying and canceling spot sales for the month of August. Moreover, the countries committed to adjust compensation plans for any over produced volumes in August.

In recognition of this strengthened resolve and renewed firm commitment, the eight participating countries have agreed to extend their additional voluntary production cuts of 2.2 million barrels per day for two months until the end of November 2024, after which these cuts will be gradually phased out on a monthly basis starting December 1st, 2024, according to the attached schedule, with the flexibility to pause or reverse the adjustments as necessary. The overproducing countries also reconfirmed their commitment that the entire overproduced volume will be fully compensated for by September 2025.

Production Levels with the Phase-out of November 2023 Voluntary cuts to start in December 2024 until November 2025

	2024		2025												Required Production Level as per 37th ONOMM (1)
Country	Oct-Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Algeria	908	912	917	921	925	929	934	938	942	946	951	955	959	959	**1,007**
Iraq	4,000	4,018	4,037	4,055	4,073	4,092	4,110	4,128	4,147	4,165	4,183	4,202	4,220	4,220	**4,431**
Kuwait	2,413	2,424	2,436	2,447	2,458	2,469	2,481	2,492	2,503	2,514	2,526	2,537	2,548	2,548	**2,676**
KSA	8,978	9,061	9,145	9,228	9,311	9,395	9,478	9,561	9,645	9,728	9,811	9,895	9,978	9,978	**10,478**
UAE	2,912	2,926	2,972	3,020	3,067	3,114	3,161	3,207	3,254	3,301	3,348	3,361	3,375	3,375	**3,519**
Kazakhstan	1,468	1,475	1,482	1,489	1,495	1,502	1,509	1,516	1,523	1,530	1,536	1,543	1,550	1,550	**1,628**
Oman	759	763	766	770	773	777	780	784	787	791	794	798	801	801	**841**
Russia	8,978	9,017	9,057	9,096	9,135	9,174	9,214	9,253	9,292	9,331	9,371	9,410	9,449	9,449	**9,949**

(1) Required production levels as per the 37th ONOMM before applying the additional voluntary cuts announced in April 2023 and November 2023.

https://www.bahri.sa/en/news-insights/news-insight/2024/bahri-confirms-tanker-amjad-safe-transit-amid-nearby-incident-in-red-sea/

Bahri Confirms Tanker AMJAD Safe Transit in the Red Sea.

03 SEP 2024

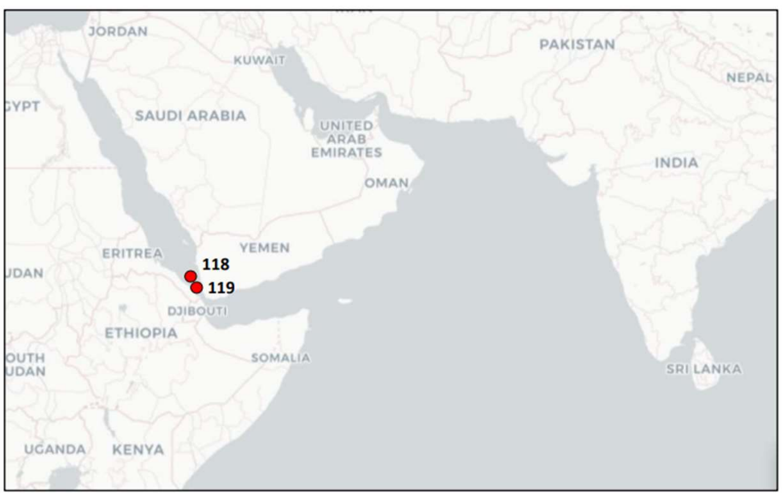
In response to reports concerning an incident involving the Bahri tanker AMJAD (IMO: 9779800) on Monday, 2 September 2024, at approximately 06:27 UTC, we confirm that AMJAD was transiting north in the Red Sea, near another tanker that came under attack. We unequivocally affirm that AMJAD was not targeted and sustained no injuries or damage. The vessel remains fully operational and is proceeding to her planned destination without interruption.

Bahri has promptly informed all relevant authorities and remains in continuous communication with our crew as we vigilantly monitor the situation.

UKMTO DAILY SUMMARY

1600UTC 01 SEP 24 to 1600UTC 02 SEP 24

INCIDENT NO.	INCIDENT TIME	INCIDENT DETAIL
118-WARNING BLUE LAGOON 1 IMO:9248447	02 Sep 2024 0130UTC	UKMTO has received a report of an incident 70NM northwest of Saleef, Yemen. **Update 001:** The Master of a merchant vessel reports that the vessel was hit by 2 unknown projectiles. Damage control is underway, the Master reports a third explosion in close proximity to the vessel. There are no casualties onboard and the vessel is proceeding to its next port of call. Authorities are investigating. Vessels are advised to transit with caution and report any suspicious activity to UKMTO. 20240902-ukmto-warning-incident-118-update-001.pdf (mod.uk)
119-WARNING	02 Sep 2024 0630UTC	UKMTO has received a report of an incident 58NM west of Al Hudaydah, Yemen. **Update 001**: The Master of a merchant vessel reports that the vessel was hit by an Uncrewed Aerial System. There are no casualties onboard and the vessel is proceeding to its next port of call. Authorities are investigating. Vessels are advised to transit with caution and report any suspicious activity to UKMTO. 20240902-ukmto-warning-incident-119-update-001.pdf (mod.uk)



UKMTO reporting is available here: https://www.ukmto.org/indian-ocean/ukmto-products
Vessels transiting the area are advised to exercise caution and are requested to report to UKMTO.

UKMTO Watchkeeper
Email: watchkeepers@ukmto.org
Emergency Tel: +44 (0)2392 222060
Website: www.ukmto.org

UKMTO
United Kingdom Maritime Trade Operations

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U.S. Central Command
@CENTCOM

Houthis Attack Two Crude Oil Tankers

On the morning of Sep. 2, the Iranian-backed Houthis attacked two crude oil tankers, the Panama flagged/owned, Greek operated MV BLUE LAGOON I and the Saudi flagged, owned, and operated MV AMJAD, with two ballistic missiles and a one-way attack uncrewed aerial system, hitting both vessels. Both vessels are laden with crude oil. The MV AMJAD is carrying approximately two million barrels of oil, almost twice the amount onboard the Greek-owned MV DELTA SOUNION, which the Houthis attacked on Aug. 21. Currently, salvage efforts are underway in the Southern Red Sea for the disabled MV DELTA SOUNION, which is still on fire and threatens the possibility of a major environmental disaster.

These reckless acts of terrorism by the Houthis continue to destabilize regional and global commerce, as well as put the lives of civilian mariners and maritime ecosystems at risk..

U.S. Central Command will continue to work with international partners and allies to protect commerce and mitigate potential impacts to the environment despite the irresponsible and careless actions of the Iranian-backed Houthis.

3:50 PM · Sep 2, 2024 · **328.8K** Views

European Luxury Shares' $240 Billion Rout is Just the Beginning

2024-09-08 08:00:00.1 GMT

By Kit Rees

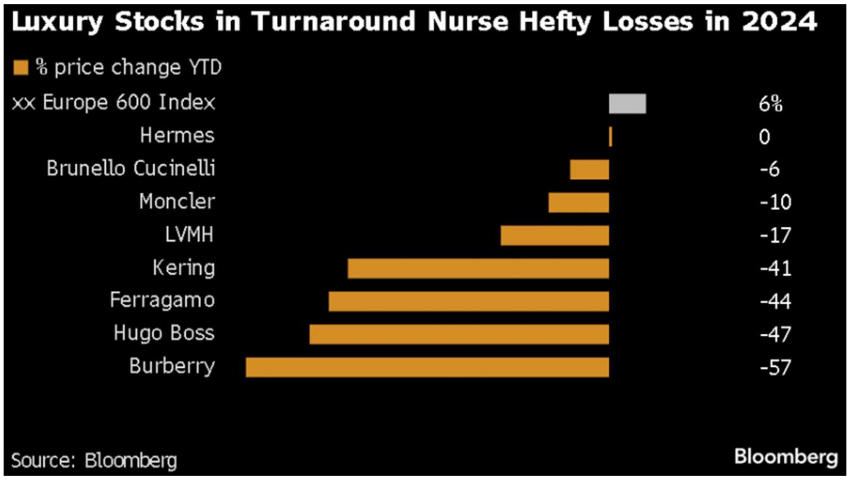
(Bloomberg) -- After enduring almost a quarter-trillion dollar hit to their market value in recent months, Europe's luxury firms may see their stock-market clout wane further as China's downturn worsens.

Once seen as Europe's answer to the US "Magnificent Seven" tech megacaps, shares in companies producing high-end clothing, handbags and jewelry are languishing, sapped by a spending slump. Even more ominous are signs that China's rich, who once flocked to upscale boutiques in Paris, Milan and Hong Kong, may not return, their appetite for pricey items extinguished by the economy's downward spiral.

"This year is more volatile and more painful because it comes after this excessive growth," Flavio Cereda, an investment manager at GAM UK Ltd. said, referring to the period immediately after the pandemic when consumers liberated from lockdowns splurged on shopping and travel.

For Britain's iconic raincoat maker Burberry Group Plc, it's culminating in ejection from London's FTSE 100 stock index, with its market value down 70% in the past year. While it's the only major brand to lose its index slot, an gauge of luxury shares compiled by Goldman Sachs has shed $240 billion in value from a March peak.

Gucci-owner Kering SA and Hugo Boss AG are the worst hit, shedding almost half their value in the past year. Kering, once a top 10 stock in France's CAC 40 index, now ranks 23rd. And industry giant LVMH Moët Hennessy Louis Vuitton SE, which was Europe's largest company by market cap a year back, has slid to second place.



The deflation of the post-pandemic spending bubble was evident in recent earnings reports. Kering, Burberry and Hugo Boss issued profit warnings, while at LVMH, quarterly organic revenue at its crucial leather-goods unit grew just 1%, versus 21% a year earlier. Only brands catering to the ultra-wealthy, such as Hermes International SCA and Brunello Cucinelli SpA, escaped the full force of the earnings downturn.

"Slower for longer"

GAM's Cereda, who co-manages a fund investing in luxury stocks, is hopeful sales will pick up next year, at least to the "mid-single-digit" levels that he says represent the sector's long-term trend.

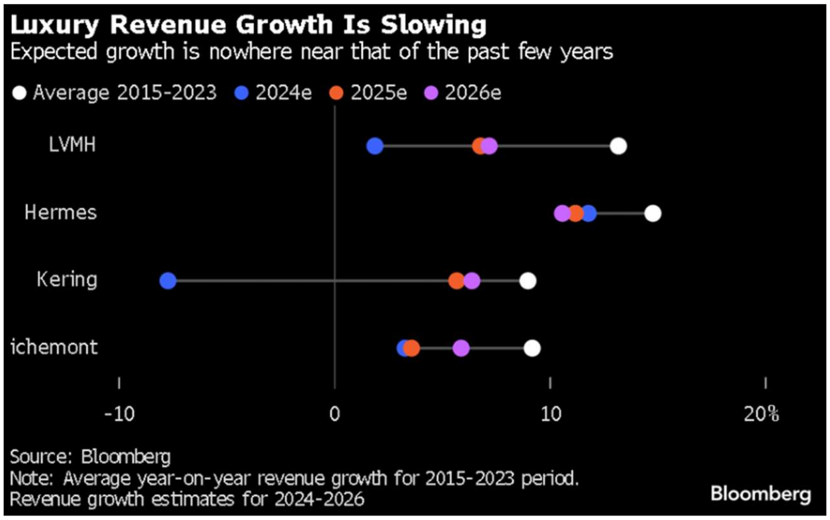
But what if weaker revenue and tighter profit margins are the new normal? Some reckon that could be the case.

UBS analyst Zuzanna Pusz describes the luxury-sector outlook as "slower for longer." Trimming her estimates for organic sales growth in 2025 and the second half of 2024, Pusz predicted that "the industry seems to be entering its own specific cycle, following a few years of a boom with high pricing."

And newsflow around the fallout of China's slowdown seems to back that verdict.

Tiffany & Co., LVMH's premium jewellery brand, is seeking to halve the size of its flagship Shanghai outlet, Bloomberg reported. Hong Kong's luxury malls, which once lured big-spending Chinese, are nearly empty. And in Switzerland, watchmakers are seeking state aid to counter dwindling exports.

Many analysts share Pusz's view, cutting estimates for profit and share prices. Bank of America Corp.'s Ashley Wallace says consensus expectations for the second half of the year may be too high, while Morgan Stanley's Edouard Aubin names LVMH and Richemont as particularly vulnerable to the China slowdown, reducing his share targets for the firms.



