Twitter Thread by Reza Zandi

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The following four scenarios will be discussed at the continued session of the 13th #OPEC & Non-OPEC meeting today:
1-Given the expected growth of demand by 5.9million bpd in 2021 and the expected growth of supply by non-OPEC countries by 1.1million bpd, as agreed in Dec... #OOTT

.... the 23 countries will increase production by 500 thousand bpd for the month of February - similar to January.

2- Given the expected growth of demand by 3.9 million bpd in 2021 , and the expected growth of supply by non-#OPEC countries by 800 (or 900) thousand bpd,...#OOTT

... as agreed in December, the production by the 23 countries will increase by 500 thousand for the month of February - similar to January. This scenario is practically the same as scenario number one, expect for lower forecasts for demand and supply. #OOTT

3- No increase (of 500 thousand bpd) for the months of February and March, and an increase of 500 thousand bpd for the moths of April, May and June each. In this scenario as well the ministers will hold monthly meetings to appraise the market and decide. #OOTT

4-The 500 thousand bpd increased in January to be decreased for the month of February. No increase for the month of March, and instead an increase of 500 thousand bpd for the months of April, May, June, and July. The probability for this scenario is considered to be low. #OOTT

5-OPEC Plus has already increased its total production by 500thousand bpd for the month of January: that is, the reduction in production by OPEC, compared to the situation before April 2019,stands at 7.2million bpd. Russia opposes the 3rd and 4th scenarios for two reasons...#OOTT

6-.. First, they believe that, as per earlier decision, the meeting should only decide for the next immediate month, and second, the market share for other producing countries should not be expanded to the detriment of OPEC Plus countries. The member countries,..#OOTT

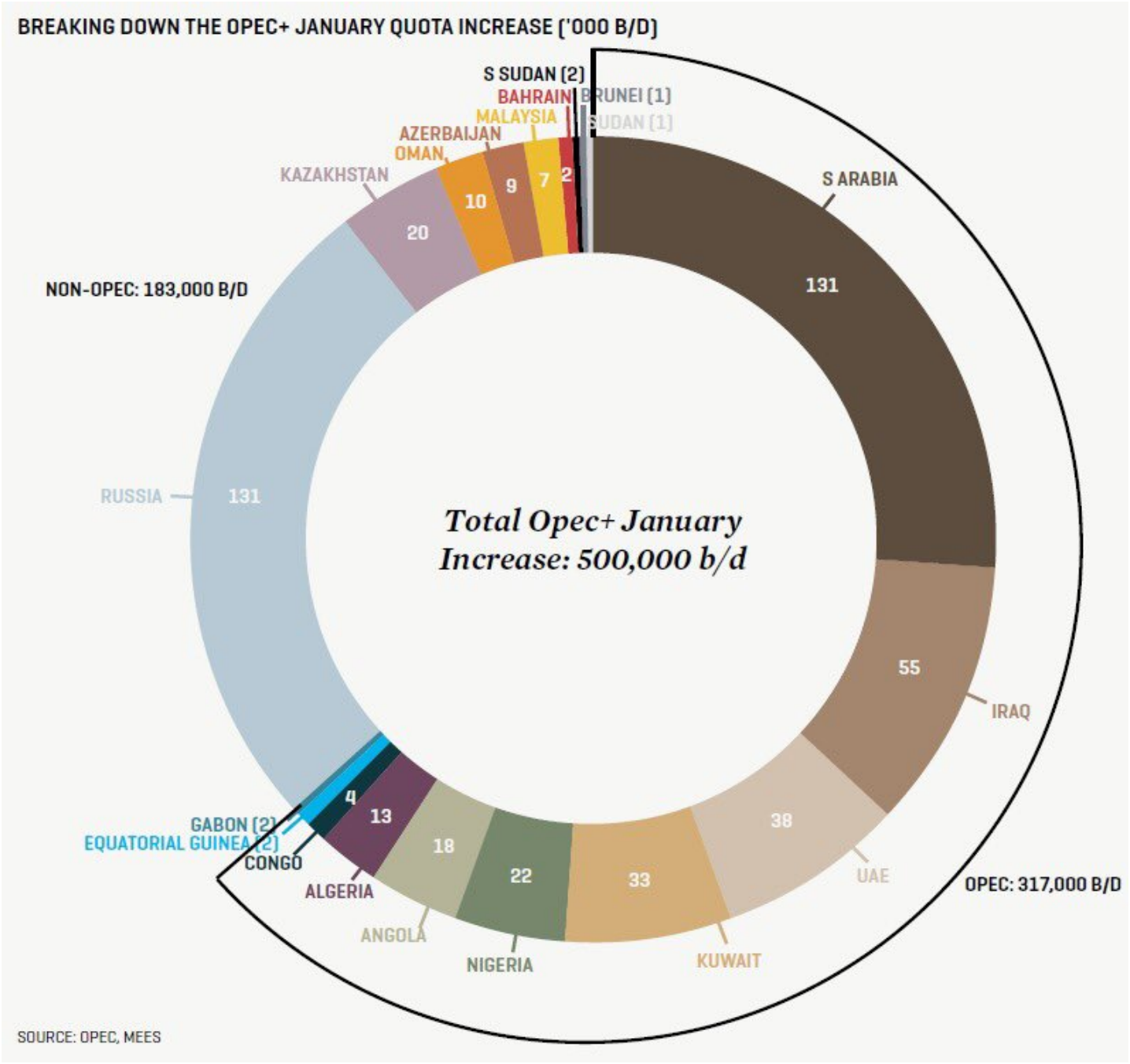
7-... except for Russia and Kazakistan, oppose the 3rd scenario. This implies that in light of the new Corona wave, there shouldn't be any increase of 500 thousand bpd for the months of February and March - with emphasis on February at the present juncture. #OOTT

8-What are the impact of these scenarios on Iran?Given that the sanctions are in place,practically no impact.However, considering the possibility of the US return to the nuclear deal(JCPOA)in February,it would be better for Iran to pump lower amounts of oil into the market..#OOTT

9-.. so that its entry would be easier.
But, it is expected that Iran's entry into the market once the sanctions are lifted will be harder. That is why Minister Zangeneh did not play in either Moscow's court nor that of Riyadh...#OOTT

10- ...Even if it could be sensed that he was not in favor of increase in production in February. In any case, the OPEC Plus meetings will be harder once Iran re-enters the market.#OOTT

11-the500 thousand increase for the month of Jan. will be distributed among the countries members of the Statement (Commuinque) on Cooperation between OPECand non #OPEC.It will be the same for Feb. if the increase is decided. Currently Iran is exempt from the quota. @MeesEnergy■


BREAKING DOWN THE OPEC+ JANUARY QUOTA INCREASE ('000 B/D)
S SUDAN (2)
BAHRAIN
BRUNEI (1)
MALAYSIA
SUDAN (1)
AZERBAIJAN
OMAN
KAZAKHSTAN
S ARABIA
131
10
9
7
2
20
NON-OPEC: 183,000 B/D
RUSSIA
131
Total Opec+ January Increase: 500,000 b/d
55
IRAQ
38
UAE
4
13
18
22
33
GABON (2)
EQUATORIAL GUINEA (2)
CONGO
ALGERIA
ANGOLA
NIGERIA
KUWAIT
OPEC: 317,000 B/D
SOURCE: OPEC, MEES