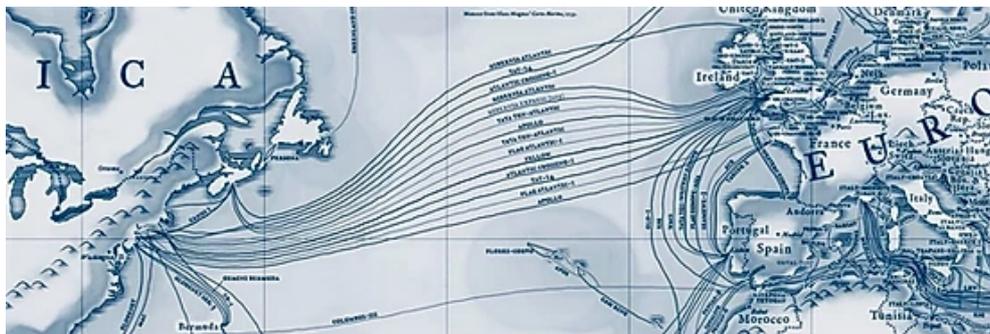




PriapusIQ 🏰 Apr 9 19 min read

Morning Ramble - 9th April 2020



OPEC Day

Today's the day!

Well, we hope it is, but with OPEC anything is possible so don't rule out talks collapsing and crude prices with them.

Below is a superb overview of where the pieces currently stand, from the guys at Newsquawk.

- The OPEC+ meeting is due to take place at on Thursday at 1500BST, with a presser to follow (all times tentative) – OPEC+ press conference tends to be delayed
- G20 ministers to convene an extraordinary meeting on Friday (at 1300BST), to discuss the energy market turmoil, according to reports. Energy Intel notes of a meeting on Friday in which members outside OPEC+ will be asked pledge additional reductions, "over and above 10mln BPD"-Russia will partake in both meetings according to sources
- OPEC+ group is reportedly likely to agree to oil production cuts on Thursday although it is contingent upon the US joining in with the production cuts, according to three OPEC+ sources. Earlier reports noted OPEC+ still can't reach a preliminary consensus on individual volumes of oil production cuts, particularly the largest producers, according to three delegations cited by TASS
- OPEC delegate says current options being considered range from a 10mln BPD cut to no cut

TOUTED CUTS

- Algeria oil minister said the emergency OPEC++ meeting will discuss a massive reduction in production which could reach 10mln bpd
- Kuwait Oil Minister said that after talking with countries that will attend OPEC+ meeting, intention is moving towards reaching an agreement to lower output by a large amount between 10mln-15mln bpd
- OPEC+ is discussing an output cut for three months, beginning in May, according to TASS
- Several sources told Energy Intel that two scenarios will be presented: 1) First scenario sees OPEC+ being no longer bound by production restrictions (i.e. a continuation of the current state of affairs - Saudi would stick to production ~12mln BPD) 2) OPEC members alongside Russia and other producers would implement joint 10mln BPD cuts through the end of the year
- OPEC+ oil cut volume for Thursday's meeting is dependent on the amount US, Canada, Brazil and others propose to cut, according to OPEC sources; notes, the baseline for oil cuts is yet to be agreed upon
- Under one of the touted OPEC+ scenarios: 10mln BPD cuts will include North America; Saudi would cut a minimum of 3mln BPD; Russia 1.5mln BPD; Non-Saudi Gulf 1.5mln BPD; US, Canada, and Brazil almost 2mln BPD (Texas at least 500k BPD) according to sources cited by WSJ's Summer Said.

SAUDI

- Saudi Arabia is reportedly considering an oil output cut beneath 9mln BPD if others were to join in, according to WSJ citing sources
- Saudi Aramco delayed its May OSP release until after the OPEC+ meeting, touted to be released on 10th April
- Saudi increased oil supply in April to above 12mln BPD, in-fitting with prior sources
- Saudi Official said if there is no deal, we will have some nice number of floating tankers going nowhere, according to a Saudi official

RUSSIA

- Russian producers are reportedly ready for oil cuts in order to stop the price rout, where the industry may agree to cuts if US and Saudi joins
- Russia is not likely to agree to output cuts if US does not also curb production according to sources cited by WSJ's Summer Said
- Russia and Saudi Arabia are reportedly 'very, very close' to a deal on oil production cuts, according to Dmitriev the CEO of RDIF
- Saudi Arabia and Russia are reportedly coming closer to an agreement on an output deal, according to delegates but there reportedly is no consensus between Russia and Saudi Arabia as of yet, all will be decided at Thursday's OPEC+ meeting, according to RIA's Novosti
- Russia is reportedly ready to cut production by 1.6mln BPD, according to Tass citing comments from Russian Energy Minister Novak, while other reports also noted Russia is ready to participate in the OPEC+ deal in line with its share in oil production of countries involved in the deal
- Russia held off on hiking output in April amid the supply glut
- Russian Energy Minister Novak said current oil price is not satisfying for anyone, but Moscow can survive through a period of low prices

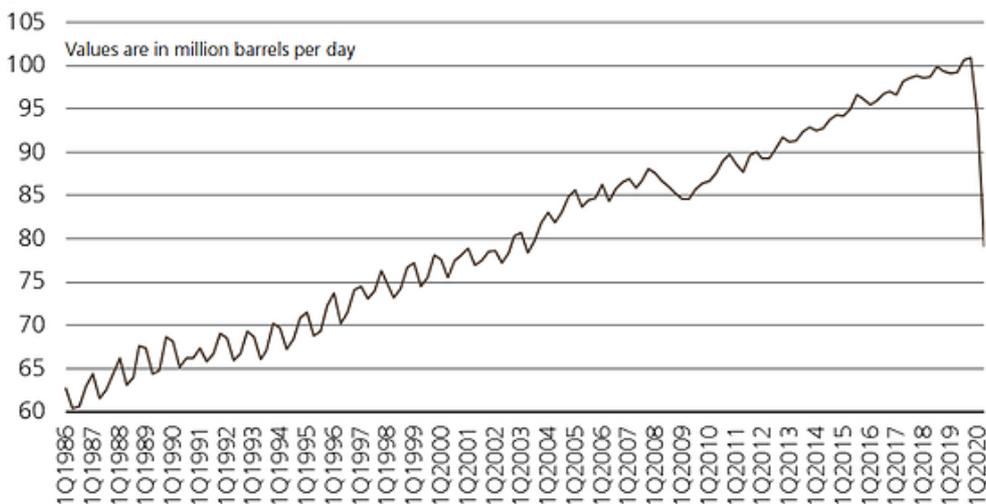
US

- US President Trump said he did not make concessions during talks with Saudi and Russia on oil, while he did not agree to a US domestic production cut
- US President Trump said nobody has asked him to cut US oil output and that he will decide if OPEC asks US to cut production, adding that US producers have cut back automatically as a reaction to the market
- US independent oil producers reportedly told OPEC they will voluntarily cut output
- US oil majors worry about antitrust issues if they join OPEC+ cuts
- Texas Railroad Commissioner Sitton said he doesn't see the US having a long relationship with OPEC at all and that Texas would agree to oil production curbs if President Trump reaches an international agreement

