

**Erik Townsend:** Joining me now is Dr Anas Alhajji, who is the managing partner for Energy Outlook advisors, the former chief economist for NGP energy capital markets, which, of course, is part of Carlyle Group and former professor from the Colorado School of Mines. Anas, it feels like forever. It's actually just November, so really, only a few months ago, since we last spoke on this program, you really nailed the call. Then everybody was super bearish, and you were saying, Guys, no, that it's it's not time to be ultra bearish. If anything, we have a bullish outlook here, which everybody thought was crazy. And of course, the market is up since then, what I want to do honestly set the way back machine to that last interview, which I think was the end of November, tell us what's happened since then, to date in terms of significant events in the energy markets, but let's carry that forward in terms of what you see after today, all the way out to the midterm elections. Because I think that's really what's every on everybody's mind. Is President Trump clearly wants to suppress energy prices through the midterms, if he can possibly pull it off. So I'd like to focus on the various hurdles that he's going to have to cross in order to achieve that. But let's start by going back to our last interview, which was fourth quarter of last year.

**Dr. Anas Alhajji:** Yes, in fact, I would like to go to the interview even before that. And the reason why, because in the interview before that, at the end of 2024 I predicted that oil prices will be in the 70s. Range bound in the 70s in 2025 and if you look at the prices, that was correct in the first half of the year. But once you go to the second half, it was in the 60s, and the prediction basically failed, because we ended up with an average price of 69 that was below the expectations. And looking back and say, Okay, what went wrong? Why I was wrong in this production now we go back to March and April 2025, at that time, the group of eight in OPEC, plus the group that made the voluntary cuts, they decided to unwind the voluntary cuts and starting increasing production. And my view was that we will have the 70s, because I expect them not to unwind production or voluntary cuts, basically to continue with their ways of delaying the date to unwind. And what I missed at that time was something important related to today's events. What I missed was I was focusing on growth in global oil demand, because there were two conditions for them to unwind. The first condition is a major decline in oil inventories, and that happened, and the second condition was strong growth in demand, in global demand, and that wasn't there. There was a growth, but it wasn't that strong, but they did unwind anyway, and I found out basically the reason why because they looked at the growth in demand for their own oil, not not for the global oil demand. That's a big difference, and makes a big difference for predictions. By the way, the idea here was the demand for them, for their oil, was increasing because of the sanctions. It was sanctions on Russia, Iran, Venezuela, etc, and the demand for Saudi Arabia, Kuwait and Iraq and others, basically, was increasing. So from their point of view, they did meet the conditions, and they started unwinding, and then they expedited that. So keep this idea in mind, because I want to go back to it later on to talk about what's going to happen this year. Moving forward, we heard stories about a surplus because of the unwinding, and we started getting messages from the International Energy Agency, from banks that this is bearish, etc. So I did debunk this bearish sentiment and being proven right on this one, then they came up with the idea of oil on water. And I did debunk this because they misunderstood that completely. And just to give you an example here, so people can remember what happened, for example, Brazil oil supply exports decreased, but their exports to China increased substantially at the expense of exports to the United States and Europe. So what happened is the distance to China is three times the. That to the United

