Oil and Gas News Briefs
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BP's stake in Russian oil company taints its greener image

(The Wall Street Journal; Feb. 2) - For BP, one big obstacle stands out on its road to a greener future: It has an almost 20% stake in Russia's top oil producer. The investment in Rosneft is a problem. The Russian state-backed company plans to develop a fragile arctic region with 6,500 wells and 3,500 miles of pipelines, as well as airports, ports, towns, and highways, all to produce and ship more than 2 million barrels of oil a day by 2030. The Vostok project is kryptonite for environmental investors BP hopes to attract.

BP wants to sell $25 billion in assets by 2025 to pay down debt, but not the Rosneft stake. That's despite BP's lack of control: It has two board seats and some influence, but Moscow is definitely in charge. BP CEO Bernard Looney said Feb. 2 the Rosneft stake fits well with its new strategy. The Russian company's production costs are about half of BP's, and it plans to decrease its greenhouse-gas intensity. The stake is a "good financial investment," Looney said, having paid $4 billion in dividends to BP since 2013.

Appealing to environmentally focused investors is possible for old-school energy businesses. Shares in European utilities Enel and Iberdrola have outperformed as investors have bought into their renewable energy rollouts. The Danish Oil and Natural Gas company, renamed Orsted, has successfully repositioned itself as a clean-energy company. BP is far larger, but might eventually pull off a similar shift. The company's transition plans are the fastest of any oil major globally. But as long as BP is part of a massive arctic oil venture, any real appeal to the green crowd seems a distant prospect.

Exxon pledges to continue dividend despite first loss in 40 years

(Bloomberg; Feb. 2) - ExxonMobil has pledged to safeguard the S&P 500 Index's third-largest dividend after posting its first annual loss in at least 40 years, a show of defiance by an oil driller besieged by activist investors and climate-change campaigners. Exxon assured investors of its financial health in a world of $50-a-barrel oil and promised that if crude were to dip to $45 it would sacrifice spending in the name of dividends.

The Western world's largest oil explorer has increased the payout each year since 1972 unlike rivals Shell and BP that cut distributions last year. The dividend pledge comes on the heels of Exxon's $19.3 billion write-down of U.S. natural gas fields and other assets, and the lowest production since the 1999 merger with Mobil. Cash flow from operations — a key gauge of corporate strength — shrank by almost 9% during the final three months of 2020 to $4 billion, not even enough to cover capital spending.

Exxon's payout is worth $15 billion a year, giving the shares a yield of 7.5%. The scale of the company's cash-flow improvement needed is huge. Exxon paid out 90% of its cash from operations in dividends in 2020, compared with 30% for some competitors, according to Citigroup's Alastair Syme. "The suggestion is that Exxon believes in a future of much higher oil prices," he wrote in a note. To weather the cash storm of 2020, when the pandemic-driven price crash ran headlong into Exxon's ambitious and expensive growth strategy, the oil titan increased borrowings by 44% to $67.6 billion.

Miserable 2020 leads to uncertain 2021 for Big Oil

(CNBC: Feb. 2) - Big Oil endured a brutal 12 months by virtually every measure last year and the industry faces significant challenges and uncertainties as it seeks to recover. In 2020, the coronavirus pandemic coincided with a historic demand shock, falling commodity prices, evaporating profits, unprecedented write-downs and tens of thousands of job cuts. All the bad news prompted the head of the International Energy Agency to suggest it may come to represent the worst year in the history of oil markets.

As oil and gas supermajors seek to reassure investors about a return to profitability in the coming months, energy experts are split on how quickly the industry will transition away from fossil fuels. "This is an industry that is facing mounting uncertainty," said Carroll Muffett, CEO at the nonprofit Center for International Environmental Law. "Was 2019 peak oil? That's very likely. Even if 2019 proves not to have been peak oil, this is an industry that is really operating on borrowed time," Muffett said.

Speaking at the Baker Hughes 2021 annual meeting, energy historian Dan Yergin said: "I think we are still somewhat in a COVID fog and to be absolutely sure about where things are going is not clear." His outlook chimes with other major forecasters. The IEA and OPEC both said in their latest respective monthly oil market assessments that 2021 was still clouded by pandemic fears. "Directionally, it is clear that the world is going toward lower carbon, but I think the scale of it is not fully understood," Yergin said.

Conoco plans 17% boost in capital spending this year

(S&P Global Platts; Feb. 2) - ConocoPhillips has set a 2021 capital budget of $5.5 billion, 17% higher than last year, that will maintain flat production at 1.5 million barrels of oil equivalent per day, company executives said Feb. 2. More than half, or 55%, of its $5.5 billion capex this year is allocated for the Lower 48 with the rest spread across a set of diverse assets that include Alaska, Canada, Europe, North Africa, Asia-Pacific, and the Mideast, CEO Ryan Lance said during the fourth-quarter earnings call.