OTHERS

- Argentina, Brazil, Canada, Colombia, Egypt, Indonesia, Norway, the UK, the US, and Trinidad & Tobago have been invited to take part in Thursday's meeting, according to OPEC delegates cited by Energy Intel
- Saudis and Russia have called for other global producers – namely the US, Canada, and Mexico – to share the burden of cuts
- Norwegian Oil Ministry state they were invited to the OPEC; would consider partaking as an observer if there was broad participation - adds there are no ongoing talks with oil Co's on cuts
- UAE's Adnoc and Kuwait have delayed their May OSP releases until after the OPEC+ meeting

Crude oil consumption has plunged because of mobility restrictions to help contain the pandemic



Fast performance may not be indicative of future results/trends

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BBG notes –

With Trump pressing hard for a deal, and the whole Group of 20 involved too, a lot is riding on this week's negotiations. OPEC+ will convene a conference at 4 p.m. Vienna time on Thursday, by video link. Saudi Arabia will lead a virtual conference of G-20 energy ministers the following day at 3 p.m. Riyadh time.

As demand for gasoline, diesel and jet-fuel plunges, refiners around the world are cutting the amount of crude they process, in turn reducing their purchases. On Wednesday, more refiners cut rates by around 30%, including HollyFrontier Corp. and Marathon Petroleum Corp. Lower crude demand means barrels are diverted into tanks and oil tankers transformed into floating storage facilities.

The most shocking drop in U.S. consumption was concentrated on gasoline, long the fuel that powered the American way of life. The Energy Information Administration said a proxy for gasoline demand fell to 5.06 million barrels a day, the lowest since weekly data is available starting in 1990. Separate monthly data suggests the U.S. may have not consumed so little gasoline anytime since 1969, the year of the moon landings.

If Russia, OPEC and the G-20 can make a deal, it could result in a historic reduction of about 10% of global supply, or about 10 million barrels a day, dwarfing any previous market interventions. That's something that the physical market for crude – trade in actual cargoes rather than futures contracts – needs immediately.

Yet, traders and consultants are worried any deal between OPEC+ and the G-20 would end in a fudge, removing far less crude from the market than the headline cut of 10 million barrels a day suggests. In a note to clients that echoed the view of many in the market, Amrita Sen, chief oil analyst at consultant Energy Aspects Ltd., asked whether the talks would culminate in "fake deal."

It all comes down to two key questions:

What will they cut?

Will it be enough?

And on that front Goldmans adds –

· Assuming that a deal is reached - our base case now - the key question will be whether its size and timing will improve global oil balances sufficiently to support prices above current levels. This is key, as a cut that would prove too little too late would lead to storage saturation and additional necessary production shut-in, with distressed producers driving physical crude prices and spot oil prices sharply lower. Our updated 2020 global oil balance suggests that a 10 mb/d headline cut would not be sufficient, still requiring necessary price induced shut-ins on top of such voluntary curtailments.

· To come to this conclusion, we update and refine our 2020 global oil balance (we provide a full breakdown of this analysis in Section 2 of this report). First, we once again slightly lower our demand expectations as isolation policies get deployed in a still growing number of countries and with their lift date increasingly pushed back. We now expect a hit to April/May/June global oil demand of 22/16/9 mb/d (19/12/6 mb/d previously). Second, we introduce an estimate of peak monthly storage fill capacity, which starting from current stock levels is of 17 mb/d in April (with 20 mb/d likely achieve last week[3]), 13 mb/d in May and only 5 mb/d in June.

· In terms of cut, we assume a 10 mb/d "headline" cut starting on May 1 allocated as follows: 4.9 mb/d to core-OPEC from April levels - with all producers cutting instead from 1Q20 average levels - 1.0 mb/d from Russia, 1.0 mb/d from Canada and 1.5 mb/d from the US, and the remaining 1.5 mb/d from the rest of OPEC+ participants and a handful of new participants. In practice, such a cut could be presented as one of 10 mb/d although would represent an only 6.5 mb/d "effective" supply reduction relative to 1Q20 production levels.

· Our balance shows that such a cut would still leave 4.0 mb/d of supply in excess of available storage capacity in both April and May having to be shut-in out of necessity. This points to a 10 mb/d "headline cut" still leading prices falling back below cash costs as local storage saturates, with WTI likely having to retrace below \$20/bbl. For example, Platts Midland WTI prices at \$24/bbl for May, just above cash-costs for most Permian producers and not a level where we would expect large shut-in forced by the upcoming inventory saturation. And while US production was down 0.6 mb/d in this week's EIA data, pipeline scrape data from Genscape only points to declines of 0.3 mb/d, both well short of the several million barrels per day of required declines in the month of April..

And Crucially -

While the prospect of a deal can support prices near current levels in coming days, we believe this support will soon give way to lower prices, due to both positioning and fundamentals. First and foremost, we don't believe that a 10 mb/d "headline" production cut can shore up oil balances with lower prices still needed. Second, the sharp short-covering rally of the past week has already brought prices to the levels that we forecast in 3Q20 when the surplus would be ending, a still uncertain outcome. Third, downward price pressure in coming days will be exacerbated by the roll of the long WTI future positions underlying the recent increase in speculative buying[4], as visible on April 6 and in early 2009. Fourth, the potential inability to broker a cut sufficiently large to support seaborne crude prices suggests that Saudi producing at high levels instead to maximize cash flow would actually not be irrational, an outcome that appears mis-priced, with the WTI options market currently only assigning an 18% probability that prices reach \$15/bbl by mid-May.

The TLDR is that even if OPEC(+(+(+))) do manage to agree a cut, which is far from certain, there are huge doubts as to whether it will be enough to balance a market which has seen demand slashed.

