

Investments - Flash



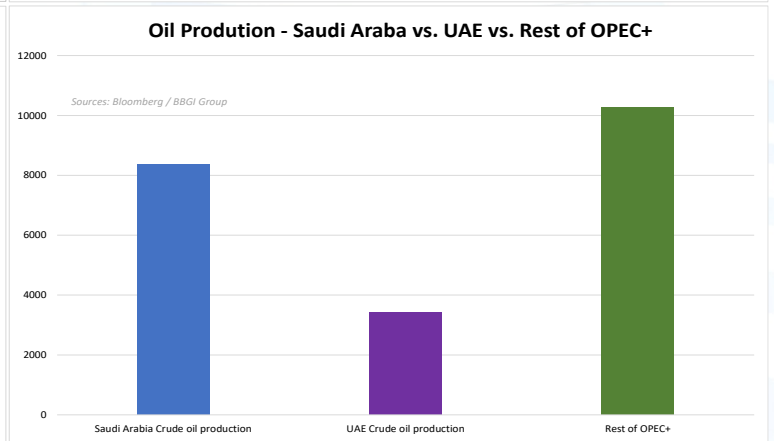
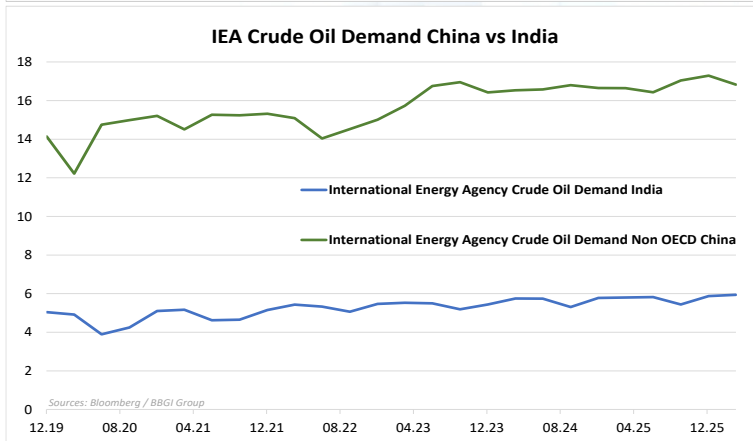
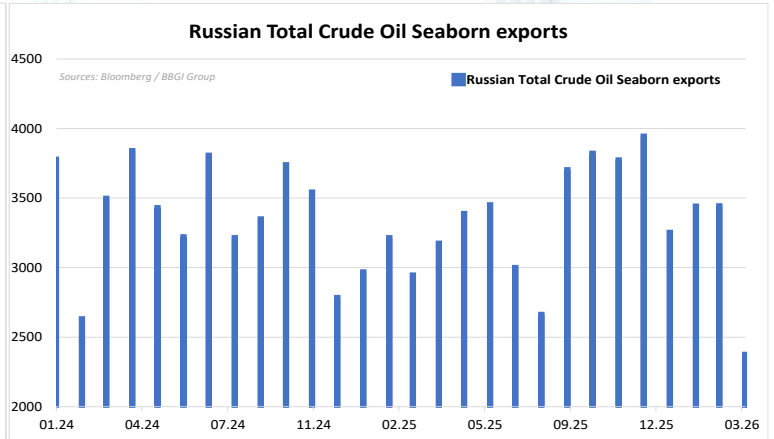
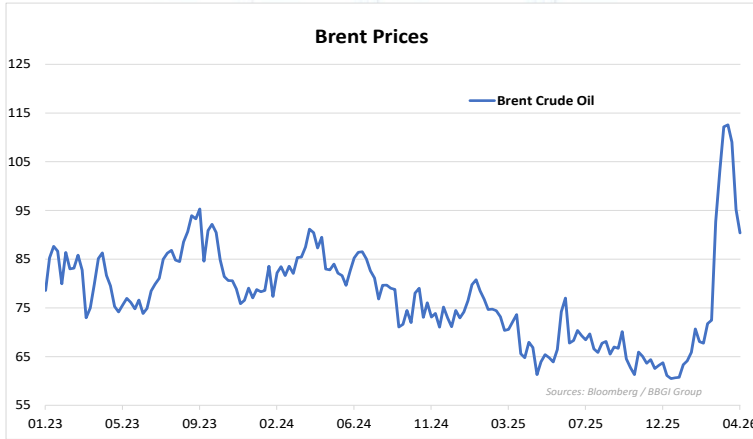
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CRUDE OIL PRICES HAVE REMAINED STEADILY ABOVE \$100 A BARREL

No rapid, widespread recovery in supply following the crisis

The Strait of Hormuz crisis has pushed short-term crude oil prices above \$100/bbl, but our analysis suggests that even a full reopening of the strait in the coming weeks would not resolve the structural deficit that has widened. The aggressive shift by the United States that we mentioned in January resulted in a drop in Russian seaborne exports (1.2 mb/d) in Q1. OECD inventories are currently at their lowest level in a long time, with coverage of only 54 days of demand. Excluding Saudi Arabia and the UAE, residual production capacity is very low and leaves no room for error. In India, demand for distillates (diesel and jet fuel) has risen, and in China, despite the turbulence, Chinese refineries have

maintained high utilization rates. Even in the event of an immediate de-escalation in the Strait of Hormuz, the market must digest a fundamental imbalance. If the strait reopens, we anticipate a temporary technical correction of \$15, bringing Brent back toward the \$90–\$95 range. However, this decline will be short-lived. The second half of the year will be marked by the Atlantic hurricane season and summer demand for air conditioning. Without a massive return of supply, the price per barrel should stabilize between \$95 and \$105. OPEC+'s shift from a "volume" strategy to a "value" strategy is now firmly established. A scarce and expensive barrel is preferable to market share.



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