States and two times that to Europe. So we ended up with more oil on water, but actual supply declined. Yet. The media and others basically started talking about how the increase on oil supply and how the increase in oil on water basically is going to be bearish, and it wasn't. So we know now that the surplus story basically had no legs, and the oil and water story had no legs. We moved to December and the beginning of this year, and we had major production and supply losses, and that came mostly from three countries. The first one is Kazakhstan. We had a major decline in Kazakhstan. This is important in various ways, because Kazakhstan was the major violator of OPEC and within the group of eight, and they did not cooperate with Saudi Arabia and others, and all of a sudden, we have problems. What happened with Kazakhstan? This is a very important story, because it has an impact on various segments of the industry. Kazakhstan exports its oil from Russia, from a terminal called CPC. And Russia exports some of the oil, some probably about 100,000 barrels a day from that. Kazakhstan exports about 1.6 million barrels a day out of that, all of a sudden we noticed that the Russians stopped exporting from that terminal. About 10 days later, that terminal was attacked, and supposedly, we were told. We were told that they were attacked by Ukrainian drones and then a gas processing facility in Russia, next to the border of Kazakhstan, where there is an oil field, was attacked by a drone and that field, basically the companies operating in that field, they had to reduce production, then drones attacked tankers, empty tankers were coming to CPC terminal to load the oil, and again, we were told that they were Ukrainian drones. None of that makes sense. Why Ukraine wants to reduce Kazakhstan's export. They have no interest. Why they want to bother Turkey and attack ships in the Black Sea? I'm talking about oil tankers. It does not make sense, but we lost almost seven, 800,000 barrels a day from Kazakhstan, and that took longer to bring back. It's been over two and a half months right now, and who has interest in that? And the fact is, the question is, who is the primary loser in this operation? It turns out that the primary loser is Chevron, not Kazakhstan government is Chevron. And why this is important, because if you look at the sequence of events, they follow what happened in Venezuela, and who is the largest operator, foreign operator in Venezuela, it's a chevron. And why Chevron is a threat to the Russians, because Trump wanted to kick the Russians out of Venezuela, and who is going to take the over the assets in Venezuela? Chevron, so the Russians been playing hard ball in this it wasn't Ukraine, but we lost that anyway. That means the surplus that the International Energy Agency and others are talking about has been has declined, and for from OPEC point of view, they don't believe in the massive surplus that the IAEA is talking about, but they do believe in the seasonal surplus, and that seasonal surplus declined. Then we had another issue in Brazil, where we saw a major decline in exports. At the same time, we had this frigid winter, this snowstorm that before it came to the United States, it went through the Middle East, by the way, in by the way, including Iran. And because of that storm, Iran's natural gas exports to Iraq stopped. Now Iraq got stuck. How they are going to provide power generation to their population in. The only way they can do that if they burn more oil, which means that their exports are not going to increase as a result of that. So in terms of world supplies, basically we've seen those reductions from Kazakhstan, from Brazil and from Iraq, and, of course, from Russia, too, for various reasons, and then we got the storm here in the United States and Mexico, and that reduced production in both countries. At one point, we lost more than 2 million barrels a day. So we have some major losses that if you, if you adopt the surplus story, now that surplus is almost gone, if you don't adopt the surplus story, the bullish sheath is very clear. And for the group of eight, that the an OPEC, plus they are supposed to meet next month to decide whether to extend the pause on

production increases or extend or start increasing production. Our main scenario that they will start increasing production for various reasons. One of them that we lost all this oil that I mean, let

**Erik Townsend:** Let me interrupt just for a second honest, because what you're saying is the surplus that everyone's talking about doesn't really exist. Let me just push a little bit back on that. What's going on then? Because I haven't heard anybody else reporting that it doesn't exist. As far as I know, Bloomberg and others are still saying that there is a very significant surplus. So you clearly have a variant perception. Why are they getting it wrong? Or, you know, why doesn't your story jibe with theirs?

