MACRO Voices
with hosts Erik Townsend and Patrick Ceresna

Dr. Anas Alhajji: Oil, Middle East, Politics & China

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Erik: Joining me now is Dr Anas Alhajji, former chief economist for NGP energy management and founder of Energy Outlook Advisors. Anas, it's great to get you back on the show. I want to start by crediting you. When we first spoke just after October 7 last year, just after the Gaza attacks, I was convinced that we were about to see a huge blowout to the upside in oil prices. And you very correctly and presciently corrected me and said, look, it's not 1973, it's a different situation, in that situation, which is what everybody was drawing analogs to at the time. You had all of the other Arab states wanting to get behind Iran. This is a situation which is opposite. You nailed that call. I didn't listen to your advice. Lost money on the trade by not heeding the master. So, I won't repeat that mistake. It's a year later. Give us the update. How should we be thinking about the Middle East, where it could be headed from here and what it will mean for energy markets.

Anas: We had a situation in recent weeks, basically, where we had a rumor that Israel was going to retaliate for the Iranian attack by attacking its oil facilities, and prices started going up. And then at the end of last week, someone asked President Biden about the situation and whether Israel will attack the oil facilities of Iran, and President Biden basically made the statement, kind of a strange statement, he said, we are discussing it. The market, and many analysts understood it as it's a green light from the United States, and probably the United States will even participate in an attack on Iran. Our view from that, when I say our I'm talking about me and my colleagues at Energy Outlook Advisors, we thought that the market misunderstood what President Biden said. He meant we are discussing it. It means that we are trying to tell the Israelis not to do it. So, we've seen prices going up to $80, then we have the anniversary of the October 7 on Monday. And everyone was expecting something to happen, but prices went up, and then they went down by 5% on Tuesday. Went down a little yesterday, and now they are going up by about 3%. What happened is, why we have this rise on Monday and this rise again, etc., that someone asked Kamala Harris about Netanyahu, whether he is an ally or not, and Harris basically tried to avoid the question. That gives the impression to the market that Netanyahu is a leech and the United States has little influence over him, and therefore he can do whatever he wants, and therefore the Iranian oil facilities are still under threat, no matter what. The other issue we have, basically, the hurricane, just the news of the hurricane, basically kind of make traders on the edge. We have some companies that withdrew workers from certain platforms in the Gulf of Mexico. And then we have, of course, no gasoline in many counties in Florida right now. We have major chaos, etc. So, all of these combined led to the increase in oil prices today.

So, the whole idea here is about Iran. This is a completely different game from a war between Israel and Hamas, or Israel and Hezbollah in Lebanon attacking the facilities definitely will affect supplies. The issue, from our point of view is, will they do it? And if they do it, what will they do? And here is the problem, any attacks from Israel on Iran is going to be very limited. And the reason why, because Israel has no borders with Iran, which means that they need to get permission from other Arab states to use their airspace, and not a single Arab country will allow them. That will force Israel to use F-35 and to use F-35, based on what I understood from military experts, that you cannot see it via radar, so they can sneak in, but whatever ammunition you carry is small, and you cannot have it both ways. You can use F-15, but F-15 is visible to the radars. The other issue is, they need refueling, which means that probably they need the help of the United States anyway. So, any attack, basically, is going to be limited. Now, what they are going to attack, and I'm talking here about energy infrastructure, if you are, let's say in a ship in the Hormuz Strait looking north toward Basra, toward Iraq, all those fields on the right in Iran, on shore, all of them, from the beginning of Hormuz Strait all the way up, even after the end of the Gulf you go up on shore, all of them basically stretch about 1500 kilometers. And there are hundreds of fields. You start with the gas fields in the south and the oil fields in the north. So, there is no way any military officer will waste any ammunition after traveling all this distance on some small stuff, like a rig or a production platform that produces a very small amount of oil. So, the idea that they are going to hit their oil production facilities is just complete nonsense.

