

From: Richard Kahn <[REDACTED]>

To: "jeffrey E." <jeevacation@gmail.com>

Subject: Fwd: Update: OIL PRICE & SAUDI ARAMCO

Date: Fri, 07 Jul 2017 21:18:27 +0000

Inline-Images: image005gif01D2F71D61095700.gif; image006gif01D2F71D61095700.gif; image007gif01D2F71D61095700.gif; image008gif01D2F71D61095700.gif; image009gif01D2F71D61095700.gif

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022
tel [REDACTED]
fax [REDACTED]
cell [REDACTED]

Begin forwarded message:

From: "Ens, Amanda" <[REDACTED]>
Subject: Update: OIL PRICE & SAUDI ARAMCO
Date: July 7, 2017 at 8:53:29 AM EDT
To: "Rich Kahn" <[REDACTED]>
Reply-To: "Ens, Amanda" <[REDACTED]>

Happy to set up a call with our experts

... as per below, still so many factors moving Oil – but once again Saudi Aramco cutting prices in Asia has coincided with a relatively aggressive move lower in spot...

July 5th at 2pm - (Bloomberg) -- Saudi Arabia cut August pricing for most of its crude grades to Asia as the world's largest oil exporter seeks to stay competitive with other producers. State-owned Saudi Arabian Oil Co., known as Saudi Aramco, lowered official pricing for Arab Light crude to Asia by 20 cents to 45 cents a barrel below the regional benchmark, it said in an emailed statement. The company had been expected to cut pricing by that amount, according to the median estimate in a Bloomberg survey of five refiners and traders.

cid:849242103

... and now these headlines hitting, let's see how much impact they have - OPEC IS SAID TO MULL PRODUCTION CAPS FOR LIBYA, NIGERIA: WSJ

From: Heraty, Joseph P
Sent: 05 May 2017 10:48
Subject: OIL PRICE & SAUDI ARAMCO

I'm not an Oil expert, but do think the below is quite interesting... I always thought the Saudi Arabia (via Aramco) impact on Oil prices on the big 70% move lower from Oct 2014 to Jan 2016 was under-appreciated as highlighted below... and this week's down 7.5% move again coincidentally comes just after this headline on Monday – May 1st = 'Aramco cuts Asia oil pricing as Saudis seen losing market share' – 'State-owned Saudi Arabian Oil Co., known as Saudi Aramco, lowered its official pricing for Arab Light crude to Asia by 40 cents to an 85 cent discount to the regional benchmark, it said in an emailed statement.'

Just having a very quick look through several other recent Saudi Aramco price cuts specifically to Asia – look at the Oil price reaction

June 30th 2016 – 'State-owned Saudi Arabian Oil Co. lowered its official selling price for Arab Light crude to Asia by 40 cents to a premium of 20 cents a barrel above a regional benchmark, the company known as Saudi Aramco said in an e-mailed statement Thursday.'

cid:866088053

Oct 6th 2016 - State-owned Saudi Arabian Oil Co., known as Saudi Aramco, lowered its official pricing for Arab Light crude to Asia by 25 cents a barrel to 45 cents less than the regional benchmark, it said Wednesday in an e-mailed statement, Bloomberg reported.

cid:1849603336

March 2nd 2017 – 'Saudi Arabian Oil Co. has lowered prices for almost all of its crude grades for April delivery. The world's largest oil exporter, known as Saudi Aramco, said on Thursday that it had reduced super light and extra light crude prices for its customers in the Far East, its largest market, by 50 cents and 75 cents, respectively.'

cid:696233331

Again, so many factors driving Oil price (China concerns, US supply, crowded speculative longs, doubts on extent of production cuts into OPEC on May 25th etc) and I would be buying this latest dip... but just worth watching for the Aramco Asia pricing headlines as maybe a bigger factor than you'd expect, as we head towards the IPO...

From: Heraty, Joseph P
Sent: 22 January 2016 11:46
Subject: OIL PRICE & SAUDI ARAMCO

OIL PRICE & SAUDI ARAMCO - so many factors have clearly played a role, China, USD, politics (squeeze on Russia) etc etc, but one thing that really stood out behind the huge move in Oil was the impact of the Saudi Aramco price cuts at the very start of Q414...

Oct 1st 2014 = Saudi Aramco, the state-run oil company, surprised markets when it announced it would cut official prices for Asian customers in November.

... Oil had already begun selling off for multiple reasons (-13% over the previous 3/4 months), but at the time that was a massive catalyst for the very aggressive move lower.. Crude dropped by 50% within 4 months of that announcement... and 70% from there to the lows this week...

Jan 20th 2016 = Khalid al-Falih, chairman of state oil company Saudi Aramco, told the World Economic Forum in Davos that current prices would not last, with many smaller producers facing financial difficulties. "The market has overshot on the low side and it is inevitable that it will start turning up,"

... crude +16% from the lows.. they are clearly not the only driver, but they are a very big factor.. above and beyond the ECB, given Oil/mkt correlation, the Aramco comments this week may be the most important thing we have heard

(ARAMCO is worth, officials say, "trillions of dollars", making it easily the world's biggest company. It says it has hydrocarbon reserves of 261 billion barrels, more than ten times those of ExxonMobil, the largest private oil firm, which is worth \$323 billion.. and Aramco = 90% of Saudi gov revenues)

 cid:1414641663

This message, and any attachments, is for the intended recipient(s) only, may contain information that is privileged, confidential and/or proprietary and subject to important terms and conditions available at <http://www.bankofamerica.com/emaildisclaimer>. If you are not the intended recipient, please delete this message.

 2371828   