**Dr. Anas Alhajji:** I will explain that to you, and I will tell you exactly what they are counting wrong? So I will finish this segment about the decision of OPEC of to the group of eight, and then I will answer this question specifically. So for the group, they saw this large increase. If you look at the January numbers for OPEC, plus their supply declined, according to Kepler, by 2.7 million barrels a day, and that does not include the decline in the United States at all, or Mexico. Well, it doesn't include Mexico, sorry, because Mexico is part of the group, but it doesn't include the United States. So the decline, basically is larger than 2.7 million barrels. And they look at it and say, You know what, that seasonal surplus that we saw in our calculation does not exist. That is a reason, basically, to increase production. But there are more reasons than that, because there are two religious events in the Islamic world and of course, mostly the Middle East, that increase the demand for oil. The first one is in about couple of weeks from now, probably like almost 1718 days, the holy month of Ramadan starts, and there are 44 Muslim countries around the world, but let's focus only on the Middle East. Now. We do have enough evidence to show that energy demand during the month of Ramadan increases, and for the for the countries in the Gulf region, whether you are talking about the Saudi Arabia, Kuwait, UAE, Oman, Iraq, Iran, all of those countries, they are Muslim countries, their demand for power, for power generation increases, and that increases the Demand for oil. So if the group starts increasing production in April, one of the reasons why they want to do it because their inventories decline, and they see the increase in demand in the payer month, in February and March. But that's not the whole story right now as we speak, if you look at Saudi Arabia, they are preparing their inventories. They are storing petroleum products in preparation for Hajj, the pilgrimage where millions of Muslims come from all around the world that's around late May to perform hajj, which is one of the main pillars of Islam. We discussed this before, and that increases the demand in Saudi Arabia alone for oil by about 300,000 barrels a day. What that means is this increase in production, if they start increasing production in April, the world is not going to see it. It's going to be. Consumed within Saudi Arabia, and to go back to February and March for the month of Ramadan. What the Saudis basically have been doing is part of the vision 2030 is to increase tourism, and they focus on religious tourism, and part of increasing religious tourism, that they want more worshippers to come to Mecca in the holy month of Ramadan. So we are going to see probably record numbers coming to Saudi Arabia during the month of Ramadan. So that's another increase in energy demand, which increases the demand for oil, which means that some of those increases are going to be consumed domestically, but by the time the Hajj ends in May, the summer months, where demand for cooling increases substantially, and they start using Oil in power generation, and that in the Gulf alone, the demand during the summer for oil increases by about 1 million barrels a day. That means it's

going to eat up all the increases in April and after that, and all the previous increases last year, or most of them, so there is this surplus idea basically has no legs. But to answer your questions specifically about what Bloomberg and the IEA and everyone got wrong, I have two answers for that. The first one is, if you look at us, crude oil production since the beginning of 2025 until today, it's been increasing, and the confirmation we have is until the end of October, it's been increasing. So that sounds bearish, and that should create a surplus. But here is the problem, the US government locked up more oil in the Strategic Petroleum Reserve the SPR than all the increases in crude oil production since the beginning of 2025 five. So what they are doing is they are counting this as a surplus, but this is really a locked amount that is not available to the market. So that's one mistake. So when you do Excel sheet and they count it as an increase in production, it looks to them like it's a surplus. So that one the other one is, if you look at all the inventory increases since the beginning of 2025 or since August, because that's where the sharp increases started, if you look at all those increases, you see two things. First of all, they are concentrated in few countries. So this is not worldwide. And if you look at that concentration, most of it is in China. And you study every country on its own from the other countries that if you exclude China, you find out that the increase in inventories was a replenishment. It wasn't even an actual increase. It was just a replenishment of low inventories. Remember when the Group of Eight increased their production last April, they did it? Why? Because inventories were very low. So in those countries, it was just a replenishment. But for China, they increased their inventories by more than 100 million barrels since then and there, until three four weeks ago, the level of inventories in China was the highest on record. And the question is, is this a strategic decision, or this is just a commercial decision? And if you look at the behavior of China for the last three years and how they are storing everything, in terms of energy, they are storing oil, they are storing natural gas, they are storing coal, and the inventories of each basically reach record high. That does not indicate it's a commercial decision. At the same time, you look at their policies, they are investing heavily in upstream to increase their own domestic oil and gas production, and they were very successful in terms of natural gas, although the cost is very high, that is not a commercial decision. The fact is, everything China is doing looks like it's a preparation for either war or sanctions, and for either one, they want to build up their domestic energy sources, including solar and wind, and that why? That is why the demand for storage batteries is going through the roof in China, although it is very expensive, because it is a strategic decision. You cannot argue with a strategic decision. You cannot go and tell them, Oh, it's subsidy. It is subsidized and it's expensive, and when you are talking about the survival of a regime or a survival of a country, those financial arguments do not make any sense. Do it? Don't fit? It's a waste of time. So most of that increase in inventories in China are based on strategic decisions, and that oil, or most of it, should be counted the same way we count the US strategic petroleum reserves. So they are counting those as a surplus, and it's not a surplus. To give you another example on this. I call it the manufactured surplus, because it is made up in Excel sheet. At the beginning of 2025 the IEA predicted that US oil demand would increase by only 60,000 barrels a day. That was very low. Others, including OPEC, basically have very high number. And we're looking at the actual numbers, and we can see where the IEA was wrong on this US oil demand was way, way higher toward the end of the year, the IEA was forced, basically, to upgrade its forecast, and we got surprised by the end of the year, and the latest report, they increased their forecast for US oil demand from 60 to 170 I mean, really, they did not see all of that throughout The year, to 170 and that 170 is still below the actual so you can see that it was

