

# Crude oil production falls 4%

**PRESS TRUST OF INDIA**

NEW DELHI, 27 APRIL

The country's crude oil production fell over four per cent in financial year 2018-19 after aging fields of state-owned Oil and Natural Gas Corporation (ONGC) and Oil India Ltd (OIL) missed the target, official data have showed.

India produced 34.2 million tons of crude oil in the fiscal year ended 31 March 2019, down from 35.7 million tons in the previous fiscal, according to data released by the ministry of petroleum and natural gas here.

ONGC output dropped to 21 million tons from 22.25 million tons in 2017-18, while OIL saw a 2.5 per cent dip to 3.3 million tons.

Fields in the private sector saw a production drop of

nearly two per cent to 9.8 million tons, mainly because of lower output at Cairn India's Rajasthan oilfields.

ONGC production was lower due to technical issues at its Mumbai and Neelam Heera fields in the Arabian Sea and less than the expected production at Santhal and Balol fields in Gujarat.

During March, the country's total crude oil production fell to 2.85 million tons from 3.04 million tons in the corresponding month of the previous fiscal year.

Natural gas production, however, edged up to 32.9 billion cubic metre (BCM) in 2018-19, from 32.6 BCM in the previous year as ONGC produced 5.3 per cent more gas at 24.67 BCM.

Higher production by ONGC made up for a nearly 14 per cent drop in output

from private sector fields at 5.47 BCM.

This was a result of shutting down of two more wells at Reliance Industries' eastern offshore D1-D3 gas fields in the flagging KG-D6 block, the ministry statement said.

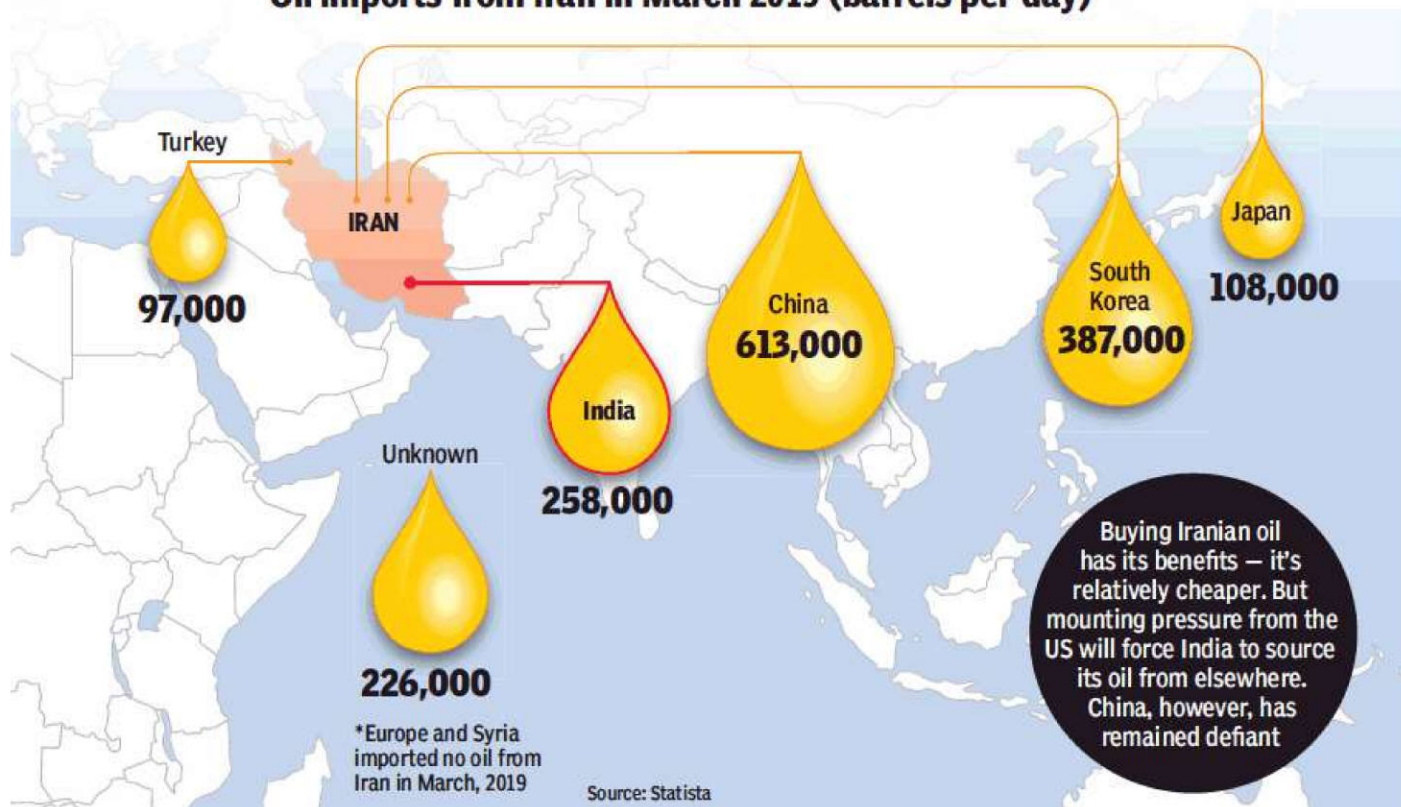
Indian refineries produced two per cent higher fuel and other petroleum products at 257.2 million tons in 2018-19 on a better showing by state-owned firms.

