



NEWSLETTER GME – New issue now online

Rome, May 16th, 2017 - The newsletter opens with an intervention by Lisa Orlandi from RIE on the deadlock between OPEC and US Shale, the "*undoubted protagonists of the current phase of the oil market. A phase that in the first four months of 2017 - the RIE expert points out - has seen the prices fluctuate predominantly within the range of 50-55 dollars/bbl, revealing an unusual stability; but also a phase in which it has clearly emerged as the path towards the rebalancing is - in spite of the initial expectations - slow, strenuous and above all uncertain.*" The positive mood has weakened "*starting from March, when the prices bounced back to \$50/bbl, sometimes even lower, exceeding this psychological threshold, as it is happening in the early days of May*".

According to the RIE analyst, "*while the spotlight seemed to be on the level of compliance of the countries parties to the agreement, US shale oil production could benefit from prices almost always higher than 50 dollars/bbl, and it did so by achieving fast increases well beyond the expectations*" with a "*growth trend that seems to be continuing, as highlighted by the signs of investment recovery and the increase in active drilling rigs.*"

For this reason, the current focus is "*on the possible continuation of the Agreement in the second half of the year, a decision which - says Orlandi - will be taken at the Vienna meeting of May 25th*", and in the absence of which " there could be a significant drop in prices, also in view of the expected launch of some new production platforms (for example, Brazil, Canada and Kazakhstan), which is the result of investments made in the years before the prices plummeted".

The new issue also includes the usual technical comments, relating to national and European markets and stock exchanges, the section devoted to the analysis of trends in the Italian gas market and the analysis section on trends in Europe, which further analyze the trends in the major European commodity markets.



The new GME publication also reports, as usuale, the summary data of the electricity market for the month of April 2017.

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Press Release