manufactured, manufactured surplus. So that's the major difference between what I see and what they are talking about, honest.

**Erik Townsend:** Let's go back to the outlook from here to the November elections. What's on the horizon? What do we need to pay attention to, and how do you see it playing out?

**Dr. Anas Alhajji:** So this bearishness that the IEA and Goldman Sachs and others are talking about basically has no legs, so we are not going to see this major decline in prices. And I know President Trump basically was talking about oil prices are, think around 55 he was talking about WTI. So this is whatever prices we're going to get is close enough, but he's not going to get his wish. But what's going to happen is the bearishness, basically, is not there. And if, for some reason, oil prices start rising, China will do the dirty work for President Trump, because we know from the last 10 years when Brent basically goes above 70, they start releasing oil from that inventories they have. That's why we predict the prices to be in the 60s range bound for Brent in 2026 of course, you might get like daily spikes or hourly spikes here and there for various reasons. But in general, prices are expected to be in the 60s, range bound, because the bearish story has no legs, and China is going to use its inventories to prevent prices from going up. So here comes the election. Trump basically is not getting his wish in terms of the exact number, but he is getting his wish in terms of low gasoline prices and low oil prices in general. So he will get it before the election.

**Erik Townsend:** Let's move on to geopolitics, starting with Venezuela.

**Dr. Anas Alhajji:** When it comes to Venezuela, of course we know now that everything was pre arranged. And it seems probably the CIA and other groups, basically were arranging this with the current government, or some some people in the current government in in Venezuela. But still the devils is in the details, how they are going to get the oil sector up and running and what they can do in general, when it comes to Venezuela. The immediate response that we get from Venezuela is an increase in production and. Sports, probably by about 200 to 300,000 barrels a day above the pre crisis level, if you want to call it a crisis, or whatever you want to call it, just before the Maduro arrest, or before the blockade that Trump imposed on sanctioned tankers, so above that they were producing about 800 to nine or supplying about 800 to 900 based on our calculation, they can go to 1.2 quickly. Of course, all they need, basically, is mostly NAFTA from the United States. We've seen NAFTA exports to the United States increasing because they want to mix it with heavy crude, so they can put that in the pipelines and they can move it. The issue after that is they need a lot of money, and they need the technology, and they need the oil majors to come in and any increase, any meaningful increase in production after that will take time. Based on experiences from all around the world, from countries that experience political turmoil and problems, on average, it takes three years to increase production by 1 million bars a day. And people are saying, we heard this in various places around the world, whether you are talking about the Arab world or Europe, especially France. They talk about India. They are talking about, well, Trump wants to control the Venezuelan oil, and he wants to flood the market and destroy OPEC and keep prices low, et cetera. And probably you guys heard it. This is a complete nonsense. Why companies have to go spend billions and billions of dollars only to destroy themselves. That does not make any sense. But this is not the story. The story that I want to tell everyone about is this, that if it takes three years to increase production by 1