Some see a silver lining in slightly more palatable share valuations. While the MSCI Europe Textiles Apparel & Luxury Goods Index still trades at a hefty premium to the MSCI Europe gauge, it's well off the boomtime levels of 2021.

"The sector clearly has competitive advantages longer-term, so downcycles are probably the best time to invest," Morningstar analyst Jelena Sokolova said. She sees an opportunity in Kering, predicting that strong brand recognition will enable Gucci to capitalize when the turnaround finally materializes.

GAM's Cereda however, prefers the highest-end luxury names such as Hermes.

"You don't want to own brands that don't have brand heat, and you don't really want any meaningful exposure to the aspirational consumer," he said. "And you certainly don't want any real exposure to the aspirational consumer in China."

--With assistance from Michael Msika.

To contact the reporter on this story:
Kit Rees in London at krees1@bloomberg.net
To contact the editors responsible for this story:
Paul Jarvis at pjarvis@bloomberg.net
Sujata Rao

To view this story in Bloomberg click here:
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Caixin China General Manufacturing PMI®

Manufacturing sector conditions improve as new orders return to growth

Operating conditions in China's manufacturing sector improved midway through the third quarter of 2024. Incoming new orders returned to growth, driving faster production expansion. This supported a stabilisation of employment while inventory levels also increased. Moreover, confidence about the outlook climbed in the latest survey period.

Meanwhile, higher demand led to a worsening of supply conditions. That said, price pressures eased amid some reports of lower raw material costs.

The headline seasonally adjusted Purchasing Managers' Index™ (PMI®) – a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy – rose to 50.4 in August, up from 49.8 in July. Rising past the 50.0 neutral mark, the latest data signalled that conditions in the manufacturing sector improved following the brief deterioration in July. The rate of improvement was only marginal, however.

Manufacturing production expanded for a tenth successive month in August, led by firms in the consumer and intermediate goods sectors. Although modest, the rate of growth accelerated from July's low as incoming new orders returned to expansion. Survey respondents revealed that better underlying demand conditions and promotional efforts underpinned the latest rise in new orders.

Export orders were subdued, however, falling marginally for the first time in the year-to-date amid reports of deteriorating external conditions.

The improvement in overall demand led to a stabilisation of staffing levels following an 11-month period of decline with some firms taking on additional staff to cope with ongoing workloads. This was as backlogged orders rose for a sixth straight month.

Purchasing activity meanwhile fell marginally in August, though this was attributed to Chinese manufacturers having sufficient input stock holdings, which rose in August. Stocks of finished goods also increased with anecdotal evidence suggesting that delays in outbound shipments contributed to the rise in post-production inventory holdings.

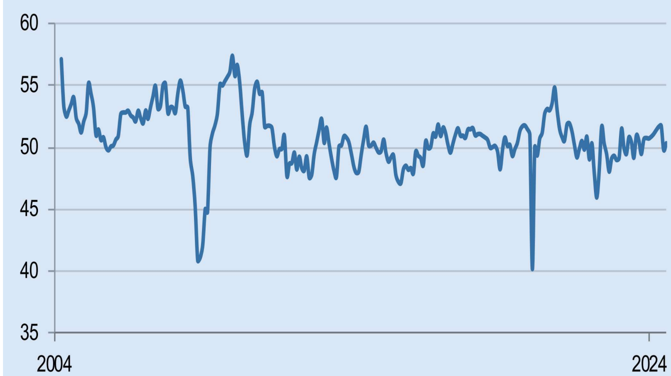
Indeed, vendor performance deteriorated in August. Lead times lengthened at a slightly faster pace in August amidst supply and transportation constraints according to panellists.

Some relief on price pressures was observed with average input costs falling fractionally for the first time in five months. Survey respondents often linked the decline to the lowering of raw material prices. In turn, Chinese manufacturers reduced their selling prices, with some firms indicating offering discounts to remain competitive.

Overall confidence levels rose to a three-month high. Firms grew more optimistic that improvements in economic conditions and business development efforts will bear fruit in the year ahead.

China General Manufacturing PMI

sa, >50 = improvement since previous month



Sources: Caixin, S&P Global PMI

Key findings:

Faster output expansion in August

Employment stabilises following 11-month run of decline

Average selling prices fall alongside input costs

New Export Orders Index

sa, >50 = growth since previous month

Sources: Caixin, S&P Global PMI

Employment Index

sa, >50 = growth since previous month

Sources: Caixin, S&P Global PMI

Commenting on the China General Manufacturing PMI® data, Dr. Wang Zhe, Senior Economist at Caixin Insight Group said:

"The Caixin China General Manufacturing PMI came in at 50.4 in August, up 0.6 points from the previous month. This marked a return to expansionary territory, indicating market improvement.

"Supply and demand expanded at different paces. Manufacturers' output grew for the 10th straight month in August, accelerating slightly from the previous month. In terms of production, consumers and intermediate goods producers outperformed their counterparts that provide investment products.

"Demand picked up as total new orders resumed growth, with stronger demand for intermediate goods. Exports declined for the first time in eight months, dragged particularly by weakening demand for consumer products, pushing the corresponding indicator to the lowest since November.

"Employment remained steady. The labor market stabilized in August after an 11-month contraction. The number of companies increasing their headcount was roughly equal to those reducing it to cut costs. The total workforce at companies producing investment goods grew slightly.

"However, despite the stabilized employment situation, businesses were still unable to absorb all new orders, keeping the gauge for backlogs of work in expansionary territory.

"Price levels came under pressure. Both input and output prices decreased. Lower prices for raw materials such as industrial metals brought down input costs. Output prices decreased amid sales pressure, with the corresponding indicator reaching the lowest level in four months.

"Supplier logistics were delayed as a shortage of raw materials coupled with extreme weather conditions took a toll. Delivery times extended for the third straight month in August and worsened compared to the previous month. Logistics delays along with limited market demand expanded manufacturers' stocks, resulting in a dual increase in inventories of both raw materials and finished goods.

"Businesses remained optimistic. Surveyed companies expressed confidence in the market for the following 12-month period. The gauge for future output expectations recovered further from a low in June, albeit remaining below its historical average, reflecting limited optimism.

"Overall, the manufacturing sector improved in August, marked by a stable expansion in supply and demand. External demand was under pressure while employment stabilized. Logistics were delayed. Manufacturer inventories increased, along with deflationary pressure. Market optimism was generally resilient.

"Data released recently on industrial production, consumption, and investment showed that although the economy has continued the trend of stabilization seen in the second quarter, it is significantly weaker than market expectations.

"The Caixin manufacturing PMI for August returned to expansionary territory, but the growth was limited. Considering the government's ambitious annual economic growth target, the challenges and difficulties in stabilizing growth over the coming months will be substantial.

"Prominent issues such as insufficient domestic demand, significant uncertainties in external demand, and weak market optimism persist. There is still room for fiscal and monetary policy adjustments. There is an increasingly urgent need for China to enhance policy support and ensure the effective implementation of earlier policies."

i_Cores

cores

Avance provisional de consumo
Julio 2024

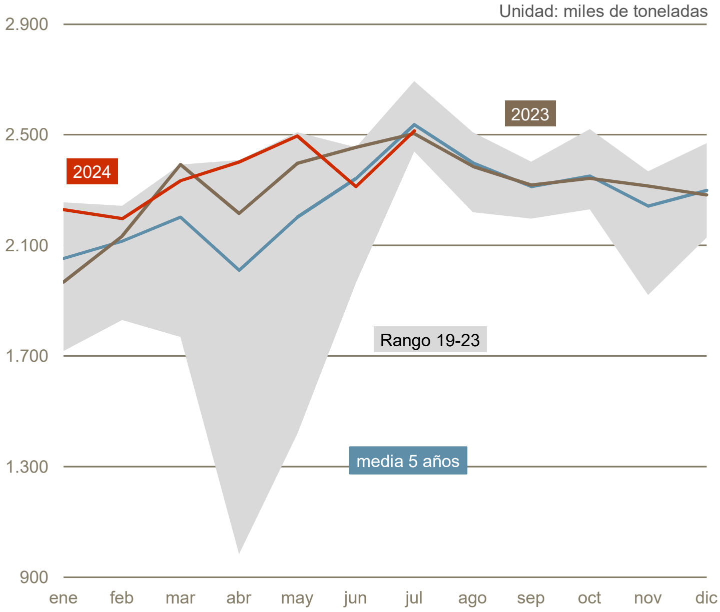
En julio asciende el consumo de los combustibles de automoción (+0,4% vs. julio 2023)

En julio aumenta el consumo de los combustibles de automoción (+0,4% vs. jul-23), aumentando también respecto a junio 2023 (+8,7%), ascienden las gasolinas (+7,4% vs. jul-23) mientras que disminuyen los gasóleos (-1,8%). En el acumulado del año el consumo de los combustibles de automoción asciende un +2,6% vs. 2023, aumentando tanto las gasolinas (+7,9%) como los gasóleos auto (+1,2%).

Este mes asciende interanualmente el consumo de todos los grupos de productos: GLP (+1,5%), gasolinas (+7,4%), querosenos (+11,4%), gasóleos (+0,3%) y fuelóleos (+4,8%). En el acumulado anual también aumentan todos los grupos de productos: GLP (+6,0% vs. 2023), gasolinas (+7,9%), querosenos (+12,8%), gasóleos (+1,0%) y fuelóleos (+8,3%).

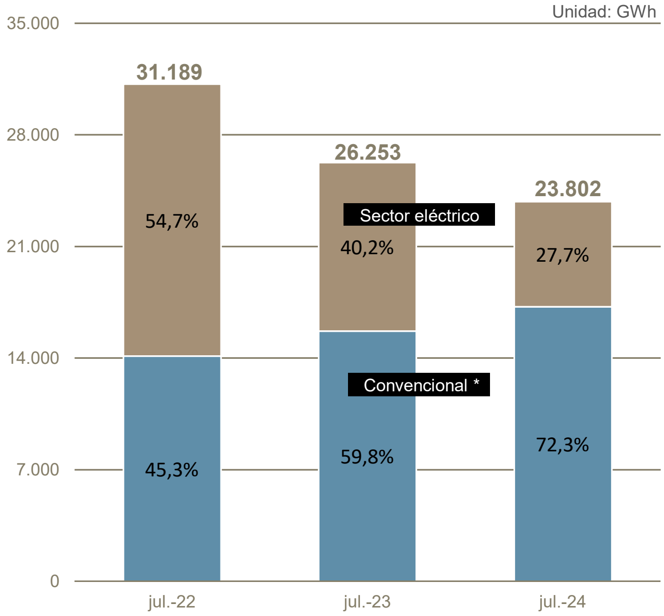
En julio desciende el consumo de gas natural (-9,3% vs. jul-23), situándose en 23.802 GWh, aumentando el convencional (+9,1%) y el GNL de consumo directo (+22,0%), mientras que el destinado a generación eléctrica desciende (-37,7%). Respecto a junio 2024, asciende el consumo total (+12,1%), aumentando todos los tipos de consumo, el convencional (+2,5%), el destinado a generación eléctrica (+43,6%) y el GNL de consumo directo (+21,8%). En el acumulado anual, el consumo de gas natural se reduce un -7,7% vs. 2023: aumentan el consumo convencional (+2,1%) y el GNL de consumo directo (+10,7%), mientras que disminuye el destinado a generación eléctrica (-33,3%).

Consumo mensual de combustibles automoción



Fuente: Cores

Consumo gas natural julio 2022-2023-2024



* incluido GNL de consumo directo

Fuente: Cores

Unidad: miles de toneladas

Productos Petrolíferos	Consumos Julio 2024	Consumos Acumulado Anual	Consumos Año Móvil	Tasas Variación (%) Interanuales Julio 2024	Tasas Variación (%) Interanuales Acumulado Anual	Tasas Variación (%) Interanuales Año Móvil
Gasolinas Automoción	627	3.707	6.336	7,4%	7,9%	6,4%
Gasóleos Automoción	1.887	12.779	21.796	-1,8%	1,2%	-0,5%
Combustibles de Automoción	**2.514**	**16.486**	**28.132**	**0,4%**	**2,6%**	**1,0%**
GLP	173	1.334	2.172	1,5%	6,0%	2,9%
Gasolinas*	628	3.710	6.340	7,4%	7,9%	6,4%
Querosenos	723	4.160	7.113	11,4%	12,8%	12,9%
Gasóleos*	2.487	17.364	29.703	0,3%	1,0%	-2,8%
Fuelóleos	694	5.024	8.422	4,8%	8,3%	7,5%

* Productos de automoción incluidos en el grupo de productos correspondiente

Unidad: GWh

Gas natural	Consumos Julio 2024	Consumos Acumulado Anual	Consumos Año Móvil	Tasas Variación (%) Interanuales Julio 2024	Tasas Variación (%) Interanuales Acumulado Anual	Tasas Variación (%) Interanuales Año Móvil
Consumo convencional	16.281	135.046	220.026	9,1%	2,1%	7,9%
Generación eléctrica	6.583	36.436	78.414	-37,7%	-33,3%	-34,3%
GNL de consumo directo	938	6.027	10.036	22,0%	10,7%	12,6%
Total Gas natural	**23.802**	**177.508**	**308.475**	**-9,3%**	**-7,7%**	**-7,1%**

Fuente: Cores

El contenido de este informe está basado en datos provisionales disponibles a fecha de su emisión.