Now, there is a problem with Iran. The problem is, most of their exports come out of a small island called Kharg Island. So why hit production facilities? All you can do, basically, is hit Kharg Island, and you hit most of the Iranian exports, probably 85% to 90% of their exports come out of that island. So you hit the island, even hitting the island, you are not going to hit all the ports in this case, because it has many areas there where tankers can load the oil. But assuming that there will be a massive attack and destroying the whole island, we lose about 1.6 million barrels a day, and that's a major blow for Iranian revenues. But will that lead to a change of regime, etc.? No. And the reason why, because we've seen this before. Iranians basically lost all their revenues, lost all their exports, etc., and the regime is still there. And this happened many times. Even during the Iraq-Iran war, happened several times. So, this is not going to change the regime. It's going to inflict damage, and most likely is going to be on the Iranian people. For some reason in the West, they think, well, if we force the Iranian people to revolt, then they can change the regime. Well, they tried several times. As you know, they've been trying for very long time, and we had major demonstrations, etc., and they couldn't. So, the idea that if they lose revenues, that we will end up with a situation where we have change in regime just does not make sense. So, we are left with few targets. If we talk about oil, which is mostly, probably a couple of refineries, probably a petrochemical plant, something like this, the impact of it on the international market is very limited. So we are left only with Kharg Island, and that's it. Let’s assume that we lose all 1.6 million barrels a day. Iran has a new pipeline that stretches from the north to the south, and it passes the Hormuz Strait. The capacity of that pipeline is about a million barrels a day. It would take few weeks for the oil to go through it to Jask Port. So there is a solution for Iran within a few weeks to solve the problem of the destruction of Kharg Island.

Probably not all of it, but most of it. Iran has other ports too, and we've seen them more active in recent days than before.

The other issue here is most of those exports go to China, and China, the moment they know that they are not going to get the Iranian oil, they will start releasing oil from their inventories. And it's very easy for China to release, let's say, almost 901 million barrels a day from various sites to compensate. So, we will see immediately, and this is an immediate thing, its effect will be seen in the market in two, three days. So it can compensate for the other OPEC+ members. It is very important for everyone who is listening to this to know the following: that no official in the Gulf region, whether Saudi Arabia, Kuwait, UAE, Bahrain, Oman, Qatar, want any oil facilities in Iran to be attacked, none. And on October 10, last week, they announced that they don't want the Iranian oil facilities to be hit. So they have no interest at all. And there are several reasons for that. One of them is they don't want the cronies of the Iranian regime to be hitting them back. We already seen what happened to Saudi Aramco in September 2019, when they were hit really hard and we lost 5.5 million barrels a day. No one wants that. It is clear that the Biden Administration does not want that. Just about more than a week ago, President Biden stated on TV that if he were in there in the Israeli shoes, he will not hurt the Iranian oil facilities. He nor any Democrats, basically, want higher oil prices. In fact, I joined a space with a lot of people, 1000s of people, where there were Israelis in that space. And this discussion is coming from the Israelis, Israeli listeners, basically, who participated in this. And they were saying that if Netanyahu hits Kharg Island and oil prices increase substantially, it literally means that he intervened in US elections on behalf of Trump.

So people are aware of the impact of higher oil prices on politics and US elections. So this is really what's going on with higher oil prices and the geopolitics of it. It's all literally about Iran right now. But on the other side, we have a serious problem. Why oil prices decline from 90 to 70 or even below 70? I'm talking about Brent here. We had cuts from OPEC+, we've seen decline in exports of Norway, the United States, Brazil, we also lost the Libyan oil. We lost about 550,000 barrels a day of Libyan oil, yet prices declined. And the reason why, because the sum of all those decreases or reduction in oil supplies is still less than the decline in China's oil demand. We had massive decline in China's oil demand, and that's really why prices were declining. And still, Chinese oil demand, and Chinese oil consumption in particular, because we do distinguish between consumption and demand, and I'll explain this in a minute, it's still very low. And people were saying, look at the positioning of traders, it’s the lowest in history since 1981 or something like this. Well, it is the first time we have this major decline in Chinese oil demand besides what happened during COVID. So it's very clear that everything happened was logical and based on fundamentals. They said that the Chinese oil demand, the decline in Chinese oil demand, was caused by the penetration of electric vehicles and LNG trucks. Well, we studied that, and we published a whole report on this, and one of the results is the following. And I would like to elaborate more on this so everyone can understand how the impact of EVs, basically, is exaggerated in the world. This year, we are going to have about 50 million electric vehicles on the road. Notice that the media focuses only on the percentage of sales. They never tell you the number of cars on the roads, and really that's what we are after, because the impact comes from the number of cars on the road, not from percentage of sales. But it is very clear