million barrels a day. Let's remember the following. In three years, global oil demand will grow by three to four million barrels a day. Even if you want to be very conservative, it will grow between two and four so that the growth in global oil demand, but decline rates are going to reduce production by 10 to 12 million barrels a day. So three years from now, I need about 15 million barrels a day of fresh oil. So 1 million out of Venezuela, basically, will be a welcome addition, and it's not going to crush the market, and it has no impact on OPEC or OPEC plus, or the group of eight at all. So that's one part of the equation. The other part of the equation is where the money is going to come from, at least right now, to start, we need about \$20 billion who is going to bring that money? If you look at the history of the oil industry, we are going to find out later the following, that the oil companies that are going to go in, they are going to switch investment from one location to another. So if Venezuela is going to get 3040, \$50 billion of investment, that's going to be at the expense of somewhere else. And therefore, few years from now, when Venezuelan production is going to increase, let's remember that that somewhere else has zero production. So it's not bearish, and it cannot be bearish. The other related issue is we have to be mindful of crude quality, and this is a big problem because those who believe in conspiracy theories, they promoted the idea that Trump wants to control the Venezuelan oil, because refiners on the Gulf Coast configured the refineries to receive the Venezuelan oil, and therefore they want it now. The statement that the refiners, or the refineries are configured for Venezuelan oil is absolutely correct, but the rest of the story is incorrect, because we get all that oil from Canada, and Canada is not Venezuela. Let's remember when we talk about Canadian crude, what we have here, first of all, the quality of the Canadian crude is way better than the Venezuelan crude. We have a web of pipelines that is bringing or good infrastructure that is bringing. Making this from Canada, from responsible companies, a stable, politically stable country. But what is different about the Canadian crude from others that it comes with long life and low decline rates, because it's oil sand. That's not the case in Venezuela. So those refiners, those who are adopting the conspiracy theory and they are talking about the refiners, they are missing the point that those refiners basically are getting good deal from Canada. And as you know, Canadian crude is sold at discount too. And if you look right now at the situation, what we see the following. We were told by the Trump administration that now the Venezuelan oil under the control of the Trump administration, is being sold at a price that is 30% higher than the price sold to China before the blockade. This statement is correct, but it is intended to fool people. That's not really the full story. The full story is, the Trump administration allowed the two trading houses to buy the Venezuelan oil at the price that China was getting. So Venezuelan oil was sold at the same discount. But those companies are selling it or trying to sell it to others at a price that is 30% higher than before. But Venezuelan oil basically is sold at the same discount that China was getting it, and now those trading houses are having serious problems because they are not able to sell that oil. China is not buying it. India is still come promising, and that oil is not going anywhere. You look at the recent data from Kepler, most of that oil is going to the United States. And if it is going to the United States. The question is, is it replacing Canadian crude? And if it is replacing Canadian crude, that means we are going to see price differentials for the West Canadian select basically getting hammered because of it. Honest.

**Erik Townsend:** Let's move on to Iran. This is confusing the heck out of me. At first, it seemed like the strike was imminent. We were repositioning half of the US military fleet to

the Persian Gulf, getting ready to for a big strike. And now it seems like President Trump wants to kiss and make up with Iran. What's going on here.

**Dr. Anas Alhajji:** It seems that there is this general realization in the whole region, in the Middle East, that a collapse of the regime is the worst disaster they can have. A collapse of the regime basically will lead to many issues, including civil war within Iran and massive migration to the neighboring countries. Let's remember that the population of Iran is over 90 million people, and is surrounded by all those countries. And who wants to get migrants? In this case, Pakistan has its own grievances with the Balochistan province because they want to be independent. If you have a collapse of the regime in Iran, they are going to gather on the Iranian part and literally launch attacks on Pakistan. That's why Pakistan does not want it. And the Turk Turks, basically do not want the Kurds to start to establish, kind of their own Kurdistan in Iran and launch attacks on Turkey and then the other Gulf states do not want to. They don't want the flood of immigrants. Neither Iraq, they don't want the flood of immigrants. So the collapse of the regime is a serious problem, and it seems everyone realized that there is no substitute unless they do something similar to Syria and Venezuela, where you get rid of the top leadership, but you keep the system as is, and by doing so, of course, that means all the opposition gets burned. So all the Iranian opposition basically get burned in this and just like what happened to the Venezuelan opposition, they got burned. So aside from that, the picture was very clear. Do you want a total chaos in the region or you want to work it out? And the issue here is. There is no substitute, and probably that's what scared the hell out of everyone, just to briefly talk about the oil impact, we always hear about blocking the hermit Strait, blocking the hermit strait. Look, Iran cannot block the hermit Strait, and it is not in the interest of Iran to block the hermit strait. Most of their imports come through the Strait. Most of their exports go through the Strait, and if they and at the same time, blocking the strait will hurt Iran's friends, but will not hurt Iran's enemies. If the Strait is blocked, Israel will not be impacted at all. The impact on the United States is extremely limited. But you look at India and China and other Asian countries, they will have serious problems. So let's drop this idea of blocking the hermit straight yet some militia or some cronies, etc, can cause trouble in the area. Yes, no one can deny that. We've seen it before. I just want to point this out honest.