Actualizado el 02-09-2024

Para más información: cores.institucional@cores.es. Tlf.: +34 91 360 09 10, o visite: www.cores.es

https://investors.vertumotors.com/news/the-daily-telegraph-petrol-cars-rationed-to-meet-eco-targets/

The Daily Telegraph: Petrol cars 'rationed to meet eco targets'

03/09/2024 16:32

The Daily Telegraph: Petrol cars 'rationed to meet eco targets'

The Daily Telegraph, Tuesday 3rd September 2024: Petrol cars 'rationed to meet eco targets'

Warning comes as consumer demand for expensive electric cars continues to wane.

Car makers are rationing sales of petrol and hybrid vehicles in Britain to avoid hefty net zero fines, according to one of the country's biggest dealership chains.

Robert Forrester, chief executive of Vertu Motors, said manufacturers were delaying deliveries of cars until next year amid fears they will otherwise breach quotas set for them by the Government.

This means someone ordering a car today at some dealerships will not receive it until February, he said.

At the same time, Mr Forrester warned manufacturers and dealers were grappling with a glut of more expensive electric vehicles (EVs) that are "not easily finding homes".

He said: "In some franchises there's a restriction on supply of petrol cars and hybrid cars, which is actually where the demand is.

"It's almost as if we can't supply the cars that people want, but we've got plenty of the cars that maybe they don't want.

"They [manufacturers] are trying to avoid the fines. So they're constraining the ability for us to supply petrol cars in order to try and keep to the government targets."

The chief executive blamed the zero emission vehicle (ZEV) mandate, which requires at least 22pc of cars sold by manufacturers to be electric from this year.

This target will gradually rise each year before reaching 80pc in 2030, with manufacturers made to pay £15,000 for every petrol car that exceeds their quota – unless they have so-called carbon credits to spend. But the scheme has prompted stark warnings from bosses at major brands, such as Vauxhall owner Stellantis and Ford, which have said they cannot sacrifice profits by selling EVs at large discounts indefinitely. Instead, they have previously warned they may be forced to restrict petrol car supplies to artificially boost their ZEV mandate performance.

The warning from Vertu is the first confirmation that carmakers have now begun doing so.

Mr Forrester added that although some people might cheer falling electric car prices, supporters of the ZEV mandate in its current form were "economic buffoons, because car manufacturers are being forced to discount EVs to such an extent that they're making losses… and that is not a good thing for business".

He said: “What the Government’s actually doing is constraining the new car market, which has a big impact on VAT receipts for them, and creates a business environment in the UK where manufacturers may question whether they want to make cars here.

“As Carlos Tavares [chief executive of Stellantis] has said, why should they sell cars at a loss because of UK government policy?

“The new car market is no longer a market, unfortunately. It’s a state-imposed supply chain.”

His comments came as Vertu said it expected lower first half profits as demand for new cars and more expensive electric vehicles remained under pressure. The group, which has 192 showrooms and after-sales sites across the UK, said new car sales by volume fell 5.8pc in the five months to July 31.

By contrast, Vertu says there is strong demand for used cars with September expected to be a particularly busy month.

Mr Forrester’s warning comes after the Society for Motor Manufacturers and Traders (SMMT), which represents car makers, slashed its forecast for electric car sales this year amid the ongoing slowdown in demand.

The group now predicts electric vehicles (EVs) will account for 18.5pc of the new car market in 2024, down from an earlier prediction of 19.8pc.

EV registrations surged higher in July but sales to private consumers continued to slump.

Mike Hawes, chief executive of the SMMT, said the weakening demand for EVs among private consumers – despite heavy discounting by car makers – remained the industry’s “overriding concern”.

https://www.reuters.com/business/autos-transportation/toyota-cut-2026-global-ev-production-by-around-third-1-mln-nikkei-reports-2024-09-06/

Toyota cuts 2026 global EV output plans by a third, Nikkei reports

By Reuters

September 6, 20242:24 AM MDTUpdated 3 hours ago

TOKYO, Sept 6 (Reuters) - Japan's Toyota Motor (7203.T), opens new tab has slashed its electric vehicle production plans for 2026 by a third, the Nikkei business daily reported, becoming the latest automaker to roll back electric car plans as EV sales momentum wanes.

The world's biggest automaker now plans to build 1 million EVs in 2026, compared with the company's earlier announced sales target of 1.5 million, it said.

Toyota said in a statement there was no change to its intention to produce 1.5 million EVs per year by 2026 and 3.5 million by 2030. It said, however, that the figures were not targets but benchmarks for shareholders.

Producing even 1 million electric vehicles per year, however, represents an ambitious undertaking for Toyota, which has put far more effort into developing hybrids and sold only about 104,000 EVs last year. EVs currently account for about 1% of its global sales.

Earlier this week, Swedish automaker Volvo Cars (VOLCARb.ST), opens new tab scrapped its target of going all electric by 2030, saying it expects to still be offering some hybrid models in its lineup at that time.

In the U.S., Ford (F.N), opens new tab, General Motors (GM.N), opens new tab and other car makers have delayed or cancelled new electric models to avoid spending heavily on vehicles that consumers are not buying as quickly as anticipated.

Reporting by Daniel Leussink and Kantaro Komiya; Editing by Edwina Gibbs https://investors.volvocars.com/en/news-and-events/financial-news-press-releases?page=/en/press-releases/volvo-cars-adjusts-electrification-ambitions-remains-committed-to-fully-electric-future-2262153

Volvo Cars adjusts electrification ambitions, remains committed to fully electric future

Sep 4, 2024 13:46

With five fully electric cars (EVs) already on the market and another five models in development, full electrification remains a key pillar of Volvo Cars' product strategy. Its long-term aim remains to become a fully electric car company, and it also aims to reach net zero greenhouse gas emissions by 2040.

While Volvo Cars will retain its position as an industry leader in electrification, it has now decided to adjust its electrification ambitions due to changing market conditions and customer demands.

Going forward, Volvo Cars aims for 90 to 100 per cent of its global sales volume by 2030 to consist of electrified cars, meaning a mix of both fully electric and plug-in hybrid models – in essence, all cars with a cord.

The remaining 0-10 per cent will allow for a limited number of mild hybrid models to be sold, if needed. This replaces the company's previous ambition for its line-up to be fully electric by 2030.

By 2025, it expects the percentage of electrified products to come in between 50 and 60 per cent. Well before the end of this decade Volvo Cars will have a complete line-up of fully electric cars available. That will allow Volvo Cars to make the move to full electrification as and when the market conditions are suitable.

Volvo Cars' share of fully electric cars stood at 26 per cent during the second quarter of 2024, the highest share among all its premium peers. Its electrified share – EVs and plug-in hybrids – accounted for 48 per cent.

Volvo Cars remains committed to its long-term ambition of full electrification, and the company's long-term investment plan and product strategy remains geared towards fully electric cars. The adjustment to its ambitions is not expected to have any material impact on the company's capital expenditure plans.

Volvo Cars continues to develop its plug-in and mild hybrid cars, providing it with a balanced portfolio that serves as a clear bridge to an all-electric future.

Since the company laid out its ambition to go fully electric, it has launched five fully electric models: the EX40, the EC40, the EX30, the EM90 and the EX90. The EX30 is currently ranked as the third best-selling EV in Europe, according to the latest available industry data.

At the same time, there has been a slower than expected rollout of charging infrastructure, withdrawal of government incentives in some markets and additional uncertainties created by recent tariffs on EVs in various markets. With this in mind, Volvo Cars continues to see the need for stronger and more stable government policies to support the transition to electrification.

The strategic adjustments to its electrification ambitions ensure that Volvo Cars has a flexible plan that meets customer preferences and enables value creation as a business.

"We are resolute in our belief that our future is electric," said Jim Rowan, chief executive of Volvo Cars. *"An electric car provides a superior driving experience and increases possibilities for using advanced technologies that improve the overall customer experience. However, it is clear that the transition to electrification will not be linear, and customers and markets are moving at different speeds of adoption. We are pragmatic and flexible, while retaining an industry-leading position on electrification and sustainability."*

Updated CO_2 reduction path

As a result of its adjusted ambitions on electrification, the company is also updating its ambitions on CO_2 reduction, which remain leading for the automotive industry. By 2030, the company aims to have reduced CO_2 emissions per car by 65-75 per cent compared to a 2018 baseline, an adjustment of the previous 75 per cent reduction ambition.

For 2025, the company aims for a 30-35 per cent reduction versus a 2018 baseline, instead of the previous aim of a 40 per cent reduction.

Volvo Cars plans to make further progress, including by working with its suppliers to continue to reduce CO_2 emissions from materials across the company's value chain.

During the first half of the year CO_2 emissions per car were 25 per cent lower compared with its 2018 benchmark.

Strong progress

With the small EX30 SUV continuing to perform strongly and the first customers of the fully electric Volvo EX90 flagship receiving their cars during this month, the excitement about the opportunities for Volvo Cars' fully electric product range is stronger than ever. The EX90 represents a paradigm shift in technology, which will power a new era of Volvo Cars.

Volvo Cars has also seen the popularity of its plug-in hybrids grow, with the XC60 the best-selling plug-in hybrid model in Europe this year, according to industry data. Plug-in hybrids provide customers with an opportunity to experience electric driving if they are not yet ready or able to switch to fully electric cars.

Many of the company's plug-in hybrid customers already travel widely on zero tailpipe emissions. Volvo Cars' most recent data shows that around half of the kilometres covered by the latest plug-in hybrid Volvo cars are driven on pure electric power. The company will continue to upgrade its plug-in hybrids, to further increase electric usage and range, and improve the customer experience.

More information about the company strategy, investment plans and product roadmap will be set out at Volvo Cars' 90/90 Event and Capital Markets Day, held today and tomorrow in Gothenburg, Sweden.

The small print

Volvo Cars' ambition to reduce CO_2 emissions per car covers all emissions in the Volvo Cars global greenhouse gases (GHG) protocol except the subcategory "Production and distribution of fuel and electricity" within the category "Use of sold products."

This disclosure contains information that Volvo Car AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 04-09-2024 13:46 CET.

Volvo Cars in 2023

For the full year 2023, Volvo Car Group recorded a record-breaking core operating profit of SEK 25.6 billion. Revenue in 2023 amounted to an all-time high of SEK 399.3 billion, while global sales reached a record 708,716 cars.

About Volvo Car Group

https://www.krone.at/3518807

Is everything worse?

VW CEO Blume announces "further measures"

Economy

08.09.2024 07:45

At ailing carmaker VW, everything seems to be even worse than initially assumed. Group board member Oliver Blume has announced "further measures". Because: Things cannot go on as they are now.

After the Volkswagen Group's announcement that it would once again intensify the austerity course with job cuts and possible plant closures at the core VW brand, Group Board Member Oliver Blume describes the poor economic situation at Volkswagen as alarming.

At the VW brand, the situation is "so serious that you can't just let everything continue as before," Blume told Bild am Sonntag.

"Fewer vehicles are being bought in Europe. At the same time, new competitors from Asia are pushing into the market with force. The cake has become smaller and we have more guests at the table," the CEO continued.

Austria affected **by VW misery** The entire European automotive industry is in a very challenging situation, which has never existed before. "And the economic environment has worsened again, especially for the VW brand." The problems in the German car industry also affect Austria, which has a large supplier industry that supplies

Volkswagen has established profit programs in all brands and companies, Blume said. At VW, however, the cost reductions would not be sufficient at the moment. "My colleagues, VW CEO Thomas Schäfer and Thomas Schmall, are therefore working with their teams on further measures," Blume added. He did not say what these could be.

Germany as a business location does not
wobble According to Blume, there will be no clear-cut: "We are firmly committed to Germany as a business location, because Volkswagen has shaped entire generations. We have employees whose grandfathers already worked at Volkswagen. I want her grandchildren to be able to work here as well."