that the media wants you to feel that you are the only one who is not driving electric vehicle, because they tell you, look, the percentage of sales went up from 40% to 65%, and in case of Norway, it's almost 100% right now. So, are you driving an EV yet? Well, percentage of sales is one thing, the number of cars on the road is something else. So in the world today, we have about, or this year, we will have about 50 million electric vehicles. What is the direct replacement of oil demand? Not just that, I use the word replacement. And instead of saying, that demand declined by that much. So the direct replacement is only 1.23 million barrels a day, and that's it. And this happened over a period of 15 years. It did not happen yesterday. So, if you've been reading what the media is publishing, you would be surprised by this number, because you would think the impact is way, way larger. So it's only 1.23 and this is the direct gross impact. Why is it gross? Because it's not the net. Because if you look at China today, what's been happening in the last three years in China, the demand for NAFTA and LPG was going through the roof. Why the demand for NAFTA and LPG was going through the roof? Because all of that NAFTA and LPG was going to the making of electric vehicles that China is producing. And that amount is not included in the 1.23, so we have to subtract it. And there are, of course, a lot of details here, I'm going to give you one quickly. Because electric vehicles are heavy, they use more tires than usual, and we calculated that between 2016 and 2022, the replacement tires, just the replacement, this is not the original, just the replacement tires for EVs increase oil demand by about 60 million barrels. And that 60 million should be subtracted from1.23 million barrels a day. Now the 60 million is barrels, not a day, this is the whole period, so we can divide it by the number of days to get the number of barrels per day. But the idea here is, this 1.23 is really not reflective of what the impact is. The real impact is way, way lower than that.

We did another study on Norway, and we found out that, and these numbers are not real numbers, this is just for illustration. Let's say, if someone in Norway buys electric vehicle instead of gasoline vehicle, and that gasoline vehicle uses 10 barrels of gasoline, or, let's say oil, if you want to go with that a year, that means the direct replacement is 10 barrels. We found out that the direct replacement is only 6 barrels, not 10, which is less, way less than what various reports are talking about. Why? Well, we think one of the reasons, because electric vehicles are second cars, and therefore the number of mileage a family drives a year is divided between the two cars, and therefore they drive the electric vehicle less, and therefore the replacement is less. But the whole idea here is that when we talk about China, so we have 50 million vehicles on the road in 2024, half of them are in China. 25 million, the replacement, the direct replacement, is only 600,000, but again, this is over several years. If you look at this year, when demand declined substantially between the beginning of the year and the end of July, they sold about 6 million electric vehicles. At the same time, we are seeing a shift to LNG trucks, so they don't want that diesel. If you look at the number of trucks, LNG trucks sold, and EVs, you'll see that the replacement, the direct replacement, is less than 250,000 barrels a day, but China's demand declined by more than 1.2 million barrels a day. So how do you explain that? That means most of the decline in Chinese oil demand is related to economic growth, and some of it is related to electric vehicles and LNG trucks.