**Erik Townsend:** Let's move on to Russia, Ukraine conflict. What do you see on the horizon there, and if this does eventually get resolved with some kind of peace deal, is that massively bearish for prices because all of the Russian supply comes back online, or is it more complicated than that?

**Dr. Anas Alhajji:** It is more complicated than that. First, if you really look at it, Russia cannot increase its production anymore. That's it. And if we end up with a peaceful resolution, Russia will spend the first few months repairing its refineries, and once the utilization in those refineries go up, that means their domestic demand for crude goes up, therefore Russian exports will decline, and that is bullish. So it cannot be bearish. That's one but of course, here we are talking about oil, but when it comes to natural gas and LNG, that's a different story. I'll talk about that in a minute. But the main issue that we should focus on this. What happened after the sanctions were imposed, trade patterns in oil worldwide changed, and oil that was going to Europe now is going to India and China, and we've seen those massive activities in the Swiss Canal and the Red Sea. Now, if we end up with a

peaceful resolution. We are going to see some changes in that trade. We are going to see some reduction in insurance. We are going to see for the Dark Fleet, for example. And probably this one of the most important point in this podcast today, we are going to see massive retirement in the fleet, because many tankers kept alive because of the sanctions, and those tankers basically are 25 years old that they've been in, basically in salvage long time ago. So we are going to see a massive retirement in the fleet. And that means we are going to see another face to the shipping industry that we don't see today. So most of the implications are really on shipping, not on actual production, and whatever cost is associated with that, with a reduction or higher cost, but definitely insurance cost will go down today in the daily Energy Report, basically we focused on the EU, because today they released, or they published, the regulations that phase out the Russian gas from Europe. And we asked the question, okay, now you are going to face this, but what if the war ends and what if these sanctions are relaxed? What we are going to do with those regulations? And by the way, we need to look at those regulations, I just want to point out one thing, that in those regulations, under the guise of phasing out Russian gas, the EU is trying to phase out us. LNG, because instead of targeting Russian gas, what they are saying is we want to do two things again, under the guise of Russia. We want to literally diversify our LNG imports and reduce our fossil fuel imports. So this is really targeted at the United States. This is one of the unintended consequences of the Trump administration talking about Greenland and trying to impose tariff and trade wars et cetera on the EU so this is today. You can read it and see that what's going to happen later on, the United States imposed sanctions on the LNG plants in Russia. There are three plants. They impose sanctions on them, and they impose sanctions on the tankers that carry those this LNG the imposition of those sanctions on those LNG plants and tank. Years has nothing to do with Ukraine. This is part of the LNG war. This is part of the idea that LNG has become an integral part of US foreign policy. It's a tool that is used for national security. So the question we have is, if we have a peaceful resolution in Ukraine, what is the fate of this? Based on our thinking, the US will relax sanctions on Russia, but when it comes to LNG, it will be very difficult to relax those sanctions.

**Erik Townsend:** Honest, we've been talking about a lot of long term issues. Before we close, I want to move on to this week. Of course, this podcast will air on Thursday. We're recording it on Monday afternoon. Tell us I happen to know you've got a bunch of stuff on your mind, because I follow your subscription Twitter account. What's going on this week? You've got three big things on your radar?