"We set the budget [at that level] for two principal reasons," Lance said. "While the macro environment has firmed up recently, we are cautious about the trajectory and timing of a recovery. Demand has firmed up but ... recovery is taking longer, spare supply remains, and inventories remain elevated."

ConocoPhillips' 2021 capital budget compares to $4.7 billion actually spent last year. At a time when every dollar is expected to earn its keep, Lance said the company's new ventures exploration group, which includes leases in Colombia, Chile, Argentina, and Australia, is only funded this year at $300 million — half its 2020 level. "South America and other places around the world may not compete in the portfolio," he said. "So we'll be looking to monetize those and potentially get out of them."

Louisiana supertanker port set record for oil exports

(Bloomberg; Feb. 2) – U.S. oil exports from Louisiana's offshore supertanker port jumped to a record in January as Asian buyers stocked up for a post-pandemic rebound in fuel consumption. Eight vessels set sail from the Louisiana Offshore Oil Port, the nation's only facility that can fully load supertankers, carrying nearly 15 million barrels of crude to South Korea, China, and India, according to ship-tracking data compiled by Bloomberg. That's double the previous month and an all-time high.

Asian refiner demand has provided major support to U.S. oil as the market rebounds from its worst-ever crash last year. Asia has recovered faster from the pandemic than the rest of the world, helping revive demand for crude and boost U.S. oil prices 13% so far this year. Total U.S. Gulf crude outflows to Asia rose to nearly 51 million barrels in January. Most of the tankers that set sail in January were very large crude carriers, or VLCCs, each capable of carrying as much as 2 million barrels of oil.

Corpus Christi, Texas, builds up oil export capacity

(Bloomberg; Jan. 26) - America's main oil-export hub sees demand picking up from China this year even as a resurgence in the coronavirus clouds the outlook for consumption in the world's biggest importer. The Texas Port of Corpus Christi, home to eight oil export facilities, is laying the groundwork by deepening part of its waterway as two of its customers add storage. With crude stored aboard tankers in Asia being drawn down, the port is pinning its hopes on U.S. exports being able to make up any shortfall.

Although the port was forced to slash its budget last year after oil prices went into freefall, it still managed to see two new export terminals open up, boosting crude outflows to a record 1.9 million barrels a day. The Far East is a key destination for exports and China was the one bright spot in terms of oil demand.

Moda Midstream plans to raise the storage capacity at its Ingleside facility by 1 million to almost 16 million barrels by March, said CEO Bo McCall. Mercuria-backed Pin Oak wants to add 2 million barrels of tankage to its 4-million-barrel Corpus Christi terminal by April, CEO Corey Leonard said. Moda is looking ahead to when the port completes its draft-deepening project in the fourth quarter — it will then be able to load up to 400,000 more barrels aboard supertankers. The port's current draft limits cargo volumes.

U.S. shale industry promises to return smaller but smarter

(Financial Times; London; Jan. 31) - Smaller, slower and more profitable. These are the watchwords for Chesapeake Energy as it emerges from bankruptcy. Free of the colossal liabilities that sank it as the pandemic slashed global energy demand last year, the company has also abandoned the growth-at-all-costs strategy that made it a pioneer of the U.S. shale revolution — and the poster child of the sector's debt-fueled excess.

Chesapeake's market value will be a fraction of the $35 billion it boasted more than a decade ago, back when its controversial founder, the late Aubrey McClendon, was America's best-paid chief executive and his company poured money into everything from Oklahoma real estate to an NBA arena. The new Chesapeake pledges to spend less than it brings in and return the excess to shareholders. Outside the U.S. oil and gas industry, this wouldn't sound radical. Within the business, it is a departure.

The only feature that matched shale's disruptive rise in the past 15 years was the industry's unmatched knack for destroying investors' money, as hundreds of billions of dollars were spent with little return. Wall Street reacted by dumping its stocks. When the worst oil crash in decades hit last year, operators were forced to slash capital spending, dismiss tens of thousands of workers, idle rigs, and cut output. Chesapeake's Chapter 11 filing was just the most high-profile of scores of bankruptcies. Now shale executives promise, a more resilient industry will emerge from the ashes, aiming to woo investors.

Saudi concern over oil demand led to temporary cut in production

(Bloomberg commentary; Jan. 30) - It's starting to look like Saudi Arabia's concerns over the oil demand recovery were well founded. In early January, the joint leader of OPEC+ announced a surprise output cut of 1 million barrels a day for February and March. Its co-chair, Russia, pushing for more production, was granted a small output increase in each of those two months. When Saudi Energy Minister Prince Abdulaziz Bin Salman made the unilateral decision to cut output, he pinned it on fears that the demand recovery was not as strong as it appeared. That appears to have been wise.