And when we talk about LNG trucks, we have an issue here. And I think some people will hear this idea for the first time. And this is a very important idea. I'm going to link two ideas together here so people can understand the issue. If we have a Greek shipping company that has 100 oil tankers, and we have a decline in demand for those tankers from 100 to 80, and it just happened that 10 of them are sanctioned by the United States. So you are the manager of this fleet. You have 100 and the demand only for 80. So you have to idle 20. Which 20 you idle, logically speaking, you take those sanctioned tankers among this 20. So the 10 sanctioned tankers, basically will be included in this 20. The other 10 will be the least efficient, probably the oldest and least efficient. So what happens in this case, someone at Bloomberg basically will learn that those tankers are idle, and then we will have this long report on the success of Biden sanctions on Russia and how the sanctions are working, because those tankers are idle, and they get you the pictures, and they get you the locations of them, etc., and they keep reporting on this every couple of days that, look, the sanctions are working. So you reduce your fleet by 20 tankers, and you pick up those tankers that are on the sanctions list, and you to avoid problems. You don't want that headache. But once demand increases, you bring them back, and that's what we've seen, that they brought them back, which means that it wasn't about the sanctions, it just was business as usual. They just, they don't want the headache for nothing. Now, you take this idea of the tankers and apply it to China and LNG trucks, it's exactly the same case. You have very slow economic growth, the trucking industry is suffering in China, so the demand for trucking declines substantially. So now you don't need that many trucks. So which trucks you idle? You idle the least efficient. So you are going to keep the new LNG trucks that are efficient, and you are going to literally park those trucks that are inefficient, and they use diesel, that's why the diesel demand was going down, and LNG demand basically was going up for those trucks. But once you end up with economic growth above 5%, they are going to bring all those trucks back, and demand for diesel will go up. So, the bottom line here is, the idea that electric vehicles and LNG trucks caused all this decline in demand for oil in China is nonsense. Only a portion of it. And for ease of use, just remember this 25%, 75%. Which means that 25% decline in oil demand is caused by electric vehicles and LNG trucks, 75% is caused by lower economic growth.

Erik: Anas, let’s go back to the Iran scenario, in what you described as maybe the worst case, it's about a 1.6 million barrel per day. Just for the sake of argument, suppose it's the really worst case, and it's as much as 2 million barrels a day, maybe they hit the pipeline as well. It seems to me, in that scenario, what's really happening is, you're handing a huge amount of power over to OPEC+, because in an environment where OPEC+ has more than 2 million barrels a day of spare capacity, as I believe they do now, if they want to, they can make up for it, but if they don't want to, they don't have to. So, is that the right way to think about it? And if so, what should we expect in terms of how OPEC+ would use that power if it was given to them?

Anas: Well, the irony is, you are giving more power to Putin. you are trying to reduce his revenue. So exactly the ship's issue that I talked about, I was talking about is exactly the case, so you are just giving him more power.

Erik: Okay, explain.

Anas: You are trying to reduce his revenue. So exactly the ship's issue that I talked about, I was talking about is exactly the case, so you are just giving him more power.

Erik: Okay, and what would you expect OPEC+ to do in that scenario? Do you think OPEC+ would try to keep oil prices down to avoid a big escalation, or do you think they would seize the revenue opportunity?

Anas: Well, there are a couple of issues here. Again, politics of the region plays a very important part here. So they don't want to annoy Iran. They don't want to appear that they are winning or making money at the expense of Iran. So I think they will go for a wait-and-see period. But at the same time, they already have a plan they agreed on, that they will unwind the production cuts by the first of December. So what they can say is, look, we are going to unwind as we planned long ago, before Iran was even in the picture. And they can do that without annoying Iran, and that amount they will unwind over a year in total at the end of the year is larger than the loss of Iranian oil. But to go from day one and start working over four to six weeks to increase production to compensate, that will backfire.

Erik: Let's bring Russia back into this, as we see a re-escalation, which I think is coming in the Russia-Ukraine conflict. How does that complicate the situation and what happens? As you said, they're handing power to Putin. How do you expect him to respond to it?

