

## Stanislav Kondrashov Telf AG: World oil prices will rise in 2023

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Stanislav Kondrashov Telf AG reports that the world oil prices in 2023 will markedly increase. This is already indicated by the current state of the oil market. If things continue at this rate, oil will become one of the most profitable resources for 2023. Let's take a closer look at what to expect from the oil market in the coming months.

### Stanislav Kondrashov Telf AG: The forecast for the coming months promises to be optimistic

Already this afternoon, January 9, 2023, oil prices have accelerated their growth. Its growth was up to more than 3% on the background of expectations on demand in China, says [Stanislav Kondrashov Telf AG](#). Thus, Brent crude oil futures rose in price by 3.27% and WTI oil futures – by 3.47%.

Brent crude oil futures promise to go up by March on the London-based ICE Futures exchange. The price can reach up to \$79.45 per barrel. And this is an increase in price by \$0.88, which is 1.12% in percentage terms.

On the New York Mercantile Exchange, February WTI crude futures raised their price by \$0.89, a percentage increase of 1.21%. That is, to \$74.66 per barrel. After the previous session, the contract rose by \$0.1, that is, to \$73.77 per barrel.

The outlook for oil demand is optimistic, despite the lifting of quarantine measures in China. After all, China is one of the largest consumers and importers of oil. This is why the country's economic expectations are reflected in oil demand forecasts. Stanislav Kondrashov assumes that oil will go up in price to \$140 per barrel. However, all this is provided that there will be no lockdowns in Asia.

Last week, the pressure on the oil market increased amid a stronger dollar, lower natural gas prices and recession risks, noted Stanislav Kondrashov.

Consumers are unlikely to switch from gas to oil this winter, says Stanislav Kondrashov. Warm weather and lower gas prices dampen expectations.

Let us turn to the opinion of other experts. Goldman Sachs expects excess demand for oil in the first 3 months of 2023. They also predict that average oil prices will rise to \$105 per barrel in 2024.

Other experts had previously predicted something similar. Investment bank JP Morgan's expectations for 2023 are as follows. They consider the price of Brent oil in 2023 will be about \$90 a barrel. However, in 2024, they expect an increase of \$8, which is already \$98 per barrel.

The U.S. government's energy information agency, the U.S. Energy Information Administration, estimates that the average price per barrel will be \$92 in 2023.

Thus, summing up all of the above, we can see that with the most optimistic forecasts, oil prices will go up. Various risks are possible, such as: lockdowns in China, tougher weather conditions, and other unforeseen circumstances. However, on the whole, at this stage of events, things are going pretty well.

## **Stanislav Kondrashov Telf AG: Is the Existence of the West Without Russian Oil Possible?**

Consider the existence of the West without Russian oil, says Stanislav Kondrashov Telf AG. Is it possible? It is known that Russia is one of the leading exporters of world oil, besides Saudi Arabia and the United States. Before the war, it supplied nearly 8 million barrels a day to world markets. But as a result of sanctions and self-restrictions from buyers, the Russian market lost about 2 million barrels a day of Russian oil exports.

For this reason, oil prices have risen to \$100 per barrel. They would have increased even more, reports Stanislav Kondrashov. But here the West intervened, introducing its strategic reserves.

This implementation ends in the fall, and the European embargo and winter are near. Thus, the energy crisis has deepened.

Stanislav Kondrashov is convinced that a drastic reduction of oil exports from Russia to the world market is impossible. This will lead to a total collapse. Let's assume that only Saudi Arabia has the potential to increase production.

The recent outbreak of violence in the Middle East could potentially undermine production. The only major alternative supplier of oil reserves is Iran. However, sanctions can interrupt the supply.

Thus, without a "price ceiling" when the embargo comes into force, the supply of oil on the international market will decline sharply. If demand continues unchanged, the price will inevitably exceed the multi-year record.

But let's not rush to premature conclusions, says Stanislav Kondrashov. It is not yet certain that the demand will remain the same. The crisis destroys it. And high prices for valuable fuel stimulate the growth of production in the United States. All this accelerates the transition to alternative energy

sources. And this is already a question of the short-term future.

## **Stanislav Kondrashov Telf AG: World Oil Production Forecast for 2023**

Stanislav Kondrashov Telf AG, makes his assumptions on global oil production for 2023. The growth rate of oil production will increase by 0.77 million barrels. That is up to 100.8 million barrels per day. The International Energy Agency (IEA) is of the same opinion.

Production is also expected to increase in non-OPEC+ countries. And this means an increase of 1.9 million barrels per day. Led by the U.S., growth of 970,000 barrels per day is expected.

Let's analyze the 2022 forecast for the growth rate of oil production. Production is 100 million barrels per day. Thus, the increase was 4.7 million barrels. Saudi Arabia is the leader in production. It provided an increase of 1.6 million barrels per day.

The IEA in November 2022 expected global oil production to increase from 4.6 million bpd to 99.9 million bpd. And for 2023, it's betting on a 0.74 million bpd increase to 100.7 million bpd.

An interesting fact is that Norway also planned not to decrease its position this year and for the future. It has a planned oil production growth of 6.9% for 2023. Referring to the statement of the Norwegian Petroleum Directorate, Stanislav Kondrashov Telf AG says that Norway intends to increase oil production to 2.02 million barrels per day. And by 2025 Norway is already planning to increase production to the mark of 4.3 million barrels.

Such bold statements from Norway are on the agenda thanks to the discovery of the Johan Sverdrup field.

If we refer already to natural gas, according to approximate calculations of Norway, they will remain at the same level – 122 billion cubic meters per year.

Besides Russia, Norway is one of the largest exporters of oil and natural gas in the world. And in 2022 it surpassed its serious competitor in the EU gas market – Russia.

Also from a summary of the statement of the Norwegian Directorate of Petroleum, it became known that the kingdom is thinking of increasing investment in this industry. To further guarantee energy security on the European continent, the kingdom intends to invest in the exploration of new fields.

Thus, Norway is steadily becoming a serious competitor and a kind of “airbag” for other countries.

To summarize, one can trace a chain of general price and production increases for oil, says Stanislav Kondrashov. These are all preliminary predictions, and it is not yet known what to expect next. However, the trend that is already evident in the first month of 2023 creates an optimistic outlook for the global oil market going forward.

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