State-owned refiners such as Indian Oil Corporation (IOC) produced nearly three per cent more fuel at 151 million tons in 2018-19, while private sector refinery throughput was nearly 3.5 per cent lower at 88 million tons after both Reliance Industries' Jamnagar refineries and Nayara Energy's Vadinar units in Gujarat produced less.

# WHY IRAN SANCTIONS WILL HURT INDIA

By next week, India's waiver from the US sanctions against importing oil from Iran will have lapsed. After May 2, the Donald Trump administration will no longer grant exemptions and that'll likely hit import-reliant countries like India the hardest. A look at some of top importers of Iranian crude

**Oil imports from Iran in March 2019 (barrels per day)\***



# Brent crude remains below \$73/barrel

**REUTERS**

NEW YORK, APRIL 27

Oil prices fell 3 per cent as US President Donald Trump again pressured the Organization of the Petroleum Exporting Countries to raise crude production to ease gasoline prices.

Brent crude futures settled at \$72.15 a barrel, down \$2.20, or 3 per cent. West Texas Intermediate crude ended at \$63.30 a barrel, down \$1.91, or 2.9 per cent. Brent was flat on the week after rallying for four weeks in a row. WTI saw a 1.2 per cent weekly loss, breaking its six-week bull run.

Crude futures have gained more than 30 per cent this year after OPEC and several allies cut supply by 1.2 million barrels per day, and as sanctions on Venezuela and Iran have reduced output.

## Volatility in crude prices over the week and its impact

It was a volatile week for global crude oil prices and in turn for the Indian rupee which reacts negatively to a rise in crude oil prices and vice-versa.

While the US decision to end waiver for Iran sanctions came as a shock for the markets earlier this week and led to a rise in crude oil prices, which breached the \$75 per barrel on Thursday, a sharp decline of 3 per cent in the crude prices on Friday saw the rupee and stock markets witness a relief rally.

On Friday, US pressed the OPEC to bring down the prices of crude. If rising crude

oil prices are detrimental for the economy, as it widens a current account deficit and weakens the rupee, a decline in the prices of crude comes as a big relief.

However, a sharp volatility in the price of crude in a short-term is a cause of concern for importers and exporters as they lose out on account high rupee volatility.

### How did the Brent move and what was its impact?

The Brent crude oil prices rose from \$71.97 on Thursday, April 18 to hit a near 6-month high of around \$75.5 per barrel on Thursday, April 25. The rupee in the

same period fell from 69.39 to 70.25 witnessing a fall of 1.25 per cent in a week. However, as crude fell 3 per cent on Friday to close at \$72.15 per barrel, the rupee regained 24 paise to close at 70 against the dollar on Friday.

Traders say, that it is the volatility that will hurt the businesses as it then becomes difficult to hedge. If the movement is in one direction, it is easy for businesses to hedge their foreign exchange exposure, but if it remains volatile then one does not know which way to take cover. **ENS**

# Oil bulls on longest run in 13 years, all eyes on Opec



ALEX NUSSBAUM  
New York, 27 April

Oil is on its longest bull run in 13 years, fueling a rally that has US President Donald Trump fretting about higher prices.

Hedge funds have increased bullish sentiment on US crude prices for the last nine weeks, the longest such run since 2006, according to data released on Friday. Almost 14 times as many bets have been placed on prices going up as on a decline, as investors see supply threats multiplying around the globe.

Gasoline prices have risen in tandem this year, and Trump on Friday said that he has pressured Opec to boost output to reverse the trend. That helped stall a rally that drove oil to a six-month high, partly due to tightened US sanctions against Iran. But

the ebullient tilt in speculative wagers suggested a correction was likely no matter what, said Phil Flynn of Price Futures Group.