Anas: Couple of things here. The first one is, they will try to increase production as they planned, just like within OPEC+, that's number one. The other one is, now China has to go back and import more from Putin, which Putin wants. Because, as Putin felt, probably in recent months, that China is calling all the cards because he needed to sell his oil and gas. And now China will be in the corner, given the fact that if you look at what China has been doing for the last two years, the whole behavior, including, we have news today, regarding this too, they decided to go for discovery, or discovering oil and gas anywhere in China, and now they are going back to coal again. This is kind of a move showing that they really wanted to have more domestic sources in preparation for war. We don't know whether this war will happen or not. We don't know when it's going to happen, if it's going to happen, but it is very clear that they are preparing themselves for a war through building more domestic sources than before, and they are doing it quickly. And that's what attracted our attention, that they went for a spree of spending. They had major discoveries, and they are developing those, but we don't think that they are going to utilize them. It seems that they will develop those discoveries and use them whenever they want to, and that's the trend.

Erik: Anas, we've talked about worst cases, as I'm known for talking about, let's compensate for that by also talking about best cases. Suppose that we're able to get a resolution to this conflict with Iran and Israel and so forth. Frankly, I don't expect that, but I want to talk about all the possible cases. What would be next for the Middle East then?

Anas: When it comes to the oil market, remember that Israel does not have any oil, Gaza does not have any oil, Lebanon does not have any oil. The only reason why the market was affected is because Iran got involved, and Iran produces 3.3 million barrels a day, so that's the reason why prices were rising. But before that, we had an impact coming out of the Houthis and the Red Sea, when they started hitting ships and oil tankers, and that raised oil prices and raised the cost of shipping, and forced tankers and LNG carriers to go around Africa instead. And the question we get all the time is, okay, if the war in Gaza ends, will the Houthis stop? And the answer is, no. And we've done couple of spaces, one of them with a Middle East expert, Professor Bernard Haykel out of Princeton, who is specialist in these areas. And he emphasized a point. He said, look, the Houthis basically found out that they have a very significant card in their hand, and they are not going to relinquish this card just because the war in Gaza ends. That's the only way they can negotiate, that's the only way the West can recognize them, etc. So the attacks, basically, on the shipping lanes and the Red Sea are going to continue, even if the Gaza war ends, and therefore the impact on the oil market is going to remain this way. As for other things, if we are looking at a more peaceful Middle East, it is very clear that the Gulf nations are going to go for diversification. They are working really hard. I mean, whether you are talking about Saudi Arabia, Oman or the UAE in particular, they are trying to diversify their economies, which means that they will be less reliant on oil.

By the way, one of the bearish factors right now at the end of the summer, and I failed to mention this in the beginning, so we don't have only China, that's where the demand is lower. At the end of the summer, the demand for cooling in the oil producing countries in the Middle East and North Africa declines, which means that the demand for power declines, and the demand for oil to burn and the power plants declines. Now, those countries have this extra oil to export, and that amount could be large if they don't go for maintenance. Between the Middle East and North Africa, this might add about 1.2 to 1.4 million barrels a day without violating OPEC+ quota, because the production is staying the same. This is just a divergence from the domestic production to export. But generally speaking, after the war ends, we will see, can this move toward diversification increasing, and in case of no Hezbollah and no Hamas, etc., more peaceful Middle East. This might sound like bearish for oil, but it's not. And the reason why? Just think about it, Iraq is growing at 20%, 25% per year, because Iraq is still devastated, until now, with no infrastructure or no economy, nothing. So imagine going for all those massive projects and everything else. So whatever additions they are going to bring online is going to be consumed within the country itself. And their demand for electricity, for gas, for oil, is going to increase. And the same applies to Egypt and Sudan and others. So, any increases in oil production or oil supplies in the region is going to be consumed within the region because of the economic growth they are going to experience.