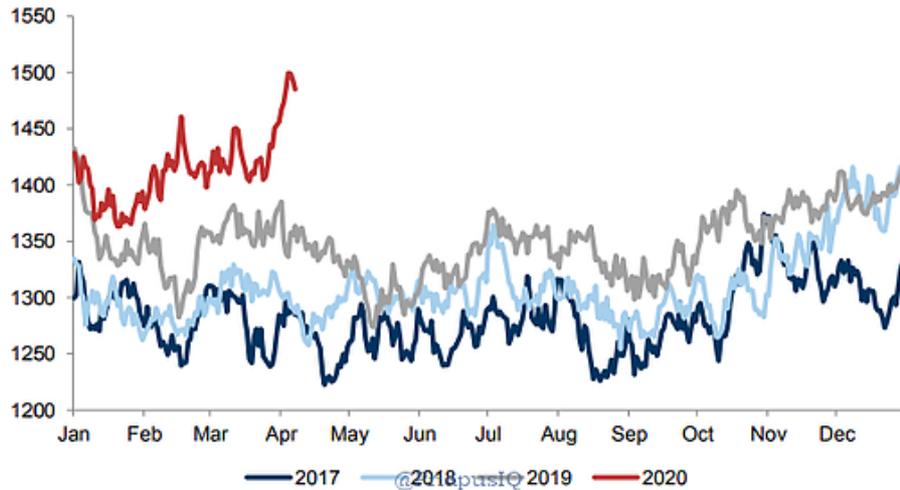
GS summarized oil balance; previous forecasts from March and revisions (kb/d)

	1Q20E	2Q20E	3Q20E	4Q20E
Supply (17-Mar-20)	100,784	102,612	102,086	101,578
OPEC/Russia	-488	-3667	-5042	-2857
Core OPEC + Russia	96	-2745	-3660	-1959
Iraq	-78	-362	-553	-498
Libya	-38	-403	-557	-167
Venezuela	7	100	80	83
Rest of OPEC	-475	-257	-351	-316
Rest of World	148	-1954	-2032	-1158
US shale (black oil)	-59	-692	-706	-305
Other US (GoM, AK., NGLs, Conv.)	38	-308	-290	-152
Canada	0	-615	-680	-589
Brazil	176	-233	-310	-208
North Sea	37	19	107	79
Kazakhstan	33	0	31	45
Elsewhere	-76	-126	-184	-28
Net Impact	-340	-5621	-7073	-4014
Supply (08-Apr-20,pre-shut-ins)	100,444	96,990	95,013	97,563
Shut-ins	0	-3572	-2000	-1000
Supply (08-Apr-20,post-shut-ins)	100,444	93,419	93,013	96,563
Demand (17-Mar-20)	96,920	96,930	101,135	102,486
China	-429	-237	-294	-307
OECD	-483	-7260	-1894	-1161
EM ex China	-491	-4264	-1080	-619
Net impact	-1403	-11760	-3268	-2087
Demand (08-Apr-20)	95,517	85,170	97,867	100,400
Imbalance old	3,863	5,682	951	-909
Net impact	1,063	6,139	-3,805	-1,928
Imbalance (post-shut-ins)	4,927	11,821	-2,854	-2,837
OECD government	0	530	330	0
China	847	316	-103	7
EM exc. China	1,088	1,840	-1,315	-1,135
Other EM/Floating	258	761	-520	355
EM total	2,193	2,916	-1,938	-773
OECD industry stocks	2,734	4,802	-3,246	-3,063
OECD Stock change (mb, vs end Dec-19)	251	688	389	107
Global Stock change (mb, vs end Dec-19)	450	1200	754	401

Source: Goldman Sachs Global Investment Research, IEA @PriapusIQ

With crude in storage in danger of reaching full capacity, both floating and land-based, it will take some serious effort to wind this back.

Crude and products on water (mb)



Don't be surprised if we see a classic 'buy the rumour, sell the news' play out today where we the gains made in the build-up to today erased in quick order.



My plan now is to keep the powder dry and look to pick up Brent on a fall back to ~\$26 (should OPEC and gang fail to impressive)

Jobless Claims – Another Monster

Last week we saw a record 6.65m registered unemployment claimants, which was preceded by a record-breaking 3.3m claimants the week before that.

Well, expect a new record to be set again today.

You could park a fleet of busses within the range of estimates, nearly 6.8 million busses to be precise with the range of those surveyed by RTRS coming in at 2.5m to 9.295m with the official estimate at 5.25m

Let's be honest; it's complete guesswork at this point as not only are we dealing with trying to work out the numbers that are laid off but also the capacity that claimants can be processed.

We've heard from various sources over the past couple weeks that there have been vast backlogs of claims yet to be put through the system.

With that in mind and given yet more people were laid off last week, I'm throwing my dart at another beat of expectations (3rd in a row) with an 8.5m IJC Guess

CIRCUIT BREAKERS (Apr 09)

*E-MINI S&P:

During non-US trading hours

Jun' 20 (M0 Futures) – Hard upside or downside limit of 5% from 1800EDT/2200GMT to 0930EDT/1330GMT (2600.50 downside/ 2874.50 upside)

During US trading hours (Futures)

Futures have no limit up

Limit Down (M0 Futures)

Level 1: 7% fall to 2545.50

Level 2: 13% drop to 2380.50

Level 3: 20% decline to 2188.00

*NASDAQ

During non-US trading hours

Jun' 20 (M0 Futures) – Hard upside or downside limit of 5% from 1800EDT/2200GMT to 0930EDT/1330GMT (7796.25 downside/ 8618.75 upside)

During US trading hours (Futures)

Futures have no limit up

Limit Down (M0 Futures)

Level 1: 7% fall to 7631.50

Level 2: 13% drop to 7137.75

Level 3: 20% decline to 6561.75

*DOW JONES:

During non-US trading hours

Jun'20 (M0 Futures) – Hard upside or downside limit of 5% from 1800EDT/2200GMT to 0930EDT/1330GMT (22122 downside/ 24464 upside)

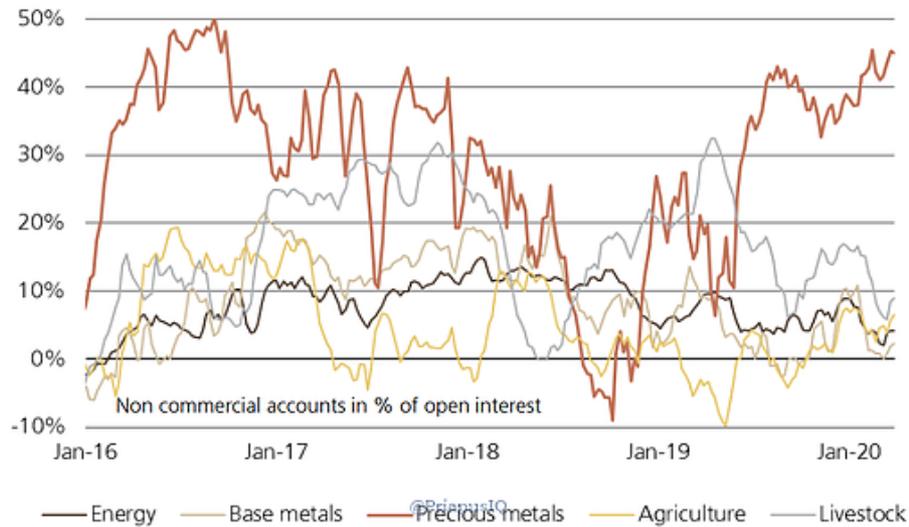
During US trading hours (Futures)

Futures have no limit up

Limit Down (M0 Futures)

Level 1: 7% fall to 21653
Level 2: 13% drop to 20247
Level 3: 20% decline to 18607

Chart Of The Day- Lean Positioning In Commodities



Positioning, excluding precious metals, is very lean, but not as low as in 2015/16 or during the GFC

WuFlu Update

DEATHS AND INFECTIONS

The number of confirmed infections of the novel coronavirus were reported to have exceeded 1.47 million globally and the death toll crossed 87,700, according to a Reuters tally as of 0200 GMT.