"The market is so bulled up right now," said Flynn, a senior market analyst. "There's been a lot of hedge fund buying, a lot of speculative interest, and we probably need to hit the pause button for now."

West Texas Intermediate crude sank 2.9 per cent to \$63.30 on Friday, capping its first weekly loss in two months. Brent, the international benchmark price, lost 3 per cent.

The net-long WTI position — the difference between bets on higher prices and wagers on a drop — rose 3.6 per cent to 314,387 futures and options contracts in the week ending April 23, the US Commodity Futures Trading Commission said. Long positions edged up 1.7 per cent, while shorts declined 18 per cent.

**BLOOMBERG**

# IOC's Paradip refinery aims 100% output

**NIRMALYA BEHERA**

Bhubaneswar, 27 April

Oil marketing major Indian Oil Corporation (IOC) aims to achieve 100 per cent capacity utilisation at its 15-million-tonne-per-annum (mtpa) Paradip refinery in the financial year 2019-20 (FY20).

"We have closed the last fiscal year with capacity utilisation of 14.6 million tonne. Paradip refinery is equipped to process different types of crude. We will achieve more than 100 per cent of the capacity at the refinery during FY20," said a senior IOC official.

Built with an estimated cost of ₹34,555 crore, IOC's 15- mtpa coastal refinery at Paradip is spread over 3,345 acres. The refinery can process 100 per cent high-sulphur and heavy crude oil to produce various petroleum products, including petrol and diesel of BS-IV quality, kerosene, aviation turbine fuel, propylene, sulphur, and petroleum coke. It is also designed to produce Euro-V premium quality motor spirit and other green auto fuel variants for export.

"We would not have any problem on availability of crude. If there is no supply of crude from Iran, we will get it from other sources," he added. The refinery sources crude from the US, Nigeria, the UAE, Saudi Arabia and Iran.

The US recently announced that the Donald Trump administration would no longer grant exemptions to some countries, including India, to import Iran oil, with the conditional waiver set to expire on May 2.

Paradip Refinery is IOC's 11th refinery and was dedicated to the nation by prime



**IOC has started exporting to countries like Bangladesh, Sri Lanka, Malaysia, Singapore and Myanmar from the Paradip refinery**

Minister Narendra Modi in February 2016, the foundation stone for which was laid in May 2000 by then prime minister Atal Bihari Vajpayee.

It is considered to be the most modern refinery of the country, with a complexity factor of 10.7 based on Nelson Index.

The refinery is configured to process high-sulphur crude oils with major secondary processing units such as Naphtha Hydrotreating Unit, Continuous Catalytic Reformer, Diesel Hydro-treatment Unit, VGO Hydro treatment Unit, INDMAX, Delayed Coking Unit, Alkylation unit, Merox, etc.

IOC has pledged to invest ₹52,000 crore more on ramping up refinery capacity and commissioning some additional units of its planned petrochemicals complex.

The oil marketing major has already started exporting products to different countries like Bangladesh, Sri Lanka, Malaysia, Singapore and Myanmar from the Paradip refinery.

*More on business-standard.com*

# Foreign interest in oil to help India make geopolitical gains

AMRITHA PILLAY  
Mumbai, 27 April

**S**audi Arabia's Aramco was in the spotlight last week for reportedly being in discussions to pick a stake in Reliance Industries' core business.

The deal, in case it fructifies, may take foreign interest in India's oil and related assets to \$44.46 billion (invested and proposed), during the last three years. This includes Rosneft's investment made in 2017 in Essar, foreign participation in the proposed West Coast refinery and the speculated deal value if Aramco picks a stake in RIL's core business.

"Growing interest and investment from foreign oil companies, especially from the West Asia, helps as a strong geopolitical currency if a war-like situation was to arise," said an oil and gas expert.

Saudi Aramco has already committed to partnering India's oil marketing companies (OMCs), along with Abu Dhabi National Oil Company



(ADNOC), for equal participation in the \$44-billion West Coast refinery. The project, at present, is facing roadblocks such as land issues.

ADNOC also has interests in the Indian oil market, through the country's strategic oil storage facilities.

The Abu Dhabi oil company has inked a pact to lease a part of India's underground strategic oil storage facility in Karnataka for storing crude oil.