Erik: Let's talk a little bit longer term now, because I have a really big question mark in my mind. I'm extremely profoundly bullish crude oil prices in the late 2020s and the reason for that, you and I have discussed at length in prior interviews, so I won't rehash it here. Listeners just put Anas' name into the search box at macrovoices.com, in our past interviews, we've talked quite a bit about supply imbalances that would cause both Dr. Anas and I to feel extremely bullish in the late 2020s about a supply demand imbalance that just won't be able to deliver

enough crude oil to the world. But as much as I have strong conviction about that view, Anas, I can't decide what happens between now and then. What's your outlook for that bridge period between, let's say that hopefully, there's at least a slowing down of the geopolitical tensions. We don't take ourselves all the way to nuclear self-annihilation, and we're still here in a few years. How do you see it going for the oil market, until we get to that late 2020 scenario where you and I both agree prices have to go up.

Anas: We have new development to report, Erik. The first one is ExxonMobil released its, supposedly, its outlook to 2050. It's really not an outlook, it is more than a PR document, replying to the International Energy Agency and to the head of the UN by saying, okay, you guys want us to stop today investing in oil and gas. So here is what's going to happen if we stop investing today. And if you look at that scenario and the Exxon outlook, it's extremely scary, especially in the medium term, because all of a sudden, you have a complete collapse of the world economy, with unemployment going through the roof, etc., if we stop investing. But that exercise that Exxon did, told us exactly what you and I talked about even couple of years ago, that we do need trillions of dollars of investment, whatever the future demand for oil is. Even if we have a decline in demand in the future, we still need trillions of dollars to invest to meet that demand, simply because we have decline rates, and we have to compensate for those decline rates. So that's on one side, but Exxon basically stated something else that's very important. They said, look, historically, decline rates basically were between 4% and 5% per year, and that's the average for the world. The IEA came in later and said, because of shale, because the decline rate in shale is higher, the average decline rate for the world is 8%. Exxon is coming in right now and saying, look, because of lack of investment, the decline rate is 15%, so you can see where the crisis is. We have a serious problem. And if banks stop financing oil and gas, and various private equities stop financing it, and all those organizations like Rockefeller and others stop financing it, how are we going to meet that demand? Then, OPEC came up with an outlook. They revised their outlook, and we're very lucky to see this is the third revision by OPEC, and it's very close to our outlook that we produced two years ago, where they said, look, there is no decline in oil demand, not in the medium term, not even in the long term. But here are the problems. They built on Exxon outlook, and they said, we need, like, $17 trillion in the base case to meet oil demand by 2050, 17 trillion dollars. And we don't have that amount to invest like $650 billion every year. We've been at $400B to $500B recent years. So we are short already in terms of investment.

The other issue is, none of them, basically, are counting for the fact that the demand for electric vehicles is declining, which means that more demand for gasoline and diesel. They are not counting for the fact that probably the segment of electric vehicles is already saturated, and therefore all those rosy pictures about the whole world adopting electric vehicles is not going to materialize. Now we see a shift in some countries to hybrid. India, for example, they are back to CNG, compressed natural gas, which is kind of like really, everything is going in the wrong direction for those who are claiming that electric vehicles are going to be widely adopted. And if you look at various forecasts, I mean, we are in 2024 but if you look at various forecasts, they are talking about 240 million vehicles by 2030, that's electric vehicles. 240 million. And now we are at the end of 2024, and we have only 50M and that's after we used all the easy resources,

after we used all the cheap resources, everything that was cheap, cheap, cheap, cheap, cheap. So what is next? So you are absolutely correct that there will be a time when we have lack of investment on one side, and we are going to be hit by increasing demand because of the failure of green policies. And there will be this mismatch, and that mismatch where the energy crisis is going to hit and then everyone start waking up, but it's too late by that time. So even medium term, we have serious problems because of that.

Erik: Anas, now I'm going to throw another monkey wrench into this, which is, I think there's a really big question mark of what would happen if we lost a major refinery. And the reason I say I think that's a big deal is, look, for all the reasons we've been discussing, there's not only a government disincentive against any new investment, but if you talk about justifying a refinery build, that is one gigantic piece of CapEx that has at least a 50 year payback. If the entire world has agreed, almost all Western governments are allied together to put this industry out of business sooner than the payback period on a new refinery, then how in the world could you possibly expect to finance building a new refinery? It can't happen. So it seems to me like if we lose one, we're screwed.