EUROPE

* Total cases in Germany rose by 4,974 in the past 24 hours to 108,202 on Thursday. The death toll rose by 246 to 2,107.

* The increase of hospital death fatalities in France slowed again, but the presidential palace said the national lockdown aimed at containing the disease would be extended.

* Italy Prime Minister Giuseppe Conte said the country must stick with its rigid lockdown to try to curb the COVID-19 epidemic

* Spain's official coronavirus death toll edged higher again, but questions persisted over the veracity of numbers.

* British Prime Minister Boris Johnson was "clinically stable" in intensive care on Wednesday and responding to treatment.

* President Vladimir Putin likened Russia's fight against the coronavirus to its battles against medieval invaders and said the next few weeks would be decisive.

* The president of the European Union's main science organisation quit over frustration at the response to the pandemic.

* Switzerland's government, which said its economy could contract by as much 10.4% this year, extended the nation's restrictions for another week but said a gradual loosening of measures would begin this month.

* The World Health Organization's regional director described the outbreak in Europe as "very concerning" and urged governments to give "very careful consideration" before relaxing measures to control its spread.

* Pope Francis condemned people he said were exploiting the pandemic to turn a quick profit and decried the "hypocrisy" of how some politicians are dealing with the crisis.

* The European Union is drawing up common rules for using mobile apps to track the spread, aiming to make better use of the technology and address privacy concerns.

AMERICAS

* U.S. deaths topped 14,600 on Wednesday, the second-highest reported number in the world behind Italy, according to a Reuters tally.

* New York state, epicentre of America's coronavirus crisis, set another single-day record of COVID-19 deaths on Wednesday, as veteran doctors and nurses voiced astonishment at the speed with which patients were deteriorating and dying.

* Some 60,000 Americans could die in the pandemic, a university model often cited by U.S. and state policymakers projected, a 26% reduction in its most recent forecast, as total cases in the country reached 395,011, with the death toll at 12,754.

* The head of the World Health Organization gave a strident defence of his agency's handling of the pandemic, in response to U.S. President Donald Trump's criticism.

* U.S. immigration officials have rapidly deported nearly 400 migrant children intercepted at the U.S.-Mexico border in the past two weeks under new rules.

* Starbucks Corp on Wednesday forecast a 47% drop in second-quarter earnings, scrapped its full-year forecast and warned that the financial hit from the pandemic would extend into the final quarter of the fiscal year 2020.

* Mexico registered 396 new cases, bringing the country's total to 3,181 cases as well as 174 deaths. Its deputy health minister said the country might have 26,500 people infected with the virus.

* Mexican financial authorities agreed on Wednesday to apply looser liquidity rules on banks to help them weather the economic and financial turmoil caused by the coronavirus, the central bank said.

* Honduras will extend its national curfew to April 19. The country registered 31 new cases, bringing its total to 343 cases and 23 deaths

* Peruvian President Martin Vizcarra extended the country's state of emergency for two more weeks to April 26.

ASIA

* Mainland China reported 63 new cases, up from 62 a day earlier. Total number of confirmed cases in mainland China stood at 81,865 as of Wednesday.

* Total infections in Japan hit 5,002 on Thursday, showing no signs of slowing despite Japan's move this week to impose a state of emergency on Tokyo and six other areas.

* India is considering plans to seal off hotspots in Delhi, Mumbai and parts of the south while easing restrictions elsewhere as a way out of a three-week lockdown that has caused deep economic distress.

* Expatriates in Hong Kong are buying up masks to send to family and friends back home as supplies return to shops.

* Thailand automatically extends visas for all foreigners who entered legally, to prevent long queues at immigration centres and stem the spread, a senior immigration official said

* East Timor's prime minister withdrew his resignation as the government approved a \$250-million fund.

MIDDLE EAST AND AFRICA

* Ethiopia and Liberia declared states of emergency, a day after cases on the continent surged past 10,000.

* Lebanon's food importers, already hit by a dollar crunch, have struggled to book new cargoes as the pandemic threatens supplies and sparks fears of more painful price hikes.

* Egypt will extend a nationwide night-time curfew by 15 days until April 23.

* Ethiopia declared a state of emergency.

* A coronavirus lockdown kept the streets of Jerusalem and other Israeli cities nearly empty on the Jewish Passover holiday, which typically draws crowds of people.

* The Gaza Strip has no more coronavirus test kits, Palestinian health officials said.

* Somalia has registered its first death from coronavirus.

ECONOMIC FALLOUT

* Asian shares rose on hopes the COVID-19 pandemic is nearing a peak and that governments would roll out more stimulus measures, while expectations of an oil production cut agreement bolstered crude prices

* Uncertainty over Japan's economic outlook is "extremely high" as the pandemic hits output and consumption, central bank Governor Haruhiko Kuroda said.

* The pandemic's economic impact on Canada will be broader and more challenging than the 2008-09 financial crisis, with the recovery likely to take longer than expected, chief executives of the country's two major banks said on Wednesday.

* Britain's housing market has been thrown into the deep freeze by measures to slow the spread of the coronavirus and is unlikely to have recovered a year from now, according to the Royal Institution of Chartered Surveyors.

* UK-listed companies could cancel about \$60 billion in dividend payments this year following Britain's lockdown and calls from regulators to preserve cash, according to a report by analytics company Link Group.

* The fallout from the coronavirus could push around half a billion people into poverty, Oxfam said on Thursday

* Dubai's non-oil private sector was hit hard last month as key sectors of the Middle East's trade and tourism hub were impacted by virus-containment measures, a survey showed.)

* Faced with an accelerating global health crisis, Federal Reserve officials agreed last month they needed a pull-out-all-the-stops response.

* Canada said it would temporarily loosen rules for an emergency wage subsidy program to ensure more businesses qualify, while jobless claims triggered by the outbreak soared beyond 4 million.

* European Union finance ministers failed in all-night talks to agree on more economic support, spurring Spain to warn the bloc's future was on the line without a joint response to the crisis.

* The European Central Bank told euro zone finance ministers the area could need fiscal measures worth up to 1.5 trillion euros this year.

* Germany's economy will probably shrink by 9.8% in the second quarter, its biggest decline since records began, the country's leading think tanks said.