Kronen Zeitung
UNABHÄNGIG

https://www.krone.at/3514672

Wave of layoffs looms

VW leadership sounds the alarm: "Have one more year ..."

Economy

04.09.2024 13:46

The VW leadership defended its intensified austerity course at the works meeting in Wolfsburg. In doing so, they chose alarmist words, spoke of a kind of reprieve. For many employees, a nail-biter is now beginning, which caused an irritable mood.

"We still have a year, maybe two years to turn things around. But we have to use this time," said Group CFO Arno Antlitz in front of more than 10,000 employees at the VW plant. "We have been spending more money than we earn in the brand for some time now. That doesn't work well in the long run!"

VW wants to use the savings to free up the funds needed for new products. "We now need money to invest heavily for this," said brand boss Thomas Schäfer.

VW boss: Next generation should also work
for us"If we now manage to reduce our costs sustainably and invest in a firework display of models that the competition and customers have not yet seen, then it will be us who have created the conditions for the next generations to be able to work for Volkswagen here in Germany."

VW CEO Thomas Schäfer has little to laugh about at the moment.
(Image: APA Pool/Moritz Frankenberg)

The board of directors had been received with sharp protest by the employees. The executive floor was mercilessly booed. "Hands off job security," one banner read. On another, the board was accused of "double standards" with regard to possible salary cuts.

VW did not give any new details about the austerity plans tightened on Monday at the appearance at the invitation of the works council. Europe's largest carmaker had announced that in view of the worsening situation, it would once again intensify the austerity course taken at the core VW brand.

Almost 10,000 VW employees listened to the explanations of the management.
(Image: APA Pool/Moritz Frankenberg)

A plant closure in Germany and redundancies for operational reasons are also no longer ruled out. The works council and IG Metall had announced considerable resistance, and the state of Lower Saxony, which has a stake in VW, called on the carmaker to avoid plant closures.

Huge sales hole of 500,000 cars

With a view to the locations, Antlitz referred to overcapacity. In Europe, two million fewer cars are currently sold per year than before the Corona pandemic. And that will hardly change. For VW, with a market share of around a quarter in Europe, this means: "We are missing the sales of around 500,000 cars, the sales for around two plants. And that has nothing to do with our products or poor sales performance. The market is simply no longer there."

VW did not provide any information on possible locations that could close. The company had previously stated that plant closures would only be the last measure if it was not possible to counteract with quick measures. VW operates car plants in Wolfsburg, Emden, Osnabrück, Hanover, Zwickau and Dresden, as well as component factories in Kassel, Salzgitter, Braunschweig and Chemnitz.

https://www.dw.com/en/vws-warning-on-plant-closures-in-germany-causes-outcry/a-70123969#:~:text=VW%20Group%20CEO%20Oliver

VW's warning on plant closures in Germany causes outcry

Dirk Kaufmann

9 hours ago9 hours ago

Europe's biggest carmaker is intensifying cost-cutting measures that no longer rule out plant closures or layoffs in Germany. This has sparked criticism and resistance from politicians and labor unions.

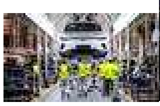
https://p.dw.com/p/4kERl

VW's car plants make up the industrial heart of many regions in GermanyImage: Hendrik Schmidt/dpa/picture alliance

Volkswagen's announcement on Monday (September 2) that it is considering closing factories in Germany is unprecedented in the German automaker's 87-year history. Such plant closures were considered off the table for **the Wolfsburg-based company**.

To make matters even worse for the 680,000 VW employees worldwide, the management also feels forced to end its job security program which has been in place since 1994 and prevents job cuts until 2029.

Experts are already talking about a significant paradigm shift at Germany's largest industrial employer, which due to its shareholder structure has always been an enterprise controlled by the state and the Porsche family. The regional state of **Lower Saxony** still holds one-fifth of the company's shares and a permanent seat on the supervisory board, meaning securing jobs and factories has always been seen as matters of state interest.




VW workers at the Emden plant are in the focus of the plan to reduce payrolls and close factoriesImage: Sina Schuldt/dpa/picture alliance

VW in dire straits as savings plan falls short

That could change now that the management believes the company is in a precarious position. Last year, Volkswagen launched a cost-cutting program aimed at saving €10 billion ($11.06 billion) by 2026. However, the mass-market carmaker would need to cut an additional €4 billion, according to a report by German business daily *Handelsblatt*.

In a letter to employees on Monday, VW brand chief Thomas Schäfer described the situation as "extremely tense" and beyond the scope of "simple cost-cutting measures." VW Group CEO Oliver Blume added that the European automotive market is in a "highly challenging and serious situation," and that Germany has fallen behind in terms of competitiveness.

As a result, the 10 car brands within the VW Group must be comprehensively restructured, and "plant closures are no longer excluded," Blume said, adding that layoffs through early retirement and severance packages are also no longer sufficient. Therefore, VW feels "compelled to terminate the employment protection agreement that has been in place since 1994."

VW brand CEO Thomas Schäfer is under pressure to make cuts as sales of the brand's electric vehicles fail to gain tractionImage: Marcus Brandt/dpa/picture alliance

'Punch to the gut'

VW has not yet provided specific numbers regarding how many of the approximately 120,000 jobs in Germany might be eliminated. It hasn't also identified which locations might be closed.

However, according to statements by the powerful VW works council, the management considers at least one vehicle plant and one component factory in Germany dispensable.

This could potentially include the plant in Emden, in northern Germany, where Volkswagen and the Meyer shipyard are the most important employers in the region known as East Frisia.

"The prosperity of East Frisia depends heavily on these companies. Every unionized industrial job that is lost is a punch to the gut for the entire region," the mayor of Emden, Tim Kruithoff, told DW.

The Emden mayor has the backing of labor union leaders like Thorsten Gröger, who described the VW plant closures "irresponsible plan." The head of the regional metalworkers union IG Metall told the news agency Reuters that the plan is "not only short-sighted but also highly dangerous," and would risk "destroying the heart of Volkswagen." Gröger also vowed to "fight with all our might" to preserve all sites and jobs.

The VW works council, meanwhile, is particularly enraged by VW's reluctance to clarify who might be affected and how. "This puts all German sites in the crosshairs — regardless of whether they are VW locations or subsidiaries, in western or eastern Germany," said Daniela Cavallo, head of the general works council. She announced "fierce resistance."

VW work's council chief Daniela Cavallo has vowed fight back saying 'there will be no plant closures with us'Image: Kevin Nobs/VW-Betriebsrat/dpa/picture alliance

The beginning of the transformation of the German auto industry

Many experts, however, believe that plant closures at VW in Germany are inevitable. Helena Wisbert, director of the Center for Automotive Research (CAR) in Duisburg, Germany, thinks there's "no way around it." She told the German news magazine *Spiegel* on Tuesday that up until now, low capacity utilization in the plants could be offset by savings from suppliers. "That is clearly no longer enough," she added.

Moritz Schularick, president of the Kiel Institute for the World Economy, sees the announced cost-cutting measures as the beginning of a transformation in the German auto industry. He urges the German government not to intervene in struggling carmakers. "We should not stand in the way of structural change. Emerging industries are desperately looking for workers," he told the German business weekly *Wirtschaftswoche.*

Fears that China overtaking car country Germany

26:04

VW's flawed ownership structure

CAR founder and director Ferdinand Dudenhöffer sees an "age-old VW problem" because the carmaker is "more like a state enterprise than a market-driven company." The problem will persist, he told DW, as long as VW's company structure remains "flawed." Along with its 20% stake and a seat on the VW board, the state of Lower Saxony was also granted a blocking minority on key decisions.

Lower Saxon State Premier Stephan Weil has already criticized VW's management, saying "the question of plant closures will not arise due to the successful use of alternatives."

Emden Mayor Tim Kruithoff, meanwhile, is confident that things will not turn out to become so dire for his town. "I am firmly convinced that the Emden plant will not be affected by a closure," he told DW, noting that VW has invested "more than one billion euros" in the factory to make it ready for "the future of **electromobility**."

This article was originally written in German

NEWS RELEASE
MARKET SENSITIVE INFORMATION
Embargoed until 0930 CEST (0730 UTC) 22 August 2024

HCOB Flash Germany PMI®

German private sector remains in contraction in August

Key findings:

HCOB Flash Germany Composite PMI Output Index(1) at 48.5 (July: 49.1). 5-month low.

HCOB Flash Germany Services PMI Business Activity Index(2) at 51.4 (July: 52.5). 5-month low.

HCOB Flash Germany Manufacturing PMI Output Index(4) at 42.9 (July: 42.5). 2-month high.

HCOB Flash Germany Manufacturing PMI(3) at 42.1 (July: 43.2). 5-month low.

Data were collected 12-20 August

Germany's private sector economy remained in contraction in August, with business activity falling for the second month running and at a slightly faster rate, the latest HCOB 'flash' PMI® survey compiled by S&P Global showed. Employment decreased at the fastest rate in four years as firms expressed less optimism towards growth prospects in the coming year.

As for prices, average charges for goods and services rose at the quickest rate for six months, albeit one that was still broadly in line with the long-run series average. Cost pressures in the service sector eased, while manufacturing purchase prices came close to stabilising after falling for a year-and-a-half.

The headline **HCOB Flash Germany Composite PMI Output Index** registered in sub-50 contraction territory for a second straight month in August. Its latest reading of 48.5 was down from 49.1 in July and thereby signalled a slight acceleration in the rate of contraction in business activity. Manufacturing production continued falling sharply midway through the third quarter, albeit at a fractional slower rate than the month before (index at 42.9). Growth of service sector business activity meanwhile eased for the third month running to only a modest pace that was the weakest since March (index at 51.4).

The worsening performance of the private sector owed to weaker underlying demand. **Total inflows of new work** fell for the third month running and to the greatest extent since February. Service sector new business barely rose in August, while goods producers noted the steepest reduction in new orders for nine months, amid reports of customer hesitancy and weakness in the construction sector. The drop in total new work partly reflected weaker demand from abroad, with services firms and manufacturers alike recording deeper declines in **new export business.**

The lack of incoming new orders saw **backlogs of work** continue falling across both sectors during August. Moreover, the overall rate of depletion was the quickest for six months, as a sharp and accelerated reduction in manufacturing work-in-hand more than offset a slightly slower decline in the service sector. The goods-producing sector also led another broad-based decrease in **employment** as firms looked to scale back staffing capacity. Overall workforce numbers fell for the third month running and at the fastest rate for four years.

German businesses were generally less optimistic towards growth prospects in the coming year, reflecting concerns for the economy as well as political and geopolitical uncertainty. **Expectations** fell to the lowest since January, with sentiment weakening in both monitored sectors.

On the price front, August's flash data indicated an acceleration in the rate of **output charge inflation** to the quickest since February. The result reflected the combination of a slightly faster rise in prices set by services firms and a reduced drag from falling factory gate charges, which decreased only marginally and at the weakest rate for 15 months. The overall rate of output price inflation was only just above its long-run trend since 2002, however.

Input costs, on the other hand, rose at a weaker rate on average across the private sector in August. This was driven by a slowdown in services cost inflation to lowest since March 2021 (although it was still comfortably above its pre-pandemic average). Purchase prices in the manufacturing sector meanwhile came close to stabilising in August, registering only a fractional decrease that was the weakest in the current 19-month sequence of decline.

Comment

Commenting on the flash PMI data, Dr. Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said:

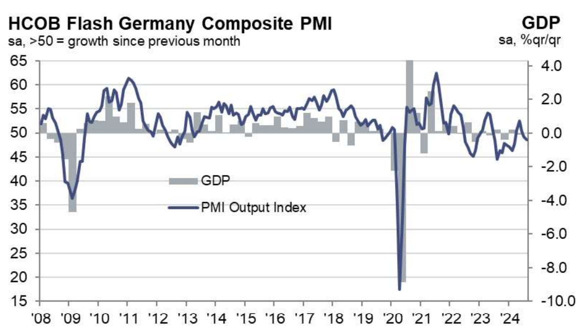
"These numbers are a real mess. The recession in Germany's manufacturing sector deepened in August, with no recovery in sight. In fact, new orders took a sharper dive than last month, mainly due to a significant drop in foreign demand, signalling more trouble ahead. Given this, it's hardly surprising that companies are ramping up staff cuts and slashing inventories of inputs even more aggressively than before.

"The struggles in manufacturing are starting to spill over into the otherwise steady services sector. For the third month in a row, services activity growth has slowed down. New business is barely growing, and backlogs declined once again. The export side of services, including tourism, isn't offering much support either, shrinking at an even faster rate than in July.