"In terms of any expected instability in the Indian market owing to Pakistan, both Saudi and UAE will apply pres-

sure on Pakistan. Higher the oil interest, the better is their incentive to do so," said Jayadeva Ranade, former additional secretary, Cabinet secretariat.

In 2017, Russia Rosneft-led consortium purchased Essar's Gujarat refinery and related assets for \$12.9 billion, further strengthening Russia's interest in India.

India's energy demand has outpaced global growth. Foreign companies have been vying for a pie of the country's growing fuel demand through investments in refineries, fuel

retail business and related assets.

While this interest may help India in its diplomatic efforts, there is a word of caution.

"The assumption that Russia, Saudi Arabia and Abu Dhabi would want to de-escalate tension to keep their markets stable is rational but does not really factor in uncertainties with regard to regional security developments that countries cannot fully control," said Jean-Loup Samaan, a defence analyst based in the UAE.

For events like Iran, Ranade also suggests India diversify its sourcing markets. "We should look to diversify and source from as many countries as possible, and not find comfort with a small pool of countries," he said.

Diversification seems to be in the offing. Data submitted by the oil ministry before Parliament suggests that Chad, Ivory Coast, Cambodia and Indonesia are some countries that have made a debut in India's crude oil sourcing map in the past few years.

## End of Iran sanctions waivers calls for corrective policies

India needs to diversify oil-supplier base and increase domestic sources

Only On Monday the United States announced that it would not extend beyond May 1 the 180-day waiver it had granted to eight countries, including India, to purchase oil from Iran. India imports more than 10 per cent of its crude oil from Iran, so the government faces the immediate challenge of having to find alternative suppliers to meet its huge energy needs. Even more worrying is the likely negative impact higher oil prices will have on India's current account deficit, fiscal deficit and inflation in the wider economy. The current account deficit, which narrowed to 2.5 per cent of GDP in the December quarter thanks to lower oil prices, will likely worsen going forward.

It may, however, be hard to say for sure that the jump in the price of oil this week, and over the last few months, marks a secular rise in the price of the commodity. The entry of US shale producers into the oil market has put a lid on the price of oil as freely competing shale suppliers have been happy to increase their output whenever oil prices rise significantly. If India is to protect its interests in the ever-volatile global oil market, the government will need to take steps to diversify its supplier base and also work towards increasing



domestic sources of energy supplies. Opening up the renewable energy sector for more investments will also help avoid over-dependence on oil from the global market to meet the country's ever-increasing energy needs.

The Hindu, April 26

# Trump to OPEC: Boost output; Brent down 3%

IANS ■ NEW DELHI

Global oil benchmark Brent fell nearly 3 per cent to \$71 a barrel on Saturday after US President Donald Trump asked oil cartel OPEC to boost production and cool off the surging oil prices.

Brent crossed the \$75 a barrel mark earlier in the week, the highest so far this year, after the US decided to end Iran sanction waivers that allowed oil importing countries, including India and China, to keep buying Iranian crude.

"Spoke to Saudi Arabia and others about increasing oil flow. All are in agreement," US President Donald Trump said in a tweet on Friday.

The prices have also been

easing since Thursday as surging inventories of crude oil in the US outweighed the effect of sanctions on Iran that could reduce global supplies.

Brent crude, the global oil benchmark, was trading 2.96 per cent lower at \$72.15 a barrel at the time of writing the story.

The US statement last week that it would lift Iran sanction waiver given to eight oil importing countries in November earlier this week last year, put the oil on the boil with crude prices jumping after a period of relative stability. For India the news meant that almost 10 per cent of import would need to be replaced by May 2 or domestic market would face shortages.

India imported 22.7 million

tonnes of crude from Iran in FY19. The crude from the gulf national came on easier terms with importing companies getting 60 day credit with discounts on insurance and freight.

Higher crude prices would have adversely affected India's current account deficit and put strain on the rupee. Trump's statement is thus being seen as a short-term relief for the oil market. More such statement in the run up to lifting of Iran sanction waiver would help in keeping oil prices stable.

Analysts suggest that the US President's statement has also come at the right time as OPEC was exploring option to further extend its production cuts, a move that would have further fuelled oil prices.