* The pandemic has cost Austria \$12 billion so far, or 2.8% of its annual gross domestic product, according to its central bank.

* A second stimulus package India is poised to announce in coming days will be worth around \$13 billion and focus on helping small and medium businesses, senior officials said.

* Hong Kong announced relief measures worth \$17.7 billion to help businesses and people crippled by the outbreak to stay afloat.

* Nearly 140 campaign groups and charities urged the International Monetary Fund and World Bank, G20 governments and private creditors to help the world's poorest countries by cancelling debt payments.

Headline Roundup

U.S. Surpasses 430,000 Coronavirus Infections

U.S. cases of the new coronavirus grew to more than 430,000 Wednesday, as the country recorded its deadliest day yet.

There were 1,973 deaths from Covid-19 in the U.S. during the 24-period ended 8 p.m. Wednesday, according to a Wall Street Journal analysis of data from Johns Hopkins University.

In the previous 24-hour period, 1,939 people died from the illness caused by the virus—nearly 50% more than any other day of the pandemic.

Contributing to Tuesday's national record, New York, New Jersey, Louisiana and Illinois reported their highest daily death tolls from Covid-19, the respiratory disease caused by the new coronavirus, reflecting a steep climb in U.S. fatalities even as officials in some of the hard-hit states cautiously advised their outbreaks were beginning to slow.

Globally, the number of reported coronavirus cases topped 1.5 million, with more than 88,000 deaths, according to the Johns Hopkins data, although the exact figure could be higher. Lack of widespread testing, false negatives and differences in reporting standards have made it challenging to track the extent of the virus.

Italian Bond Yields Rise as Europe Signals Lack of Cohesion

Italian government-bond yields rose as Europe's finance ministers failed to agree on a collective response to the economic impact of the coronavirus crisis.

The yield on benchmark 10-year debt jumped above 1.7% on Wednesday from around 1.5% the day before. The spread between this bond and Europe's safest asset, German government debt, widened to more than 2 percentage points, having been as narrow as 1.6 points on March 26. Italy's shorter-dated bond yields also rose, with the two-year yield up 0.11 percentage point, reflecting a perceived rise in credit risk for the country in the next few years.

Talks between the European Union's finance ministers, known as the Eurogroup, toward a joint economic response to the crisis were suspended after 16 hours. Discussions are scheduled to resume Thursday.

"The market was expecting some kind of agreement at a European level to deal with the economic fallout, but the Eurogroup poured a bit of cold water on that," said Ralf Preusser, global head of rates research at Bank of America Merrill Lynch. "We're seeing a payback in spreads as a result today."

A key roadblock for finance ministers was the issue of common debt. Italy pushed for a commitment for eurozone nations to raise and spend capital as a group, a move historically resisted by Germany and others. Such a commitment is seen as a way for the bloc's most vulnerable countries to access emergency funds without adding to their already-precarious debt piles.

Fed Minutes Reveal Alarm Over Coronavirus Disruptions to Economy, Market

Federal Reserve officials reacted with growing alarm to market disruptions caused by the spreading coronavirus pandemic in March, prompting them to cut interest rates at two emergency meetings and signal plans to leave them unchanged until the economy recovered from its sudden stop.

The central bank released Wednesday minutes of those two meetings, held on March 2 and March 15. The central bank cut its benchmark rate by a half percentage point after the first meeting and by a full percentage point to near zero after the second.

Most officials thought the second, larger cut was necessary because of acute risks of a much sharper drop in economic activity. "All participants viewed the near-term U.S. economic outlook as having deteriorated sharply in recent weeks and as having become profoundly uncertain," the minutes said.

Still, a few officials thought the larger cut might send an overly negative signal about the economy and preferred a smaller, half-point reduction. One of those officials, Cleveland Fed President Loretta Mester, formally dissented.

Bernie Sanders gives up as Democrats rally around Joe Biden

UNTIL THE RESULTS from South Carolina's presidential primary started coming in, just five weeks ago, Bernie Sanders was the hot favourite to win the Democratic ticket. Had he done so, the combination of an unpopular incumbent, a soaring death toll from covid-19 and a cratering economy might well have put the 78-year-old socialist in the White House. But what

a world away that seems. On April 8th Mr Sanders formally ended his campaign, leaving Joe Biden as the presumptive Democratic nominee to take on President Donald Trump in November.

Mr Sanders's prospects had risen on the back of his strong showing in the first three states to vote. He just about drew with Pete Buttigieg in Iowa, then won New Hampshire narrowly and Nevada resoundingly. For his devoted supporters, this was evidence both of a pronounced leftward shift in the electorate and of Mr Sanders's ability to bring out his core supporters, especially younger voters, in large numbers. Less partial observers were sceptical of that notion. But Mr Sanders's early momentum—in tandem with some unusual circumstances, including a crowded field and no compelling front-runner—seemed to give the senator from Vermont a solid chance all the same.

That hope—or fear among moderates—evaporated after the primary took a dramatic lurch towards normality. South Carolina's large, black and relatively moderate Democratic electorate didn't give a fig for Mr Sanders's momentum, or Mr Biden's early stumbles in the race. They gave Barack Obama's former vice president a crushing victory, whereupon most of his rivals, including Mr Buttigieg and Amy Klobuchar, promptly dropped out, thinning the field. Suddenly Super Tuesday, the 14-state extravaganza that came next, was transformed into a head-to-head contest between the centre-left and left of the party: Mr Biden against Mr Sanders. And Mr Biden crushed it.

Disaffected Sandernistas will probably also have fewer options than they had in 2016. Jill Stein, the Green party candidate that many turned to, is not running; her successor, Howie Hawkins, is less well-known. And though Mr Sanders's supporters might be tempted not to vote at all, the prospect of four more years of Mr Trump will make that unappealing to many.

Uranium enters bull market after Covid-19 hits supply.

The price of uranium, the radioactive material used to fuel nuclear power stations, has entered a bull market following another big hit to supply.

On Tuesday, Kazakh miner Kazatomprom slashed its 2020 production forecast by up to 10.4m pounds, equivalent to 8 per cent of global supply, because of government-imposed measures to mitigate the spread of coronavirus.

This propelled the price of uranium to \$28.70 per pound on Wednesday, up more than 20 per cent from a low in March. Such a rise since a recent low is the common definition of a bull market. The last time the metal traded above \$30 was in February 2019.

"The supply hits keep coming," said Numis analyst Justin Chan, who estimates that between 30-35 per cent of global uranium production has now been affected by virus shutdowns, prompting miners to draw further on their inventories. Kazatomprom said it would continue to fulfil its contractual obligations for 2020 by depleting its stockpiles.