"The anticipated recovery in the second half of the year is failing to take shape. There were good reasons to be hopeful — lower inflation and higher wages seemed like the perfect recipe for increased consumption. Plus, global industry had started to bounce back, something Germany typically benefits from. But it appears that uncertainty around economic policy has put a damper on consumer spending, while the global manufacturing upswing turned sour before German companies could feel the boost. Instead, the odds of a second straight quarter of negative growth have gone up, meaning we might be back to talking about a recession in Germany soon.

"After such a prolonged slump that began in mid-2022, the renewed optimism among manufacturers seen earlier this year is fading fast. Manufacturers' expectations towards future output have now been below the long-term average for two consecutive months, mirroring the continuous decline in outstanding orders, which have been shrinking for an uninterrupted 27 months. The anticipated interest rate cuts by the ECB, expected by most analysts, might lift spirits a little, but it's clear that the overall mood remains poor."

-Ends-



Sources: HCOB, S&P Global PMI, Destatis via S&P Global Market Intelligence.

Sources: HCOB, S&P Global PMI.

16. Contingent liabilities

As of June 30, 2024, there were no material changes to the contingent liabilities as reported in the 2023 consolidated financial statements.

17. Other financial obligations

Compared with the 2023 consolidated financial statements, other financial obligations increased by €2.7 billion to €40.9 billion as of June 30, 2024. The rise was largely due to higher purchase commitments for property, plant, equipment and services.

18. Events after the balance sheet date

On July 9, 2024, the Board of Management of AUDI BRUSSELS S.A./N.V., Brussels/Belgium (Audi Brussels) initiated an information and consultation process under Belgian law for the restructuring of the site against the backdrop of the development of demand for the Audi Q8 e-tron model family manufactured in Brussels. In this process, the Board of Management of Audi Brussels is consulting on alternative solutions together with the responsible social partners. At the end of this process, operations can also be discontinued, among other things. As a result of the alternative use or plant closure, the expected restructuring expenses currently estimated at €1.3 billion will primarily weigh on the Volkswagen Group's operating profit in the second half of 2024. The expenses are made up of, among other things, anticipated amortization and depreciation, costs from a change in production operation, legal and consulting costs and employee-related expenses.

Wolfsburg, July 30, 2024

Volkswagen Aktiengesellschaft

The Board of Management

https://group.vattenfall.com/se/nyheter-och-press/pressmeddelanden/2024/vattenfall-pausar-det-havsbaserade-vindkraftsprojektet-svenska-kriegers-flak

2 September 2024, 12:00 CET

Vattenfall pauses offshore wind power project Svenska Kriegers Flak

Vattenfall has decided to pause the development of the offshore wind power project Svenska Kriegers Flak until further notice, as there are no investment conditions.

Swedish Kriegers Flak, located about 30 km south of Trelleborg, is Sweden's most mature offshore wind power project. The wind farm is estimated to be able to produce 2.7 TWh of fossil-free electricity per year.

At present, however, there are no investment conditions for Svenska Kriegers Flak. Vattenfall has therefore decided to pause the further development of the project. The wind farm was scheduled to be commissioned in 2028, which is no longer possible with this decision.

Should the investment conditions change, and Vattenfall's permit to build the wind farm is still valid, work may resume. Vattenfall has previously communicated that one of the basic prerequisites for investing in the project is a reasonable connection point to an expanded offshore grid.

Vattenfall is currently developing offshore wind power projects in Sweden, which together have the potential to deliver 18 TWh of fossil-free electricity annually to the SE3 and SE4 bidding zones by 2035.

Facts about Svenska Kriegers Flak:

- The Swedish Kriegers Flak is located about 30 km south of Trelleborg. The area borders the two already built projects on the Danish and German sides of the Kriegers Flak foundation.
- The Svenska Kriegers Flak wind farm is estimated to produce around 2.7 TWh per year, which corresponds to the need for renewable household electricity for just over 500,000 homes or to charge around 1 million electric cars.
- In May 2022, the Government granted a construction permit for the wind farm, which comprises a total of 35–50 wind turbines.

Read more about Vattenfall's various wind power projects in Sweden here: Our wind projects in Sweden - Vattenfall

https://www.beehive.govt.nz/release/ivl-increase-ensure-visitors-contribute-more-new-zealand
3 September 2024
IVL increase to ensure visitors contribute more to New Zealand
Hon Tama Potaka Hon Matt Doocey

The International Visitor Conservation and Tourism Levy (IVL) will be raised to $100 to ensure visitors contribute to public services and high-quality experiences while visiting New Zealand, Minister for Tourism and Hospitality Matt Doocey and Minister of Conservation Tama Potaka say.

“The Government is serious about enabling the tourism sector to grow as part of our overall goal of doubling exports in 10 years. International tourism plays a hugely important role in the New Zealand economy, with international visitors spending over $11 billion in the year ending March 2024,” Mr Doocey says.

“But international tourism also comes with costs to local communities, including additional pressure on regional infrastructure and higher upkeep and maintenance costs across our conservation estate.

“The IVL was introduced in 2019 as a mechanism to ensure international visitors were contributing directly to these costs, the vast majority of which are paid for by New Zealand taxpayers and ratepayers.”

“Public consultation by the Ministry of Business Innovation and Employment (MBIE) found 93 per cent of submitters supported raising the IVL, with the main rationale being an increase would be reasonable to help cover the costs of tourism.

“The new IVL remains competitive with countries like Australia and the UK, and we are confident New Zealand will continue to be seen as an attractive visitor destination by many around the world.

“A $100 IVL would generally make up less than 3 per cent of the total spending for an international visitor while in New Zealand, meaning it is unlikely to have a significant impact on visitor numbers.

“Increasing the IVL means we can continue to grow international tourism to support economic growth while ensuring international visitors contribute to high-value conservation areas and projects, such as supporting biodiversity in national parks and other highly visited areas and improving visitor experiences on public conservation land,” Mr Doocey says.

“Taxpayers already contribute close to $884 million a year directly on tourism and conservation, including tourism promotion, natural heritage and recreation. This money funds Tourism New Zealand, protects biodiversity within the Department of Conservation estate and provides quality experiences at the likes of Milford Sound, Aoraki/Mt Cook and the Tongariro Alpine Crossing,” Mr Potaka says.

Proposals for government investment to support tourism growth and conservation will be considered in due course.

Notes to editor:

- MBIE received a total of 1,101 submissions on the proposed changes to the IVL, this included 1,011 responses via the online survey and 90 responses via email.
- A summary of submissions from the IVL consultation is available on the Ministry of Business, Innovation and Employment’s website: mbie.govt.nz/IVL-increase
- Visitors that are exempt from the requirement to pay the IVL include New Zealand and Australian citizens and permanent residents, diplomats and people from many Pacific Island countries.
- The change in the IVL takes place from October 1.

Dan Tsubouchi
@Energy_Tidbits

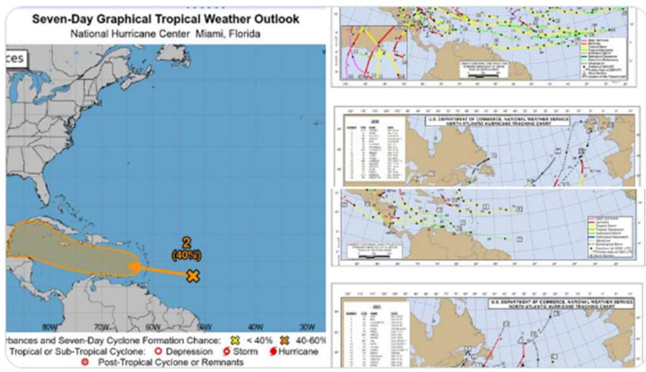
Hurricane Track Map Rule of Thumb.

@NHC_Atlantic only 40% chance to reach cyclone strength w/ path south of DR.

Hurricanes that move south of the Dominican Republic are the ones that are likely to hit Yucatan Peninsula or come into the GoM to hit Gulf Coast, or both.

Last 4 yrs of @NHC_Atlantic track maps 👇 are indicative of track maps since 2000.

#OOTT #NatGas



6:49 AM · Sep 1, 2024 · 1,558 Views

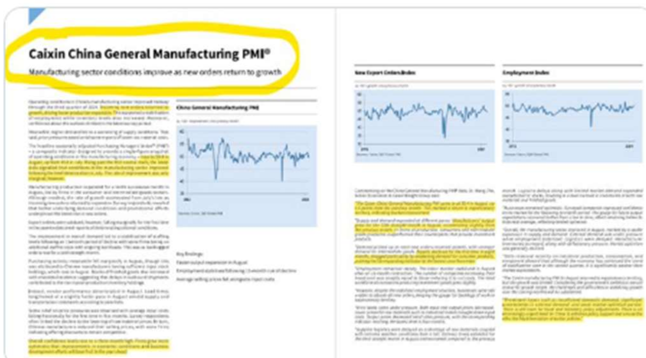
Dan Tsubouchi
@Energy_Tidbits

China smaller & export oriented firms return to modest expansion in Aug.

BUT "*exports declined for the first time in eight months, dragged particularly by weakening demand for consumer products*"

China Caixin Manufacturing PMI
Aug 50.4, est 50.0
Jul 49.8
Jun 51.8
May 51.7
Apr 51.4
Mar 51.1
Feb 50.9
Jan 50.8
Dec 50.8
Nov 50.7

Thx @SPGlobalPMI
#OOTT



Dan Tsubouchi @Energy_Tidbits

German economy isn't working!

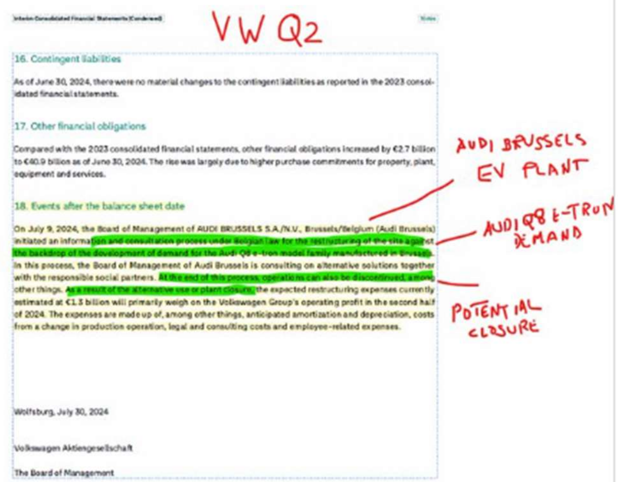
"Germany as a business location is falling behind in terms of competitiveness" VW CEO.

VW weighs 1st-ever Germany plant closures to cut costs
@MonicaRaymunt @Rauwald

See 👇 Aug 1 tweet, VW moves to 1st ever EU plant closure, Brussels #EVs plant.

#OOTT

> **Dan Tsubouchi** @Energy_Tidbits · Aug 1
>
> Volkswagen signals 1st ever plant closure in Europe.
>
> Starts Belgian law process for restructuring of Audi Brussels #EVs plant "*against the backdrop of the development of demand for the Audi Q8 e-tron vehicle manufactured in Brussels*"...
>
> Show more



Interim Consolidated Financial Statements (Condensed)

VW Q2

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Wolfsburg, July 30, 2024

Volkswagen Aktiengesellschaft

The Board of Management

Dan Tsubouchi @Energy_Tidbits

Houthis attack 2 crude oil tankers.

See 👇 @CENTCOM

Not clear of impact or damages.

Saudi MV AMJAD carrying 2 mmb #Oil.

Panama flagged/Greek operated MV BLUE Lagoon

#OOTT

> **U.S. Central Command** @CENTCOM · 21h
>
> **Houthis Attack Two Crude Oil Tankers**
>
> On the morning of Sep. 2, the Iranian-backed Houthis attacked two crude oil tankers, the Panama flagged/owned, Greek operated MV BLUE LAGOON I and the Saudi flagged, owned, and operated MV AMJAD, with two
> Show more

Dan Tsubouchi
@Energy_Tidbits

Negative indicator for a China recovery

5th consecutive mth of negative net monthly foreign direct investment flows.

US $ B
July: -5.32
June: -0.44
May: -4.50
Apr: -5.99
Mar: -0.9
Feb: 5.3
Jan: 3.9
Dec: -0.8
Nov: -2.0

Thx @business
#OOTT

China Net Monthly Foreign Direct Investment (US$ billions)

Source: Bloomberg

Dan Tsubouchi @Energy_Tidbits

Brent -$0.44 at $77.08 at 745pm MT.

