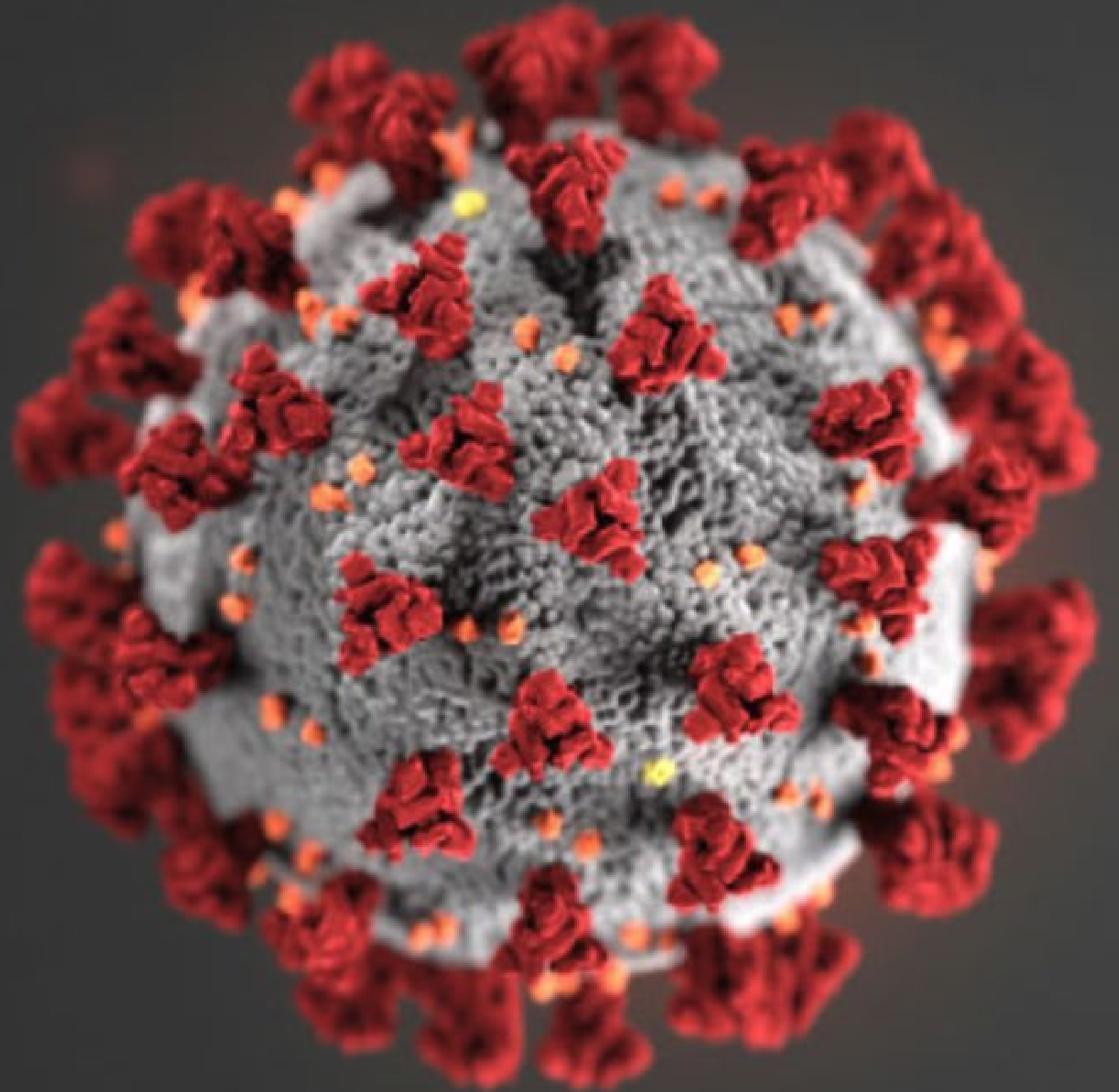




# Corona virus – Impact Assessment – Energy & Utilities

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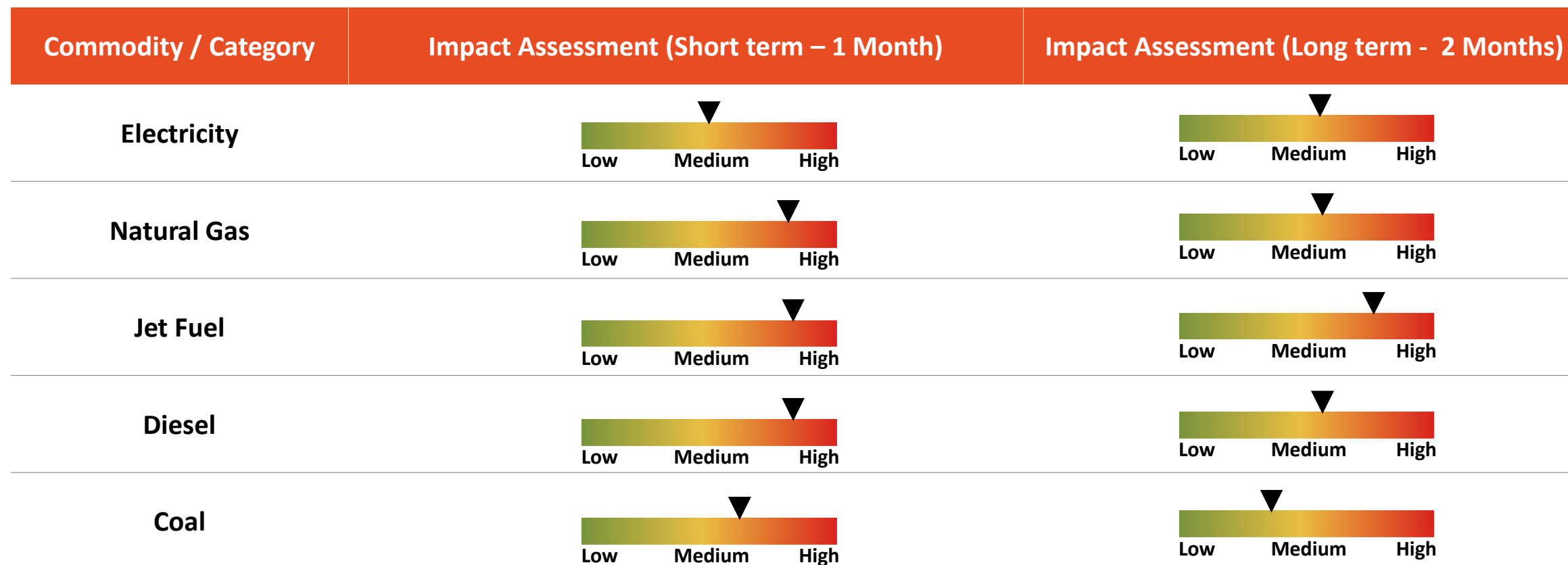
April 2020



# Impact Assessment : Energy

## Advisory Insights

- Natural gas market continue to witness low demand globally due to Covid-19 as industrial activities are on hold besides supply glut due to demand reduction in top LNG importers like Japan and China. The natural gas prices in TTF market and US has witnessed a reduction of 8% and 3% last week compared to its previous week
- The electricity demand remain low due to the lockdown globally resulting in reduced industrial demand which is considered to be far higher than the domestic electricity demand. The price reduction of 8-10% is observed in cities like New York, New England, California etc. due to the lockdown
- The demand for liquid fuels like Diesel and Jet Fuel are down by more than 50% in European countries and highly affected countries are Italy and Spain. The restrictions for local travel and air travel being the reasons for reduced demand contributing to reduced oil prices globally
- The demand for coal in Asian market has decreased due to the Covid-19 pandemic. The imports of coal from China to other Asian countries has witnessed a decline. India has reduced its imports by 14%. The coal prices in European market has witnessed a decrease of 6% due to demand reduction owing to lockdown across the continent



## News Alerts

- CNOOC, state owned Chinese company, announced a force majeure on LNG contracts, which allows companies to suspend their obligation to fulfill contracts after unexpected events such as strikes and natural disasters. The biggest suppliers of LNG to CNOOC include Anglo-Dutch energy company Royal Dutch Shell, France's Total, Australia's Woodside Petroleum and Qatar gas. The force majeure notice covers CNOOC's LNG purchases for February and March
- The oil price war between Saudi and Russia has tumbled the oil prices by 30% this month. OPEC has failed to come in common terms with Russia on further stoppage of oil supplies and increased its production





# Knowledge First

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