**Dr. Anas Alhajji:** Yes, there are three things this week. The first thing is Aramco, Saudi. Aramco release its OSP, the official selling prices on Thursday. This is very important, because it tells us what they are planning on doing in the market, regardless of the meeting on Sunday. So the market basically is expecting lower prices. If they lower the price, that means the Arab light price will be the lowest in five years. But I don't expect that. I seriously expect, for the reasons I explained early in the show, I think either will keep them flat, or they will raise prices. So that's on Thursday, and then on Friday, the EIA will release its November data. It's supposed to release them last Friday, but because of the snowstorm and the closures, they decided to delay them by one week this month, November is very important, because it tells us the fate of shale well, whether the production is still growing or not, shale production everywhere In the United States been declining, except in a New Mexico. And everyone is looking at November to see whether New Mexico's production continue to

increase or that's it, and if we end up with a peak again, I don't believe in a terminal peak. So I believe in multiple peaks. So for now, at least for the this period, if shale peaks, this is very important. Why? Because the Trump administration will continue, will continue building the SPR that means we are taking more oil, locking it up, than what we are adding to the market. And that is bullish. And the third one is we want to know the fate of the of those negotiations with Iran, because by the end of the week, basically we will know whether the negotiations are going well or not. If they are going well, that means more pressure on prices to go down, and if we hear that someone walked out or someone is angry, immediately we'll see two, \$3 increase in prices. So this is just, just this week. These are the three issues this week. I want to go a little

**Erik Townsend:** bit deeper on shale, because this is something I've been talking about for a long time, and I want to get your take on it, you know, honest. There were a lot of people about 20 years ago, maybe 19 years ago, around 2007 who were predicting a catastrophic energy prices because of decline rates not being able to keep up with growth in demand, they ended up being ridiculed. Is horrendously wrong. In reality, there was actually some very credible analysis behind those predictions. What they failed to consider was the US shale revolution and how dramatic it was going to be. And as far as I interpret the market, it's the US shale revolution that basically saved the world from a, let's say, between 2008 and 2010 energy crisis. And you know, congratulations to the men and women of the US energy patch. They did a fantastic job if you're saying that that's really peaking, and you did clarify that. But I want to go a little deeper on what you meant by a final peak or a terminal peak. If we get to a terminal peak where there is no more growth in us, shale and decline rates continue to occur in the rest of the world. That says to me that we've got a major energy supply problem, not in the next week or month, but over the next decade. Am I missing anything there? And how do you see this?

**Dr. Anas Alhajji:** The way you stated it basically, is absolutely correct. I just want to point out that if oil prices go up in the future, to say \$220 you will see shale production increasing again. This is different from the past, because in the past, we were talking about peak oil production because of the lack of resources. We don't have problem with resources. We have problem with the economics of it. So if oil prices go higher, we are going to see another increase. We know where the shale is, we can get it. It just it needs more money, so we can get it. The other thing is this, by the same talking about shale, remember, you can apply the same arguments about Guyana and Brazil, the same, exactly the same argument. So we ended up with those two areas increasing production substantially. What we are going to suffer in the future from is this gap. So think about it as like demand is growing linearly while the production is growing like like stairs tips, and if you put them above each other, you can see the gap in between, and those are going to lead to the spikes in prices. The only thing is, those third steps, basically, are not even there are. Some of them are very wide, some of them are very high, some of them are very low. And therefore the extent of the crisis depend on the differences between the shape of this staircase and that linear line of demand. But I want to point out before we end the show that regardless of the shale peaking or not, if you go back to 2017 I created a hashtag at that time called crude quality matters. And this crude Quality Matters. Basically, the conclusion of that research was there will be a time when the demand for light sweet crude is going to peak, and we are very close to it, by the way, I'm talking about the light sweet crude. I'm not talking about oil in general.

So what happened is why we are exporting oil in the United States. We are exporting oil because we reached a refining wall in the United States. We cannot refine additional light sweet crude, and therefore we have to export it. This refining wall is going to expand more and more around the world if shale continues to grow until we reach a point where no more so if we are not going to hit a peak on production, we were going to hit a peak on demand for that light, sweet group. Anyway, I just want to point out this point. Final question on us. It seems to me that President Trump has a very strong incentive to try to keep energy prices down, specifically through the November midterm elections. Now, just knowing President Trump, Mr. Art of the Deal, if there was somebody, some trading partner, he could cut a deal with and say, Look, I'm I need you to help me out, increase production, do something to get the prices down just through November. And if you do that for me, after that, I'll let you raise them as much as you want. If that were to play out. Obviously, it creates a very interesting, tradable scenario. My question to you is, is there anyone who's able to deliver on that from the other side? Could Saudi Arabia make that deal and actually increase production and deliver on it, or is there really nobody in a position to help him out of this squeeze?