## ट्रंप ने कहा, ओपेक बढ़ाएगा तेल उत्पादन, अधिकारी का दावा, कोई वार्ता हुई ही नहीं

विएना/वाशिंगटन। अंतरराष्ट्रीय स्तर पर तेल की तेजी पर अमेरिका राष्ट्रपति ने राहत भरी खबर दी कि उन्होंने सऊदी अरब समेत ओपेक



### अमेरिकी राष्ट्रपति ट्रंप पर मोबाइल फोन से हमला

इंडियानापोलिस। अमेरिका के राष्ट्रपति डोनाल्ड ट्रंप पर शुक्रवार को एक व्यक्ति ने मोबाइल फोन से हमला कर दिया। यह घटना नेशनल राइफल एसोसिएशन (एनआरए) के वार्षिक सम्मेलन के दौरान हुई। भीड़ में मौजूद हमलावर ने भाषण देने के लिए मंच पर चढ़े ट्रंप पर मोबाइल फोन फेंककर मारने की कोशिश की, लेकिन वह बच गए और मोबाइल फोन उनसे आगे निकलकर दूसरी तरफ जा गिरा। हमलावर व्यक्ति विलियम रोज को तत्काल गिरफ्तार कर लिया गया। एजेंसी

देशों से कच्चा तेल उत्पादन बढ़ाने पर बात की है और सभी इसके लिए तैयार हो गए हैं। लेकिन कुछ ही घंटों बाद पूरे मामले से संबंधित एक वरिष्ठ अधिकारी ने बताया कि राष्ट्रपति ने विएना स्थित ओपेक के मुख्यालय पर किसी से भी तेल उत्पादन पर कोई बात ही नहीं की है।

विएना स्थित ओपेक देशों के सचिवालय नाम गोपनीय रखने की शर्त पर बताया कि ट्रंप ने इस बारे में किसी से कोई चर्चा की ही नहीं है। अधिकारी ने कहा कि ट्रंप ने न तो ओपेक महामंत्री से बात की है और न ही सऊदी के ऊर्जामंत्री से तेल उत्पादन को लेकर वार्ता की है। न्यूयॉर्क टाइम्स

# तेल आपूर्ति बढ़ाने को तैयार रूस: पुतिन

बीजिंग/टोक्यो। रूस के राष्ट्रपति व्लादिमीर पुतिन ने आज शनिवार को कहा कि उनका देश चीन और अन्य देशों की पेट्रोलियम पदार्थों की मांग पूरी करने के लिए तैयार है।

पुतिन ने यहां ब्रेल्ट एंड रोड समिट के बाद संवाददाता सम्मेलन में कहा कि उनका देश चीन और अन्य देशों की ऊर्जा जरूरतों को पूरा करने के लिए तेल की आपूर्ति बढ़ाने को तैयार है, क्योंकि वह वर्तमान में उत्पादित किए जा रहे तेल से और अधिक पेट्रोलियम पदार्थों का उत्पादन में करने में समर्थ है। उन्होंने कहा रूस, चीन और अन्य वैश्विक साझेदारों की तेल की मांग पूरी करने को तैयार है। हम दुनिया के सबसे बड़े तेल उत्पादक देश हैं। हम 11-5 मिलियन बैरल तेल प्रतिदिन उत्पादित करते हैं और हम इससे अधिक तेल उत्पादन कर सकते हैं। उन्होंने कहा कि रूस बहुत अधिक तेल उत्पादन क्षमता रखता है। राष्ट्रपति ने कहा तेल उत्पादन क्षमता मायने नहीं रखती है, लेकिन सच्चाई यह है कि हमने ओपेक से समझौता कर रखा है कि हम एक निश्चित सीमा तक ही तेल उत्पादन करेंगे। जापान के प्रधानमंत्री शिन्जो आबे ने कहा कि रूसी राष्ट्रपति व्लादिमीर पुतिन और उत्तर कोरिया के नेता किम जोंग उन ने हाल में

## ■ पुतिन-किम ने एटमी निरस्त्रीकरण के प्रयासों पर की चर्चा: आबे

व्लादिवास्तोक में हुई बैठक में कोरियाई प्रायद्वीप के परमाणु निरस्त्रीकरण के प्रयासों को लेकर चर्चा की। आबे ने अमेरिकी राष्ट्रपति डोनाल्ड ट्रंप से मुलाकात की। प्रधानमंत्री ने कहा कि दोनों नेताओं की बैठक के कार्यसूची में उत्तर कोरिया के परमाणु शस्त्रागार का विषय अधिक था। आबे ने ट्रंप के साथ अपनी वार्ता के बाद कहा उत्तर कोरियाई नेता और राष्ट्रपति पुतिन के बीच हाल में उच्चस्तरीय बैठक हुई जिसका उद्देश्य कोरियाई प्रायद्वीप का परमाणु निरस्त्रीकरण था। आबे ने कहा मैं और राष्ट्रपति पुतिन ने बार-बार यह पुष्टि की है कि कोरियाई प्रायद्वीप का परमाणु निरस्त्रीकरण जापान और रूस का साझा लक्ष्य है। वैश्विक समुदाय के साथ मिलकर जापान कोरियाई प्रायद्वीप के परमाणु निरस्त्रीकरण पर अमेरिका-उत्तर कोरियाई समझौतों को लागू करने में मदद करना चाहता है। किम और श्री पुतिन ने गुरुवार को रूसी द्वीप के एक विश्वविद्यालय परिसर में मुलाकात की।