If #118 is Blue Lagoon, that leaves #119 as the Saudi tanker AMJAD. unless there is some other mystery vessel.

Even with negative China economic data, would have thought Houthis hitting a Saudi oil tanker might add some risk to #Oil prices.

#OOTT Thx @UK_MTO.

> **United Kingdom Maritime Trade Operations (UKMTO)** @UK_MTO · Sep 2
>
> UKMTO DAILY SUMMARY 1600UTC 01 SEP 2024 TO 1600UTC 02 SEP 2024
>
> cd.royalnavy.mod.uk/-/media/ukmto/...
>
> #MaritimeSecurity #MarSec

UKMTO DAILY SUMMARY

1600UTC 01 SEP 24 to 1600UTC 02 SEP 24

INCIDENT NO.	INCIDENT TIME	INCIDENT DETAIL
118-WARNING BLUE LAGOON 1 IMO:9248447	02 Sep 2024 0130UTC	UKMTO has received a report of an incident 70NM northwest of Saleef, Yemen. **Update 001:** The Master of a merchant vessel reports that the vessel was hit by 2 unknown projectiles. Damage control is underway, the Master reports a third explosion in close proximity to the vessel. There are no casualties onboard and the vessel is proceeding to its next port of call. Authorities are investigating. Vessels are advised to transit with caution and report any suspicious activity to UKMTO. 20240902-ukmto-warning-incident-118-update-001.pdf (mod.uk)
119-WARNING	02 Sep 2024 0630UTC	UKMTO has received a report of an incident 58NM west of Al Hudaydah, Yemen. **Update 001:** The Master of a merchant vessel reports that the vessel was hit by an Uncrewed Aerial System. There are no casualties onboard and the vessel is proceeding to its next port of call. Authorities are investigating. Vessels are advised to transit with caution and report any suspicious activity to UKMTO. 20240902-ukmto-warning-incident-119-update-001.pdf (mod.uk)

UKMTO reporting is available here: https://www.ukmto.org/indian-ocean/ukmto-products
Vessels transiting the area are advised to exercise caution and are requested to report to UKMTO.

SAF

Dan Tsubouchi
@Energy_Tidbits

Non-denial denial on Houthis hitting Saudi #Oil tanker.

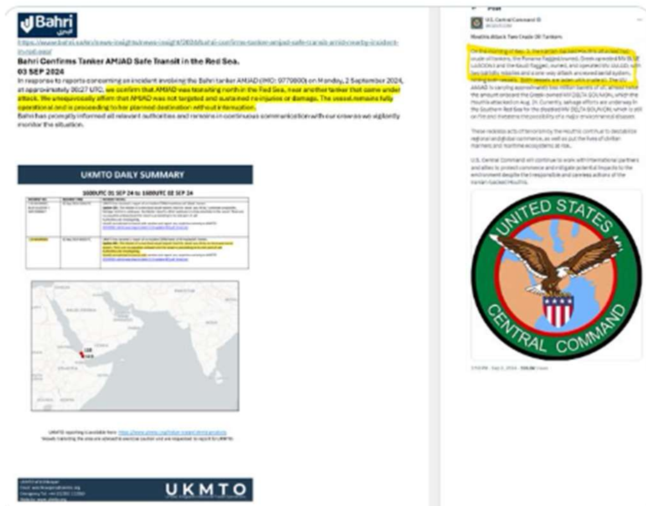
Zero impact on Brent -$2.01 to $75.51 as China dominating.

Bahri: "c*onfirm that AMJAD was transiting north in the Red Sea, n***ear another tanker*** *that came under attack. We unequivocally affirm that AMJAD was* ***not targeted*** *and* ***sustained no injuries or damage.***"

Wasn't targeted but didn't say wasn't hit by a drone as per @UK_MTO.

And synonyms to no sustained damage are no prolonged, lengthy, or extended damage.

#OOTT



5:21 AM · Sep 3, 2024 · **1,123** Views

Dan Tsubouchi @Energy_Tidbits

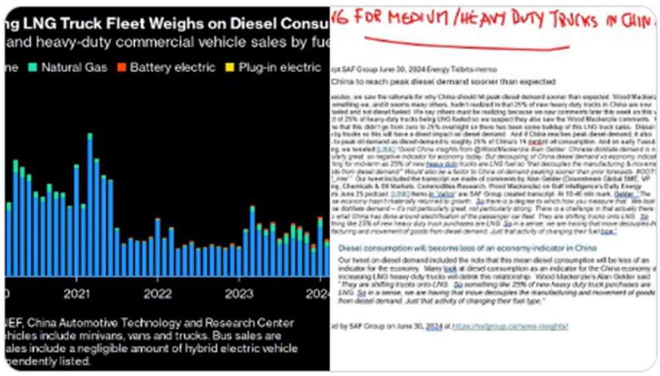
China diesel demand to peak sooner than expected.

Good @BloombergNEF Luxi Hong chart on LNG fuel taking share of medium/heavy duty trucks in China.

See 👇 SAF 06/30 Energy Tidbits memo excerpt on peak diesel demand. Thx @WoodMackenzie Alan Gelder

Also diesel will be less of an indicator of China economy.

#OOTT #Oil



5:36 AM · Sep 3, 2024 · **2,205** Views

Dan Tsubouchi @Energy_Tidbits

UK consumer weakness.

seen softening in UK demand and consumers are reading down on cosmetics says Shiseido UkK MD to @flacqua.

6:38 AM · Sep 3, 2024 · **1,016** Views

Dan Tsubouchi
@Energy_Tidbits

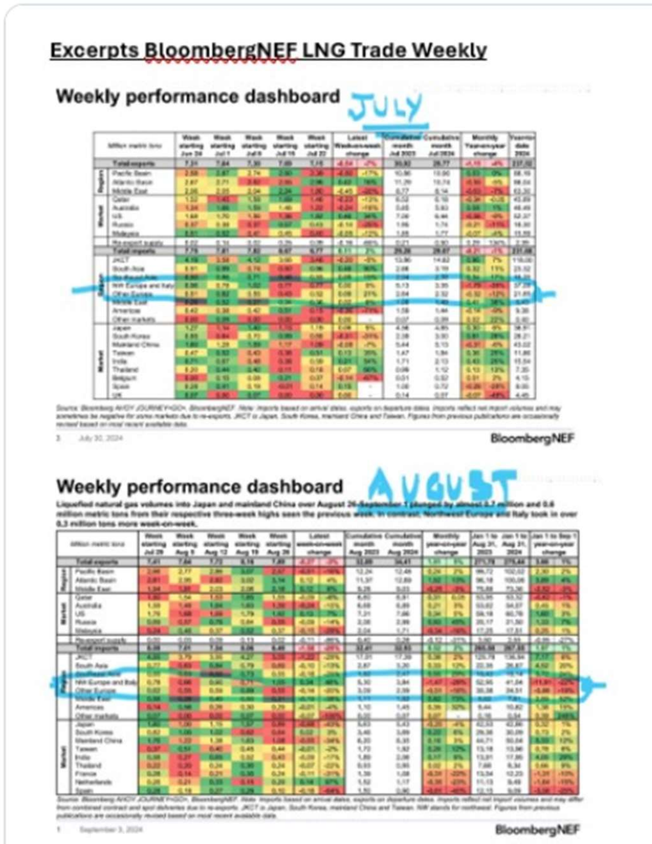
Holdback on TTF #NatGas prices.

EU #NatGas storage would be at/very close to full **IF** #LNG imports hadn't been cranked down in July/Aug

Was 92.7% full as of Aug 30.

But LNG imports down big
July: -35% or -2.85 bcfd YoY.
Aug: -28% or -2.8 bcfd YoY.

Thx @BloombergNEF. #OOTT



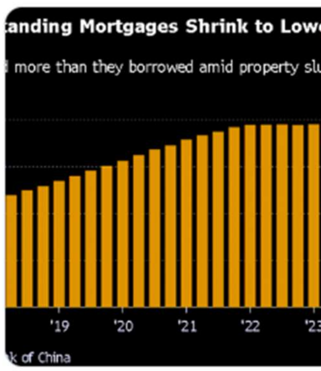
Dan Tsubouchi
@Energy_Tidbits

>14 mths of declining China home values not yet convincing Chinese it's time to jump back in.

Outstanding mortgages shrinking to 2021 levels

Trillion of Yuan
Q2/24: 37.8
Q1/24: 38.2
Q4/23: 38.2
Q3/23: 38.4
Q2/23: 38.6
Q1/23: 38.9
Q4/22: 38.8
Q3/22: 38.9
Q2/22: 38.9
Q1/22: 38.8
Q4/21: 38.3
Q3/21: 37.4

Thx @business John Liu,
#OOTT



5:06 AM · Sep 4, 2024 · 736 Views

Dan Tsubouchi
@Energy_Tidbits

Big reduction to Volvo BEV ambition.

WAS: ".. *be **fully electric** by 2030"*

NOW: ".. *90 to 100% of its global sales volumes by 2030 to consist of **electrified** cars, meaning **a mix of both fully electric and plug-in hybrid** models"*

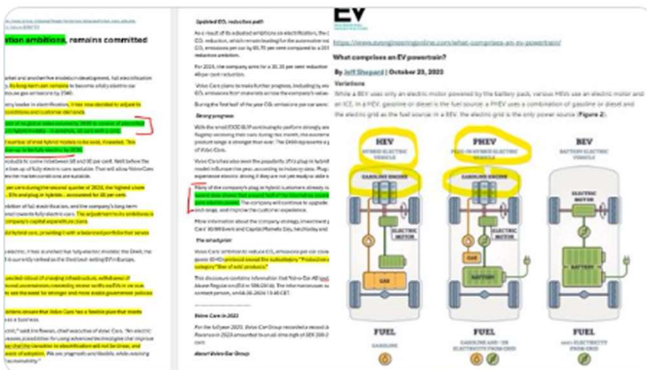
Didn't give PHEV vs BEV split.

PHEVs are really just way more fuel efficient ICE.

Volvo says its PHEVs around 1/2 of km driven are in battery mode ie. 1/2 in gasoline/diesel mode.

Reduced/adjusted BEV ambition due to "*changing market conditions and customer demands"*.

#OOTT



7:39 AM · Sep 4, 2024 · **630** Views

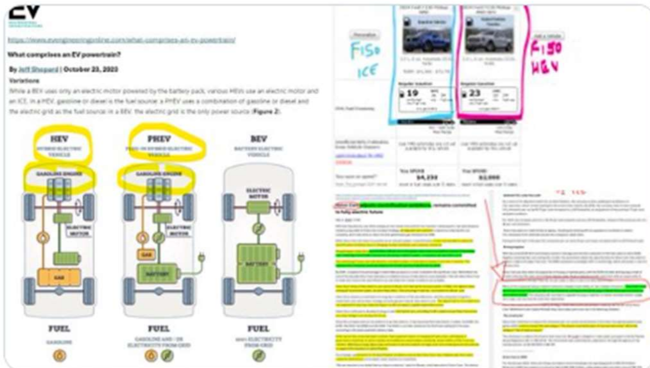
Dan Tsubouchi
@Energy_Tidbits

HEV/PHEV 101 - They are really just more fuel efficient ICE.

Ford: HEV F150 does 23 mpg vs ICE150 at 19 mpg.

Volvo: PHEVs km driven are split 1/2 using battery, 1/2 using petrol/diesel

#OOTT



11:35 AM · Sep 4, 2024 · 1,031 Views

Dan Tsubouchi
@Energy_Tidbits

Breaking.

NDP @theJagmeetSingh says end to cooperation deal with Liberals @JustinTrudeau.

BUT if @PierrePoilievre can force non-confidence vote, will Singh vote to force an early election and risk losing a lot of NDP 24 seats?

Thx @338Canada.

Be interesting to watch!

12:14 PM · Sep 4, 2024 · **915** Views

Dan Tsubouchi
@Energy_Tidbits

Data Center 101: Massive 24/7 power needs ahead.

"..*the other important aspect is intermittency is important because a data center can't go down. So you need to have that consistency of [*#NatGas*] power generation.*" $BKR CEO Simonelli to @FerroTV @annmarie.

#OOTT

"... the other important aspect is intermittency is important because a data center can't go down. So you need to have that consistency of **[#NatGas]** ***power generation."*** **Baker Hughes CEO Simonelli.**

SAF created transcript of Baker Hughes CEO Lorenzo Simonelli with Bloomberg's Jonathan Ferro and Annmarie Hordern on Bloomberg Surveillance on Sept 4, 2024.

Items in "*italics*" are SAF Group created transcript.