**Dr. Anas Alhajji:** It doesn't matter the reason why, because, anyway, you look at balances, prices will remain range bound in an acceptable way. So this is not a big deal to Trump at this stage, but probably we should have another show very soon to discuss Trump AI energy and oil, because this is really because the issues could be deeper than just Trump wants low energy prices, because you cannot have AI and be years ahead of China without energy, and that energy has to be abundant and has to be cheap. If you look at the national security strategy that I forgot, what the name is, that we released about two months ago, what is the main theme in it. The main theme is to control the world. You need two things. You need energy abundance and you need AI. But the issue here is you cannot have AI without energy abundance, and all of a sudden it is about energy and to have AI and the growth and to be ahead of everyone. You need that to be cheap. So the story of Trump now in the second term could be completely different from Trump in the first term, because it's not only about elections at low prices to win elections, or his hate for the oil industry, the historic hate for the oil industry, it is really probably about something way larger, and it is supported by the deep state, not only Trump

**Erik Townsend:** honest, I love your idea of doing another interview. It won't fit in this one, for sake of time, about AI and energy and where it's headed, because I have a very strong view, and there's so many. People are counting on nuclear energy. And as much as I'm a nuclear energy proponent, I don't think that the people expecting that understand the lead time for building new nuclear energy. I think natural gas is going to have to stand in and that's going to be the big story of the AI boom. Why don't we do that in a separate Twitter spaces interview so that we can get that done sooner. Every time I get you on macro voices, everybody wants to hear about oil and gas, but for the audience who wants that, be sure to follow us, both myself and Anas, on Twitter. And at some point in the near future, we'll organize something along those lines, and we'll we'll tweet it out so everybody knows that it's coming sometime in the next few weeks. As we wrap this one up. I just want to ask you, before I let you go, tell us a little bit about what you do at Energy Outlook advisors. You've got a terrific newsletter. Your sub stack is extremely popular. You've also added lower cost subscription Twitter service where you can get briefings and in private Twitter spaces and so

forth. Give us the whole rundown of what's on offer and where people can find out more about your services. And while we're at it, are you still available to do keynote speeches? I know you've been very popular with those as well.

**Dr. Anas Alhajji:** Yes, basically, I'm traveling soon for those speeches. This is really where I spend most of my time basically doing those speeches, preparing research for them, etc. On the sub stack, we do have two report and a newsletter. The newsletter basically is very popular, as you said, and it's ranked highly among the top business newsletters on substack. And this is intended for institutional investors and companies, and we do a lot of things in details, etc, and then we have the daily Energy Report. This is designed for companies and individuals, just like \$420 a year. But we bring a lot of stuff that does not exist anywhere else, a lot of insights that literally do not exist anywhere else. And people know that we went against the grain several times, and we were being correct. And we have the Twitter subscription too. This is kind of very low cost subscription. We put some stuff on that, and then I do a lot of zoom calls with clients from around the world. For those who are interested to do like one hour talk or one hour presentation, I do a lot of that too. But the point I would like to mention here regarding all those subscriptions, etc. If you think that, if you subscribe and you think it's not valuable, just call me, contact me, and I will cancel that subscription. And I will carry the cost. Whatever that thing is. I will carry it if you really feel that it's not valuable. If you want to cancel for other reasons, that's your problem. But if you want to cancel because of the quality, I will carry that cost.

**Erik Townsend:** Well, you can't argue with a edit please. Well, honest, it's hard to argue with a money back guarantee. Patrick Ceresna and I will be back as macro voices continues right here at [macrovoices.com](http://macrovoices.com)