# कच्चा तेल लुढ़का, कम हुई पेट्रोल और डीजल के दाम में बढ़ौतरी की आशंका

नई दिल्ली, (आईएनएस): अंतर्राष्ट्रीय बाजार में कच्चे तेल के दाम में इस सप्ताह के आखिर में आई भारी गिरावट के बाद अब भारत में पेट्रोल और डीजल की महंगाई की आशंका कम हुई है। भू-राजनीतिक दबाव के कारण तेल की कीमतों में इस सप्ताह भारी उतार-चढ़ाव देखने को मिला। ब्रेंट क्रूड का भाव हालांकि पिछले सप्ताह के मुकाबले तकरीबन सपाट बंद हुआ।

ईरान पर अमेरिकी प्रतिबंध के बाद नवंबर में दुनिया के जिन देशों को ईरान से तेल आयात करने की अनुमति दी गई थी, अमेरिका ने उन देशों को अब दो मई के बाद छूट नहीं देने का फैसला लिया है। इस फैसले के कारण सप्ताह के दौरान तेल के दाम में भारी उछाल आया, लेकिन सप्ताह के आखिर में ईरान से तेल की आपूर्ति में होने वाली कमी की भरपाई के मद्ददेनजर ओपेक के अन्य देशों की ओर से संकेत मिलने के कारण शुक्रवार को तेल के दाम में भारी गिरावट आई।

एंजेल कमोडिटी के डिप्टी वाइस प्रेसिडेंट-ऊर्जा, करेंसी रिसर्च-अनुज गुप्ता ने कहा कि बताया जाता है कि अमेरिकी राष्ट्रपति डोनाल्ड ट्रंप के अमेरिका के हस्तक्षेप के बाद अब ओपेक में शामिल सउदी अरब और संयुक्त अरब अमीरात तेल का उत्पादन बढ़ा

## पेट्रोल 6 पैसे प्रति लीटर महंगा

एक दिन की स्थिरता के बाद पेट्रोल के दाम में शनिवार को फिर बढ़ौतरी दर्ज की गई, लेकिन डीजल के दाम स्थिर रहे। एक दिन पहले डीजल के दाम में वृद्धि दर्ज की गई थी। दिल्ली, कोलकाता, मुंबई और चेन्नई में पेट्रोल के दाम में छह पैसे प्रति लीटर की वृद्धि दर्ज की गई है। इंडियन ऑयल की वेबसाइट के अनुसार, दिल्ली, कोलकाता, मुंबई और चेन्नई में पेट्रोल के दाम बढ़कर क्रमशः 73.08 रुपये, 75.10 रुपये, 78.65 रुपये और 75.85 रुपये प्रति लीटर हो गए। हालांकि चारों महानगरों में डीजल के दाम क्रमशः 66.61 रुपये, 68.35 रुपये, 69.72 रुपये और 70.34 रुपये प्रति लीटर ही रहे।



सकते हैं। यही कारण है कि सप्ताह के आखिरी कारोबारी सत्र में तेल के दाम पर दबाव दिखा जिसकी वजह ऊंचे भाव पर मुनाफावसूली भी थी। गुप्ता ने कहा कि कच्चे तेल के भाव में आगे अगर और मंदी आएगी तो पेट्रोल और डीजल के दाम में वृद्धि पर ब्रेक लग जाएगा। अंतर्राष्ट्रीय वायदा बाजार

इंटरकांटिनेंटल एक्सचेंज-आईसीई-पर ब्रेंट क्रूड का जून अनुबंध पिछले सत्र के मुकाबले शुक्रवार को 3.67 फीसदी की गिरावट के साथ 71.62 डॉलर प्रति बैरल पर बंद हुआ। इस सप्ताह ब्रेंट क्रूड 75.60 डॉलर प्रति बैरल तक उछला था, जो कि अक्टूबर 2018 के बाद का सबसे ऊंचा स्तर है।