The curtailment of its operations follows the closure of the world's biggest uranium mine, Cigar Lake, for a month and the decision of Namibia, a key supplier to China's huge nuclear industry, to halt all mining activity. Analysts expect these disruptions to further tighten conditions in the market.

The industry has been burdened by large stockpiles since the 2011 Fukushima disaster, which upended the industry as Japan and other countries such as Germany closed nuclear plants and cancelled plans to build new ones.

A reduction in stocks should provide a further boost to sentiment, according to analysts and investors.

“Prior to Kazatomprom’s announcement, we were forecasting a 30m pound deficit in [the] uranium supply/demand balance, which now looks as though it could be as much as 40m pounds,” said Alexander Pearce, analyst at BMO Capital Market, adding that the additional shortfall will “only accelerate” the depletion of inventories.

Model Portfolio

As I’m sure you saw on the private Twitter feed, I’m out the WTI longs and I’ve added to the Equities short with another clip of RTY.

The only real possibility of a trade today will be if OPEC talks fall apart, Brent prices collapse, and I can scoop them on the cheap

All updates on the [@PiQViP](#) Twitter account

Entry					Exit		PnL
Date	Product	B/S	Size (futs)	Price	Date	Price	
24/01/2020	CL	S	2	53.96	31/01/2020	51.25	\$ 5,420.00
24/01/2020	GCJO	B	2	1,571.00	19/02/2020	1612.50	\$ 8,300.00
28/01/2020	GCJO	B	2	1,573.00	24/03/2020	1637.50	\$ 12,900.00
28/01/2020	ZNHO	B	2	130 '27	27/02/2020	133 '12	\$ 5,063.00
29/01/2020	CL	S	2	54.30	29/01/2020	53.2	\$ 2,200.00
31/01/2020	CL	S	2	52.38	03/02/2020	51.70	\$ 1,360.00
31/01/2020	CL	S	2	52.25	03/02/2020	51.70	\$ 1,100.00
06/02/2020	GBPUSD	B	6	1.2995	16/03/2020	1.2234	\$ -28,538.00
17/02/2020	FGBLHO	S	1	174.45	03/03/2020	177.20	\$ -3,053.00
21/02/2020	RTYHO	S	2	1,688.70	03/03/2020	1487	\$ 20,170.00
21/02/2020	EURUSD	S	2	1.08	16/03/2020	1.11355	\$ -7,963.00
27/02/2020	EURGBP	S	2	0.84955	16/03/2020	0.8772	\$ -18,542.00
27/02/2020	ZNMO	B	2	133 '7	03/04/2020	139 4/32	\$ 11,842.00
28/02/2020	CLJO	B	1	45.98	05/03/2020	45.98	\$ -
28/02/2020	CLJO	B	1	45.98	03/03/2020	48.15	\$ 2,200.00
03/03/2020	RTYHO	S	2	1,521.00	12/03/2020	1150.00	\$ 37,100.00
03/03/2020	FGBLMO	S	1	174.39	03/04/2020	172.14	\$ 2,490.00
03/03/2020	RTYHO	S	2	1,541.00	20/03/2020	1195.80	\$ 45,500.00
04/03/2020	EURGBP	S	2	0.87295	16/03/2020	0.91021	\$ -11,388.00
05/03/2020	ESHO	S	2	3,083.00	06/03/2020	2952.500	\$ 13,050.00
10/03/2020	RTYHO	S	2	1,350.00	20/03/2020	0.000	\$ 26,400.00
13/03/2020	GCJO	B	2	1,582.60	31/03/2020	1604.400	\$ 4,360.00
16/03/2020	EURGBP	S	4	0.91580	OPEN	0.87720	\$ 23,930.07
16/03/2020	GBPUSD	B	6	1.22590	OPEN	1.24080	\$ 5,587.50
16/03/2020	EURUSD	S	2	1.12280	OPEN	1.08865	\$ 8,512.50
18/03/2020	CLKO	B	3	21.75	02/04/2020	26.75	\$ 15,000.00
19/03/2020	GCJO	B	2	1,476.40	31/03/2020	1604.40	\$ 25,600.00
20/03/2020	RTYMO	S	4	1,077.70	OPEN	1195.80	\$ -23,620.00
26/03/2020	RTYMO	S	2	1,074.00	OPEN	1195.80	\$ -12,180.00
31/03/2020	GCMO	B	4	1,618.50	OPEN	1691.80	\$ 29,320.00
18/03/2020	CLKO	B	2	21.75	08/04/2020	24.30	\$ 5,100.00
08/04/2020	RTYMO	S	2	1,175.60	OPEN	1195.80	\$ -2,020.00
@PriapusIQ							\$ 205,201

Looking Ahead

Busy day lays ahead of the long weekend

With a full schedule on the data and event front plus the risk of unexpected tape-bombs being set off, it will be wise to keep your head on a swivel today.

Be aware of possible defensive positioning ahead of the Easter break, both in equities and the front end of the money markets, and the latter has seen a fair chunk of tightness in front STIRs due to the prolonged period to lend. A feature that was very common a couple of decades ago and seems to be reemerging amongst the recent turmoil.

Have a great extended weekend, stay healthy and of course...

Keep it tight!