Ferro asks about the scale of demand he is seeing from data center and the need for off-grid solutions. Simonelli replies "... *the consumption of electricity by data centers. It's expected to double by 2026. That's going from 2% to 4% of the electricity usage. Think about that. That's the same amount of electricity that Japan uses on an annual basis. So from an installed capacity perspective, it's a significant increase. What do we have as a challenge? Grid stability. And also, I live in Houston, today, I have power outages on a continuous basis. And we need off-grid solutions. And that's where distributed power comes in. That's where opportunities for modular capabilities of gas turbines that are packaged, smaller, off-grid and they provide the stability to the data centers for ongoing operations. Because the other important aspect is intermittency is important because a data center can't go down. So you need to have that consistency of power generation.* "

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

3:40 PM · Sep 4, 2024 · **1,206** Views

Dan Tsubouchi @Energy_Tidbits

Reminder if #OPEC doesn't back #Oil starting Q4/24, they may have to wait until at least Q2/25.

See 👇 Aug 13 tweet. Global oil consumption is always seasonally lower in Q1 each year vs the preceding Q4.

#OOTT

> **Dan Tsubouchi** @Energy_Tidbits · Aug 13
>
> Here's why OPEC+ will have to wait until at least Q2/25 to add back #Oil barrels if they don't start adding back on Oct 1, 2024.
>
> Oil consumption is always seasonally lower in Q1 each year vs the preceding Q4....
>
> Show more

Asia Pacific	7.25	7.60	6.90	7.01	7.41	7.23	-0.02	-0.27
Total OECD	**45.65**	**45.00**	**45.81**	**46.26**	**46.18**	**45.81**	**0.16**	**0.36**
China	16.36	16.66	16.88	17.28	17.38	17.06	0.70	4.25
India	5.34	5.66	5.66	5.40	5.59	5.58	0.23	4.36
Other Asia	9.28	9.72	9.77	9.49	9.51	9.62	0.34	3.72
Latin America	6.69	6.67	6.87	6.97	6.88	6.85	0.16	2.34
Middle East	8.63	8.72	8.54	9.23	9.00	8.87	0.24	2.75
Africa	4.46	4.64	4.35	4.39	4.82	4.55	0.09	2.09
Russia	3.84	3.98	3.80	3.99	4.08	3.96	0.12	3.19
Other Eurasia	1.17	1.32	1.24	1.08	1.28	1.23	0.06	4.92
Other Europe	0.78	0.78	0.78	0.77	0.84	0.79	0.01	0.99
Total Non-OECD	**56.56**	**58.15**	**57.89**	**58.59**	**59.39**	**58.51**	**1.95**	**3.44**
Total World	**102.21**	**103.15**	**103.70**	**104.85**	**105.57**	**104.32**	**2.11**	**2.07**
Previous Estimate	102.21	103.50	103.79	104.90	[illegible]	104.46	2.25	2.20
Revision	0.00	-0.35	-0.09	-0.05	-0.05	-0.13	-0.13	-0.13

*Note: * 2024 = Forecast. Totals may not add up due to independent rounding.*

Source: OPEC.

Q4/24 105.57
Q1/24 104.91
= DOWN 0.66 QoQ

World Oil Demand

Table 4 - 2: World oil demand in 2025*, mb/d

World oil demand	2024	1Q25	2Q25	3Q25	4Q25	2025	Change 2025/24 Growth	%
Americas	5.17	24.53	25.36	25.63	25.45	25.25	0.08	0.31
of which US	*0.53*	*19.95*	*20.70*	*20.73*	*20.89*	*20.57*	*0.04*	*0.21*

Dan Tsubouchi
@Energy_Tidbits

Reality check by western govt on fossil fuels even if they don't admit it.

"*I think there is an understanding that it's not just about an energy transition. It's also about an energy expansion. And it's not about the fuel type, it's about reducing emissions*" ie. why #NatGas is needed. $BKR CEO Simonelli to @FerroTV @annmarie.

#OOTT

***"it's not just about an energy transition. It's also about an energy expansion. And it's not about the fuel type, it's about reducing emissions... and you need affordable secure reliable energy."* Baker Hughes CEO Simonelli.**

SAF created transcript of Baker Hughes CEO Lorenzo Simonelli with Bloomberg's Jonathan Ferro and Annmarie Hordern on Bloomberg Surveillance on Sept 4, 2024.

Items in "*italics*" are SAF Group created transcript.

Ferro: "*do you feel like the attitude on fossil fuels has shifted in the last 12 months. Do you feel governments, particularly in the west, have had a reality check?*"

Simonelli "*I think there is an understanding that it's not just about an energy transition. It's also about an energy expansion. And it's not about the fuel type, it's about reducing emissions. And that's where gas [natural gas] plays a key role because it is abundant, it is available and you need affordable secure reliable energy*".

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

5:57 PM · Sep 4, 2024 · **1,621** Views

Dan Tsubouchi
@Energy_Tidbits

Brent +$1.30 to $74.00 on OPEC pausing its planned oil output increase.

Thx @S_Elwardany @business grant smith

#OOTT

Bloomberg Markets @markets · 4h
OPEC+ has reached an agreement to pause its planned oil output hike for two months, according to a delegate familiar with the talks trib.al/4EfT7Ip

8:56 AM · Sep 5, 2024 · **1,183** Views

Dan Tsubouchi
@Energy_Tidbits

For those who aren't near their laptop, at 9:00am MT, @EIAgov released #Oil #Gasoline #Distillates inventory as of Aug 30. Table below compares EIA data vs @business expectations and vs @APIenergy estimates yesterday. Prior to release, WTI was $70.50. #OOTT

Oil/Products Inventory Aug 30: EIA, Bloomberg Survey Expectations, API			
(million barrels)	EIA	Expectations	API
Oil	-6.87	-0.30	-7.40
Gasoline	0.85	-1.11	-0.30
Distillates	-0.37	0.41	-0.40
	-6.39	-1.00	-8.10
Note: Oil is commercial. So excludes a +1.8 mmb build in SPR for the Aug 30 week			
Note: Included in the oil data, Cushing had a 1.14 mmb draw for Aug 30 week			
Source EIA, Bloomberg			
Prepared by SAF Group https://safgroup.ca/news-insights/			

9:03 AM · Sep 5, 2024 · 1,556 Views

Dan Tsubouchi
@Energy_Tidbits

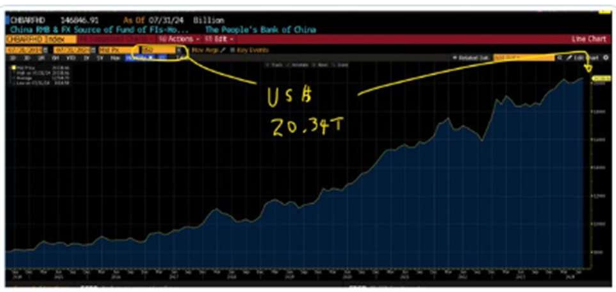
Negative China indicator.

Chinese consumers aren't out spending & still adding to savings.

China Household Savings +US$87b MoM to $20.338 trillion at July 31.

Negative. The norm is 8 of last 10 July's saw Chinese household savings down MoM vs June.

Thx @business
#OOTT



7:36 PM · Sep 5, 2024 · 580 Views

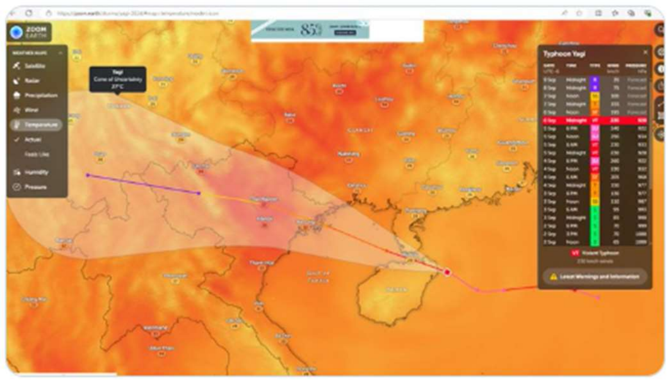
Dan Tsubouchi
@Energy_Tidbits

Super Typhoon Yagi hitting Hainan (China) at 250 km/h ie. Hurricane Cat 4 strength.

Yagi's path shifted south so not good for Hainan but relief for the more populous southern China cities

Hope people can find a safe place to ride it out.

Thx @zoom_earth



Last edited 5:13 AM · Sep 6, 2024 · 877 Views

Dan Tsubouchi
@Energy_Tidbits

Intentions are not plans.

Big cut to Toyota's EVs output plans to 1 mm in 2026.

Toyota reportedly said BUT no change to its intention to produce 1.5 mm EVs/yr by 2026 & 3.5 mm by 2030.

Can China make up for ROW EVs reductions?

Thx @danielleussink @KantaroKomiya
#OOTT

reuters.com/business/autos...

5:58 AM · Sep 6, 2024 · 907 Views

Dan Tsubouchi
@Energy_Tidbits

Blunt talk!

UK EVs should hit UK regulated EVs to be 22% of total car sales **BUT not because of EVs demand.**

RATHER @vertumotorsCEO explains:

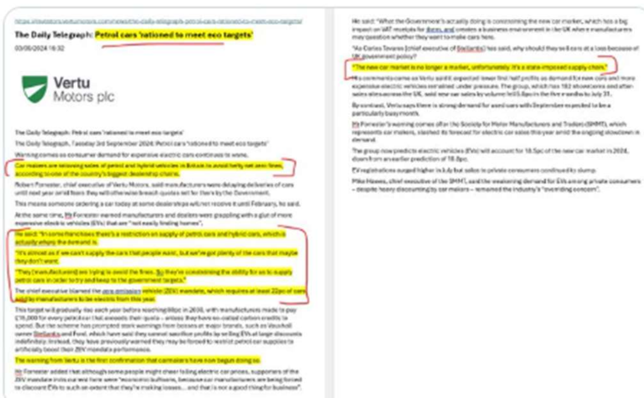
"*some franchises t**here's a restriction on supply of petrol cars and hybrid cars, which is actually where the demand is.***"

*"It's almost as if **we can't supply the cars that people want, but we've got plenty of the cars that maybe they don't want.***"

"*They [manufacturers] are trying to avoid the fines. So t***hey're constraining the ability for us to supply petrol cars in order to try and keep to the government targets."**

"***The new car market is no longer a market, unfortunately. It's a state-imposed supply chain.***"

#OOTT



1:34 PM · Sep 6, 2024 · **470** Views

Dan Tsubouchi @Energy_Tidbits

Brutal week for 321 crack spreads & WTI.

WTI -$5.88 WoW to $67.67

321 cracks -$2.27 WoW to $14.79. Haven't been <$15 since Feb/21 when WTI was ~$60.

Other factors aside, $14.79 cracks are no incentive for refineries to take extra crude & drive up WTI.

Thx @business
#OOTT

Source: Bloomberg

6:01 PM · Sep 6, 2024 · **3,606** Views

Dan Tsubouchi @Energy_Tidbits

Will start up 2.5 bcfd Matterhorn Express move Waha (Permian) spot #NatGas price to the positive for a bit?

Waha +$5.09 WoW to close -$0.07.

$PR CEO: "*Matterhorn is online, moving a little bit of gas & coming online in a real way over the next month or 2.*"

#OOTT

Source: Bloomberg

6:56 PM · Sep 6, 2024 · **2,618** Views

SAF

Dan Tsubouchi
@Energy_Tidbits

Daily Europe air traffic remains stuck below pre-Covid

7-day moving average as of:
Sept 5: -2.8% below pre-Covid
Aug 29: -3.1%
Aug 22: -2.8%
Aug 15: -2.2%
Aug 8: -1.3%
Aug 1: -1.9%
Jul 25: -2.2%
Jul 18: -2.6%
Jul 11: -2.9%
Jul 4: -3.3%

Thx @eurocontrol
#Oil #OOTT

6:43 AM · Sep 7, 2024 · **1,770** Views

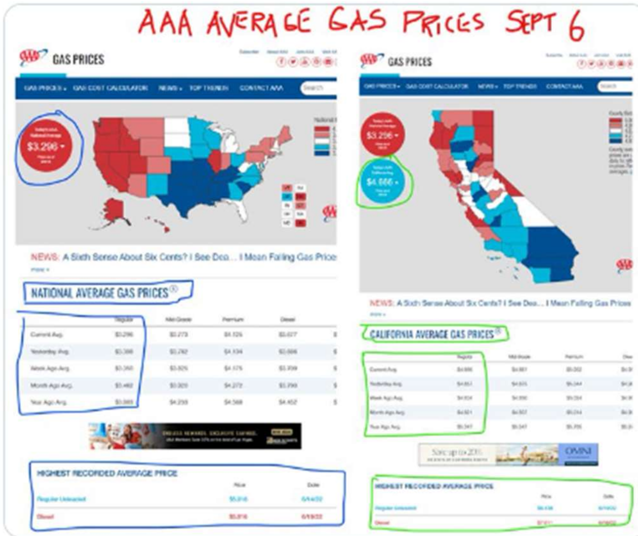
Dan Tsubouchi
@Energy_Tidbits

US National average gasoline prices keep drifting lower post end of summer.