Anas: Luckily, we have some sane people in Asia and the Middle East who were building refineries and above their capacity, realizing that in Europe and the United States, those refineries are going to close, so they can take their market share. So the idea, and this is kind of very strange idea, I mean, once you think about it, you see where our politicians are taking us. They don't want to import electric vehicles from China, they don't want to import everything needed for the batteries. They don't want to import solar panels. They don't want to import the parts for wind turbines, and they are imposing all those kinds of tariffs, etc. While they are busy with all the things, in the future when oil demand continue to increase and we need the products, we are back to China, because they have the largest refining capacity. So ,you can see where those politicians are missing the point that, okay, you are…

Erik: So let me see if I've got this straight, Anas, you're saying you start with China doing a better job than we've done of making electric vehicles cheap and available and affordable. Tesla makes an amazing vehicle, but they're not cheap. If you look at the Chinese electric vehicles, they're accessible and affordable to everyday Americans. Well, we can't have that, so we're going to put these outrageous tariffs on them that are going to prevent the adoption of those Chinese electric vehicles. Because we could never reward China for doing something like, oh, I don't know, solving energy transition and climate change for the whole planet. Don't credit them for doing something good in that regard. Instead, we'll punish them in a way that denies access to those vehicles to Americans, to the point where we still have gasoline powered vehicles. But if we lose a refinery, we don't have the gasoline. So, we have to become dependent, not only for manufacturing, but also refining. To take crude oil that you produce in the United States, put it on a ship and send it to China to be refined. They will drive it from the port to the refinery using an electric truck, because that's not tariffed and outlawed there. They will eventually send the finished gasoline back to the United States where we can burn it, thanks to our politicians making this all economically efficient for everyone. Is that, am I getting the general picture right here?

Anas: You are absolutely right, and we are already seeing it with the Russian sanctions, right? The same procedure, exactly the same that Russia sends its crude to China and India instead of Europe, when Europe is just in Russia's backyard. So they pay for the extra shipping, and then China and Russia refine that oil and they send it back to Europe as refined products. It's the same story.

Erik: Well, Anas, as always, I can't thank you enough for a terrific interview. I do want, before we close, though, just to give our listeners a little bit of perspective on how they can follow your work and what you've been up to. I know you just completed a speaking tour through Canada, United States and doing a bunch of talks. Are you available to do more of those for companies that might be looking for a keynote speaker? And what else are you up to with Energy Outlook Advisors, on your Substack and so forth?

Anas: I just finished a speech tour and looking for the Christmas time when companies basically have the investors meeting and the board meetings, etc. So, if they are interested or looking for a speaker to talk about the situation in the oil market, in the LNG market, the impact on natural gas, I am available.

Erik: And Anas, for people who might be interested in following your work on Substack, I think there's a free Substack, and then you can subscribe to get the longer version. What's the perspective on that? And also, what services do you offer from Energy Outlook Advisors?

Anas: So, we do have the Daily Energy Report. I think this is like the very exciting part, where we comment on the news, and we always brag about providing charts that do not exist anywhere else. It's relatively cheap, anyone can afford it. We also have the Twitter subscription, by the way, which is super cheap, and we have the longer version that is mostly for institutional investors and companies. That's where the newsletter is. Today, we are going to release a report on the, I mean, throughout this talk today, through the program, we talked about the possibility of Israel hitting the Iranian facilities, oil facilities, but we did not talk about the Iranians responding by hitting the Israeli gas facilities and gas fields. So the report we are going to release today is about this. What are the impacts of Iran hitting the Israeli gas fields and their impact on Israel and neighboring countries?

Erik: Patrick Ceresna and I will be back as MacroVoices continues right here at macrovoices.com.