Economic Data 9th April

BST	Country	Relevance	Indicator Name	Period	Poll	Prior	Min	Max
0:50	Japan	Low	Foreign Bond Investment	4 Apr, w/e		-1.7B		
0:50	Japan	Low	Foreign Invest JP Stock	4 Apr, w/e		-1,421.9B		
0:50	Japan		Foreign Invest JP Bonds	30 Mar, w/e		-3,490.2B		
0:50	Japan		Foreign Stock Investment	30 Mar, w/e		879.6B		
2:00	South Korea	High	Bank of Korea Base Rate	Apr	0.75%	0.75%	0.50%	0.75%
5:15	United Arab Emirates		IHS Market Cons PMI	Mar		48.7		
5:30	Netherlands	Low	Manufacturing Output MM	Feb		3.10%		
6:00	Japan	Low	Consumer Confid. Index	Apr		30.9		
6:00	Finland	Low	Industry Output YY	Feb		-1.80%		
6:00	Estonia	Low	Industrial Prod MM	Feb		-1.10%		
6:00	Estonia	Low	Industrial Prod YY	Feb		-11.20%		
6:00	Estonia	Low	Foreign Trade Balance	Feb		-19.6M		
7:00	Germany	Medium	Exports MM SA	Feb	-0.90%	0.00%	-2.20%	0.00%
7:00	Germany	Medium	Imports MM SA	Feb	-0.70%	0.50%	-1.00%	0.30%
7:00	Germany	Medium	Trade Balance, EUR, SA	Feb	17.5B	18.5B	14.0B	19.0B
7:00	Germany		Current Account - Balance NSA	Feb		16.6B		
7:00	United Kingdom	High	GDP Est 3M/3M	Feb	0.20%	0.00%	0.00%	0.20%
7:00	United Kingdom	High	GDP Estimate MM	Feb	0.10%	0.00%	-0.10%	0.30%
7:00	United Kingdom	High	GDP Estimate YY	Feb	0.50%	0.60%	0.30%	0.70%
7:00	United Kingdom		Services MM	Feb	0.10%	0.10%	-0.20%	0.30%
7:00	United Kingdom		Services YY	Feb	1.10%	1.20%	1.00%	1.20%
7:00	United Kingdom	Medium	Industrial Output MM	Feb	0.10%	-0.10%	-0.90%	1.30%
7:00	United Kingdom	Medium	Industrial Output YY	Feb	-2.90%	-2.90%	-3.40%	-1.90%
7:00	United Kingdom	High	Manufacturing Output MM	Feb	0.10%	0.20%	-0.70%	1.00%
7:00	United Kingdom	Medium	Manufacturing Output YY	Feb	-4.00%	-3.60%	-4.80%	-3.30%
7:00	United Kingdom	Low	Construction O/P Vol MM	Feb	0.20%	-0.80%	-2.00%	1.50%
7:00	United Kingdom	Low	Construction O/P Vol YY	Feb	-0.10%	1.60%	-2.30%	0.60%
7:00	United Kingdom	Medium	Goods Trade Balance GBP	Feb	-6.000B	-3.720B	-9.000B	-1.200B
7:00	United Kingdom	Low	Goods Trade Bal. Non-EU	Feb	-0.500B	2.232B	-1.455B	0.500B
7:00	Romania	Low	Trade Balance	Feb		-1.323B		
7:00	Lithuania	Low	Producer Price Index MM	Mar		-1.20%		
7:00	Lithuania	Low	Producer Price Index YY	Mar		-1.10%		
7:00	Lithuania	Low	Foreign Trade	Feb		-0.122B		
8:00	Slovakia	Medium	Industrial Output YY	Feb	0.80%	0.50%	-0.50%	0.90%
8:00	Slovakia	Medium	Foreign Trade Balance	Feb	194.0M	27.6M	160.0M	285.7M
9:00	Italy	Medium	Industrial Output MM SA	Feb	-1.70%	3.70%	-5.00%	-0.40%
9:00	Italy	Medium	Industrial Output YY WDA	Feb	-2.60%	-0.10%	-6.00%	0.50%
10:00	Germany		Overall Comprehensive Risk	Q2		9.37		
10:00	France		Overall Comprehensive Risk	Q2		8.96		
10:00	United Kingdom		Overall Comprehensive Risk	Q2		8.96		
10:00	Italy		Overall Comprehensive Risk	Q2		8.51		
10:00	Russia		Overall Comprehensive Risk	Q2		3.42		
10:00	Spain		Overall Comprehensive Risk	Q2		8.73		
10:00	Turkey		Overall Comprehensive Risk	Q2		3.19		
10:00	Saudi Arabia		Overall Comprehensive Risk	Q2		3.52		
10:00	Poland		Overall Comprehensive Risk	Q2		8.23		
10:00	Nigeria		Overall Comprehensive Risk	Q2		1.88		
10:00	South Africa		Overall Comprehensive Risk	Q2		4.85		
10:00	Egypt		Overall Comprehensive Risk	Q2		2.02		
10:00	Greece		Overall Comprehensive Risk	Q2		7.4		
10:00	Greece	Low	Industrial Output YY	Feb		-1.20%		
10:00	Greece	Low	Unemployment Rate (Mth)	Jan		16.30%		
10:00	Portugal		Overall Comprehensive Risk	Q2		9.01		
10:00	Czech Republic		Overall Comprehensive Risk	Q2		8.99		
10:00	Hungary		Overall Comprehensive Risk	Q2		7.72		
10:00	Morocco		Overall Comprehensive Risk	Q2		4.04		
10:00	Slovenia		Overall Comprehensive Risk	Q2		9.09		
11:00	Ireland	Low	CPI YY	Mar		1.10%		
11:00	Ireland	Low	HICP YY	Mar		0.90%		
11:00	Ireland	Low	CPI MM	Mar		0.60%		
11:00	Ireland	Low	HICP MM	Mar		0.60%		
11:00	Ireland		CPI NSA	Mar		102.3		
11:00	Ireland	Medium	Unemployment Rate	Mar		4.80%		
11:00	Portugal	Low	Global Trade Balance	Feb		-4.720B		
11:00	Portugal		Trade Balance 1-Month	Feb		-1.539B		
11:00	Serbia	High	Benchmark Interest Rate	Apr	1.75%	1.75%	1.50%	1.75%
11:00	Latvia	Low	Foreign Trade EUR	Feb		-93.0M		
12:00	Germany	Low	TR IPSOS PCSI	Apr		53		
12:00	France	Low	TR IPSOS PCSI	Apr		43.05		
12:00	United Kingdom	Low	TR IPSOS PCSI	Apr		55.45		
12:00	Italy	Low	TR IPSOS PCSI	Apr		37.73		
12:00	Russia	Low	TR IPSOS PCSI	Apr		37.57		
12:00	Spain	Low	TR IPSOS PCSI	Apr		45.93		
12:00	Turkey	Low	TR IPSOS PCSI	Apr		36.56		
12:00	Saudi Arabia	Low	TR IPSOS PCSI	Apr		65.07		
12:00	Sweden	Low	TR IPSOS PCSI	Apr		59.57		
12:00	Belgium	Low	TR IPSOS PCSI	Apr		45.08		
12:00	Poland	Low	TR IPSOS PCSI	Apr		51.22		
12:00	South Africa	Low	TR IPSOS PCSI	Apr		39.06		

12:00	Israel	Low	TRIPSOS PCSI	Apr	53.22		
12:00	Hungary	Low	TRIPSOS PCSI Q	Apr	44.7		