AAA National average prices -$0.05 WoW to $3.30 on Sept 6, -$0.16 MoM and -$0.50 YoY.

But California up small at $4.67 on Sept 6, which was +$0.04 WoW, +$0.05 Mom and -$0.68 YoY.

Thx @AAAnews
#OOTT



7:17 AM · Sep 7, 2024 · 1,124 Views

Dan Tsubouchi
@Energy_Tidbits

Floating storage isn't why oil was hammered.

Vortexa crude #Oil floating storage 58.69 mmb at Sep 6.

Aug 30 revised +8.30 but only to 59.98 mmb. Only been 4 wks <60 mmb since Covid.

Last 6 wks average 65.57 mmb, only been 20 wks <70 mmb since Covid.

Thx @vortexa @business
#OOTT

Vortexa Crude Oil Floating Storage Estimate Jan 1, 2020 – Sept 6, 2024, Posted as of 9 am MT, Sept 6, 2024

Source: Bloomberg, Vortexa

Posted Sept 7, 9am MT | Aug 31, 9am MT | Aug 24, 9am MT

F2WWFST VTXA Index — 01/01/2020 – 09/06/2024

Date	Last Px
Fr 09/06/2024	58692
Fr 08/30/2024	59982
Fr 08/23/2024	63828
Fr 08/16/2024	75836
Fr 08/09/2024	73011
Fr 08/02/2024	62674
Fr 07/26/2024	88555
Fr 07/19/2024	84259
Fr 07/12/2024	82071
Fr 07/05/2024	88470
Fr 06/28/2024	86397
Fr 06/21/2024	107.849k

F2WWFST VTXA Index — 01/01/2020 – 08/30/2024

Date	Last Px
Fr 08/30/2024	51779
Fr 08/23/2024	61036
Fr 08/16/2024	76132
Fr 08/09/2024	71141
Fr 08/02/2024	61644
Fr 07/26/2024	87766
Fr 07/19/2024	83651
Fr 07/12/2024	86504
Fr 07/05/2024	87643
Fr 06/28/2024	86628
Fr 06/21/2024	107.84k
Fr 06/14/2024	88718

F2WWFST VTXA Index — 01/01/2020 – 08/23/2024

Date	Last Px
Fr 08/23/2024	53753
Fr 08/16/2024	75178
Fr 08/09/2024	68262
Fr 08/02/2024	59210
Fr 07/26/2024	82720
Fr 07/19/2024	84040
Fr 07/12/2024	81557
Fr 07/05/2024	88004
Fr 06/28/2024	87119
Fr 06/21/2024	107.647k
Fr 06/14/2024	87788
Fr 06/07/2024	89317

Source: Bloomberg, Vortexa

				Original Posted	Recent Peak	
Region	Sept 6/24	Aug 30/24	WoW	Aug 30/24	Jun 23/23	Sept 6 vs Jun 23/23
Asia	26.16	28.45	-2.29	23.90	73.46	-47.30
North Sea	0.47	1.55	-1.08	1.65	5.23	-4.76
Europe	1.30	2.42	-1.12	2.52	5.63	-4.33
Middle East	3.10	5.44	-2.34	3.45	6.76	-3.66
West Africa	12.07	8.03	4.04	6.66	7.62	4.45
US Gulf Coast	4.26	1.47	2.79	1.17	1.02	3.24
Other	11.33	12.62	-1.29	12.43	29.28	-17.95
Global Total	58.69	59.98	-1.29	51.78	129.00	-70.31

Vortexa crude oil floating storage posted on Bloomberg 9am MT on Sept 7
Source: Vortexa, Bloomberg

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

8:24 AM · Sep 7, 2024 · **3,349** Views

Dan Tsubouchi
@Energy_Tidbits

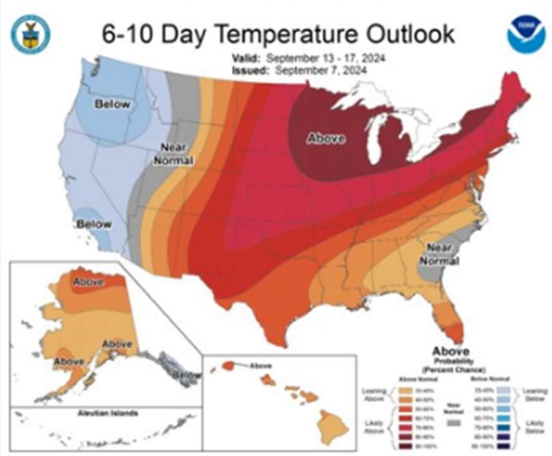
Updated @NOAA 6-10 & 8-14 day temperature outlook covers Sept 13-21.

Warmer than normal for populous E1/2 but warmer than normal Sept doesn't drive a big ramp in A/C

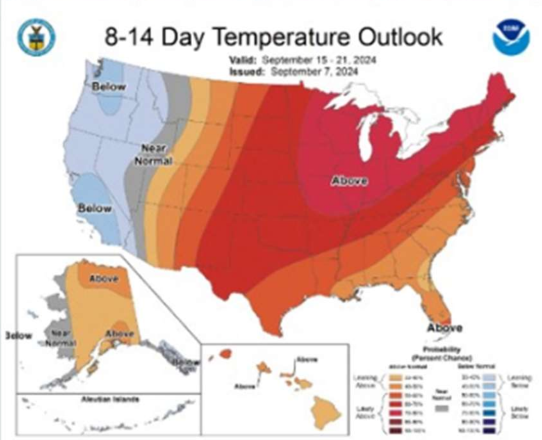
Not likely to impact prices with storage +208 bcf YoY & lots of shut-in #NatGas due to low prices.

#OOTT

https://www.cpc.ncep.noaa.gov/products/predictions/610day/index.php



https://www.cpc.ncep.noaa.gov/products/predictions/814day/index.php



2:50 PM · Sep 7, 2024 · 4,199 Views

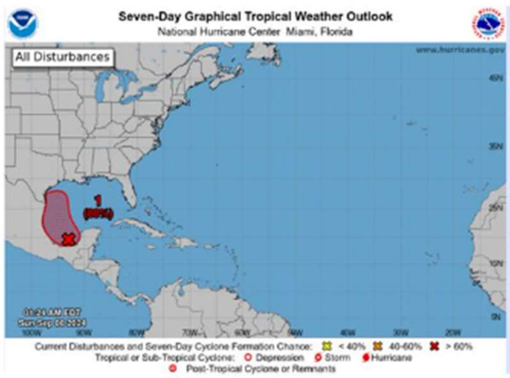
Dan Tsubouchi
@Energy_Tidbits

Latest @NHC_Atlantic update.

"*Tropical depression is likely to form while the system moves generally northward near or along the Gulf Coast of Mexico and Texas*"

Formation chance 70% thru 48 hrs, 80% thru 7 days.

Tropical Depression is below Tropical Storm strength winds.
#OOTT



Disturbance 1: 70% Chance of Cyclone Formation in 48 Hours

As of 2:00 AM EDT Sun Sep 8 2024...

Western Gulf of Mexico (AL91):
Recent satellite wind data indicate a broad area of low pressure is located over the Bay of Campeche. The low is producing disorganized showers and thunderstorms over the southwestern Gulf of Mexico while interacting with a frontal boundary. This system is forecast to drift slowly northwestward during the next couple of days, and environmental conditions are expected to become more conducive for development. A tropical depression is likely to form while the system moves generally northward near or along the Gulf coast of Mexico and Texas through the middle of the week. Interests along the western Gulf Coast should closely monitor the progress of this system.

* Formation chance through 48 hours...high...70 percent.
* Formation chance through 7 days...high...80 percent.

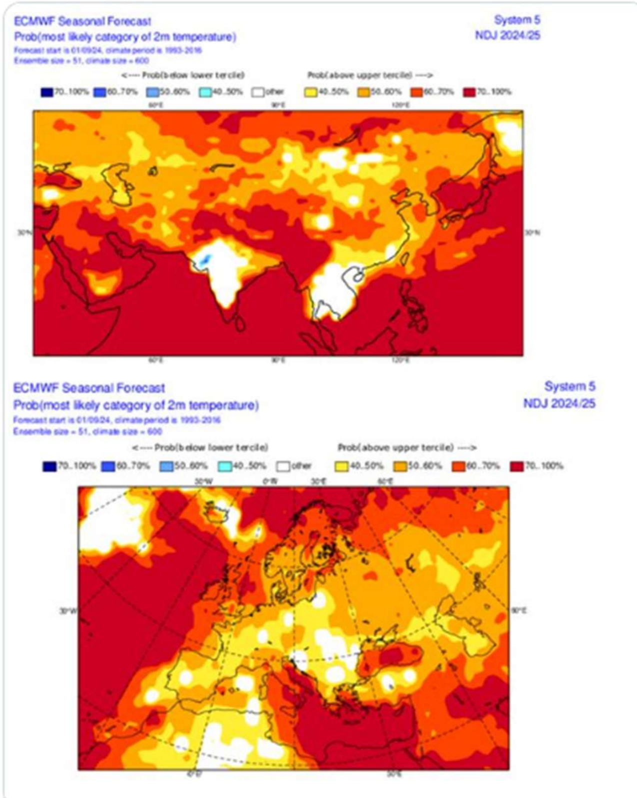
Source: https://www.nhc.noaa.gov/gtwo.php?basin=atlc&fdays=7

3:47 AM · Sep 8, 2024 · **1,147** Views

Dan Tsubouchi
@Energy_Tidbits

Weather forecasts are never 100% but, absent supply interruptions, forecasts for a warmer than normal Nov/Dec/Jan in Asia and Europe should keep a holdback on LNG TTF prices for now.

Thx @ECMWF
#OOTT #NatGas #LNG



5:17 PM · Sep 7, 2024 · **2,407** Views

Dan Tsubouchi
@Energy_Tidbits

Reality facing EU car manufacturers, not just VW.

"*Fewer vehicles are being bought in Europe. At the same time, new competitors from Asia are pushing into the market with force. The cake has become smaller and we have more guests at the table*" VW CEO Blume.

Thx @krone_at
#OOTT

krone.at/3518807

5:08 AM · Sep 8, 2024 · **864** Views

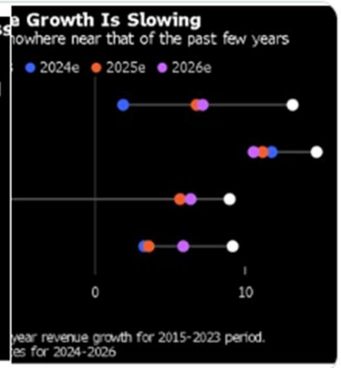
Dan Tsubouchi
@Energy_Tidbits

Chinese consumer.

Wealthy Chinese still spending on Quiet Luxury.

Not so for higher income but not wealthy Chinese spending on Loud Luxury.

@_kitrees on Chinese rich not spending. Only brands catering to ultra-wealthy such as Hermes & Brunello escaped the earnings/stocks hit. #OOTT



Dan Tsubouchi @Energy_Tidbits · Mar 20

China consumer.

Great line on Gucci China sales drop from @FerroTV @lisaabramowicz1

JF "*They're [Gucci] trying to move from Loud Luxury to Quiet Luxury. Good ...*
Show more

Dan Tsubouchi @Energy_Tidbits

Germany economy isn't working.

Trucks not trucking, planes not flying!

@staunovo 👇 oil product sales -4.5% YoY in June incl diesel -4.5%, gasoline -0.7%, jet fuel -26%. Also May -9.3% YoY.

"*Germany as a business location is falling behind in terms of competitiveness*" VW CEO. See x.com/Energy_Tidbits...

#OOTT

> **Giovanni Staunovo** @staunovo · Sep 6
>
> #Germany: oil product sales fell by 4.5% y/y 7.14m tons in June (Note: May was down 9.3% y/y)
>
> y/y changes by product
> diesel -4.5% to 2.67mt...
> Show more

Last edited 8:22 AM · Sep 8, 2024 · **561** Views