Economic Data 9th April

BST	Country	Relevance	Indicator Name	Period	Poll	Prior	Min	Max
13:00	Brazil	High	IPCA Inflation Index MM	Mar	0.15%	0.25%	-0.06%	0.40%
13:00	Brazil	Medium	IPCA Inflation Index YY	Mar	3.38%	4.01%	3.17%	3.70%
13:00	Brazil		IPCA Inflation Index SA MM	Mar		0.26%		
13:00	Brazil		CPI NSA	Mar		5,344.75		
13:00	India	High	Industrial Output YY	Feb	3.20%	2.00%	-5.00%	5.50%
13:00	India	Low	Cumulative Ind. Output	Feb		0.50%		
13:00	India	Low	Manufacturing Output	Feb		1.50%		
13:30	United States		Corn Export Sales New	2 Apr, w/e		1,162.80k		
13:30	United States		Corn Export Sales Net	2 Apr, w/e		1,075.400k		
13:30	United States		Corn Exp Sale Next Yr Net	2 Apr, w/e		20.30k		
13:30	United States		Corn Exp Sales Net Total	2 Apr, w/e		1,095.70k		
13:30	United States		Soybean Export Sales New	2 Apr, w/e		978.900k		
13:30	United States		Soybean Export Sales Net	2 Apr, w/e		957.500k		
13:30	United States		Soybean Exp Sale Next Yr Net	2 Apr, w/e		114.00k		
13:30	United States		Soybean Exp Sale Net Total	2 Apr, w/e		1,071.50k		
13:30	United States		Soybeanmeal Exp Sale Net	2 Apr, w/e		125.20k		
13:30	United States		Soymeal Exp Sls Next Yr Net	2 Apr, w/e		-15.90k		
13:30	United States		Soybn Meal Exp Sls Net Total	2 Apr, w/e		109.30k		
13:30	United States		Soybeanoil Exp Sales Net	2 Apr, w/e		67.00k		
13:30	United States		Soybn Oil Exp Sls Nxt Yr Net	2 Apr, w/e		2.40k		
13:30	United States		Soybn Oil Exp Sls Net Total	2 Apr, w/e		69.40k		
13:30	United States		Wheat Export Sales New	2 Apr, w/e		278.600k		
13:30	United States		Wheat Export Sales Net	2 Apr, w/e		72.900k		
13:30	United States		Wheat Exp Sale Next Yr Net	2 Apr, w/e		185.90k		
13:30	United States		Wheat Exp Sale Net Total	2 Apr, w/e		258.80k		
13:30	United States		Beef Export Sales New	2 Apr, w/e		20.400k		
13:30	United States		Beef Export Sales Net	2 Apr, w/e		18.200k		
13:30	United States		Up Cotton Exp Sales New	2 Apr, w/e		190.600k		
13:30	United States		Up Cotton Exp Sales Net	2 Apr, w/e		147.600k		
13:30	United States		US Pork Export Sales New	2 Apr, w/e		54.200k		
13:30	United States		US Pork Export Sales Net	2 Apr, w/e		38.200k		
13:30	United States	High	Initial Jobless Claims	4 Apr, w/e	5,250k	6,648k	2,500k	9,295k
13:30	United States	Low	Jobless Claims 4-Wk Avg	4 Apr, w/e		2,612.00k		
13:30	United States	Medium	Continued Jobless Claims	28 Mar, w/e	8.000M	3.029M	2.054M	13.200M
13:30	United States	Medium	PPI Final Demand YY	Mar	0.50%	1.30%	-0.70%	0.90%
13:30	United States	Medium	PPI Final Demand MM	Mar	-0.40%	-0.60%	-0.90%	0.00%
13:30	United States	Medium	PPI exFood/Energy YY	Mar	1.20%	1.40%	1.00%	1.70%
13:30	United States	Medium	PPI exFood/Energy MM	Mar	0.00%	-0.30%	-0.70%	0.30%
13:30	United States	Low	PPI ex Food/Energy/Tr YY	Mar		1.40%		
13:30	United States	Low	PPI ex Food/Energy/Tr MM	Mar		-0.10%		
13:30	Canada		Avg hrly wages Permanent employee YY	Mar		4.33%		
13:30	Canada	High	Employment Change	Mar	-350.0k	30.3k	-1,100.0k	0.0k
13:30	Canada	High	Unemployment Rate	Mar	7.20%	5.60%	5.60%	10.10%
13:30	Canada	Low	Full Time Employment Chng SA	Mar		37.6k		
13:30	Canada	Low	Part Time Employment Chng SA	Mar		-7.3k		
13:30	Canada	Low	Participation Rate	Mar	65.10%	65.50%	65.00%	65.50%
14:30	Ukraine	Low	CPI MM	Mar	1.20%	-0.30%	0.50%	3.00%
14:30	Ukraine	Low	CPI YY	Mar	3.00%	2.40%	2.40%	9.10%
15:00	United States	High	U Mich Sentiment Prelim	Apr	75	89.1	60	89
15:00	United States	Low	U Mich Conditions Prelim	Apr		103.7		
15:00	United States	Low	U Mich Expectations Prelim	Apr		79.7		
15:00	United States	Low	U Mich 1Yr Inf Prelim	Apr		2.20%		
15:00	United States	Low	U Mich 5-Yr Inf Prelim	Apr		2.20%		
15:00	United States	Medium	Wholesale Invt(y), R MM	Feb	-0.50%	-0.50%	-0.60%	0.00%
15:00	United States	Low	Wholesale Sales MM	Feb		1.60%		
15:30	United States		EIA- Nat Gas, Change Bcf	3 Apr, w/e	24B	-19B	9B	35B
15:30	United States		Nat Gas-EIA Implied Flow	3 Apr, w/e		-19B		
17:00	United States		Fla Orange Output 19/20	Feb		71.0M		
17:00	United States		WSD-Wheat Output 19/20	Apr		1.920B		
17:00	United States		WSD-Wheat Endstocks19/20	Apr	0.940B	0.940B	0.890B	0.973B
17:00	United States		WSD-Corn Output 19/20	Apr		13.692B		
17:00	United States		WSD-Corn Endstocks 19/20	Apr	2.004B	1.892B	1.792B	2.150B

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Publish

17:00	United States		WSD-Soybean Exp 19/20	Apr		1.825B		
17:00	United States		World Soy E/S 19/20	Apr	101.10M	102.44M	97.00M	104.85M
17:00	United States		WSD-Soybean E/S 18/19	Apr		909.00M		
17:00	United States		World Wheat E/S 19/20	Apr	287.37M	287.14M	285.00M	291.00M
17:00	United States		WSD-Wheat Endstocks18/19	Apr		1.080B		

Speakers/Events		
BST	Country	Event
9:00	EU	Eurogroup head Mario Centeno due to give a news conference after all-night talks of EU ministers on more aid to economies ravaged by coronavirus have failed to bear fruit by Wednesday morning
9:30	Germany	German Finance Minister Olaf Scholz speaks to reporters after EU finance ministers failed to agree on more support for coronavirus-hit economies
13:00	EU	Video conference of EU foreign affairs ministers (development) meeting
14:30	Euro Zone	ECB's Francois Villeroy de Gathau to give monetary policy speech
15:30	EU	Online press conference by EU High Representative Josep Borrell after the video conference of foreign affairs ministers (development)
16:00	United States	Federal Reserve Bank of Chicago President Charles Evans speaks on the current state of the economy and the Federal Reserve's ongoing work to maintain financial stability during the COVID-19 crisis before the Economic Club of Chicago Virtual Program
19:00	United States	Federal Open Market Committee will release the minutes from the meetings held in March
	Mexico	Mexico Central Bank issues the minutes of its March monetary policy meeting