Although cold weather across northern Asia has boosted demand for heating fuels, there are worrying signs that the recovery in transport fuel has not only ground to a halt but has actually gone into reverse in some areas. It's not just air travel that's being hit either. Private car use is also falling again in some of the major cities that were proving bright spots for recovery. Traffic delays on Beijing streets have fallen in recent weeks, dropping from elevated post-lockdown highs to below average 2019 levels.

Oil markets enjoyed a rush of exuberance when the first successful vaccine trials were reported late last year, and oil trading for future delivery reflects a positive look forward to a resumption of mass travel. However, Saudi Arabia's eyes were firmly on current demand weakness when it decided to slash output for two months. But the cost of the kingdom's "gift" is much smaller than you might think and, as Prince Abdulaziz noted, even if demand is stronger than expected, it will simply hasten the draining of excess stockpiles, a good thing for pricing. Whatever happens, it will be a win for the kingdom.

China's private refiners have grown over the years

(Bloomberg; Feb. 1) - China's independent refiners have driven a meteoric shift in the global oil market since Beijing gave them permission to import crude in 2015, helping the nation overtake the U.S. as the world's biggest importer and shaking up trade flows. Private processors underpinned a market recovery in 2020 after the Chinese economy rebounded from the COVID-19 pandemic, buying so much cheap oil at one stage that a traffic jam of tankers formed off the coast as they waited to unload millions of barrels.

The foundations for China's private refining industry were laid in Shandong province during the 1960s. To ease resistance to the development of the Shengli oil field, Beijing allowed local governments to build plants to process crude that leaked from pipelines servicing the deposit. Known as teapots because they started out as small and simple refineries, the industry has evolved over the years and now includes larger and more sophisticated plants in other regions including in the provinces of Liaoning and Zhejiang.

China created a huge new global demand center by granting crude import quotas to the independents. Russian oil became a favorite due to its proximity. The list of suppliers has grown to include Angola, Brazil, Oman, Venezuela, and, more recently, Norway. The rise of the independents has swelled domestic fuel supplies and led to a surge in diesel and gasoline exports from China. The teapots have shown a knack for survival. Beijing initially tried to shut down many of them in a bid to consolidate the industry in the hands of state-run refiners, but local government support and tax breaks helped them thrive.

[Last of China’s national oil companies starts toward carbon neutrality]

(S&P Global Platts; Feb. 2) - China's state-run China National Offshore Oil Corp. began planning its roadmap for reaching its carbon emissions peak and to achieve carbon neutrality in a high-level meeting in late January, in line with the central government's net-zero carbon emissions plan by 2060. The initiative makes CNOOC the last of three national oil companies to kick off its long-term plan to reduce carbon emissions, as its larger peers PetroChina and Sinopec made similar announcements in recent weeks.

The national oil companies have yet to put together a firm plan, but similar moves have also been made in the power sector with generation utilities like China's State Power Investment Corp. looking at its emissions targets, indicating a coordinated push among state-owned corporations. CNOOC's participation is key because it is the country's single-largest liquefied natural gas importer and has the highest percentage of its portfolio located overseas among the three national oil companies. It was also one of the first companies globally to import carbon-neutral LNG cargoes.

CNOOC Party Secretary and Chairman Wang Dongjin has said the plan would include development of new energy and new industries, development of offshore wind, and low-carbon transformation. Out of the three national oil companies, CNOOC had stronger profitability and was best positioned to absorb the impact of higher carbon costs even when compared to the top international oil companies, Goldman Sachs said last fall.

[BP’s shift to greener future on track, CEO says]

(Reuters; Feb. 1) - BP plunged to a $5.7 billion loss last year, its first in a decade, as the pandemic took a heavy toll on oil demand, and the company warned of a tough start to 2021 amid widespread travel restrictions. Despite the weak environment, however, CEO Bernard Looney told Reuters the company’s transition to a greener future remains on track. It is aiming to ramp up renewable power generation to 50 gigawatts by 2030 from 3.3 gigawatts currently, while slashing oil output to reduce greenhouse gas emissions.

Capital spending is set to rise to $13 billion this year, of which $9 billion will still go to oil and gas, Chief Financial Officer Murray Auchincloss said. That compares with a budget of $12 billion in 2020. Flagging a weak start to 2021, BP said: “We expect renewed COVID-19 restrictions to have a greater impact on product demand with January retail volumes down by around 20% year on year, compared with a decline of 11% in the fourth quarter.” Oil demand is nevertheless expected to recover in 2021, Looney said.

BP’s shares have lost more than 40% of their value over the past year and remain near 25-year lows, battered by concerns over oil demand due to the pandemic as well as investor doubts over BP’s ability to successfully carry out its an ambitious plan to shift away from fossil fuels to renewable energy.

Unions supported Biden, but they also support pipelines

(Reuters; Jan. 31) - Environmentalists and unions that supported President Joseph Biden now find themselves on the opposite sides of a battle over the construction of big pipeline projects between Canada and the United States. The Biden administration plans to transition the U.S. economy toward net-zero carbon emissions by 2050, which means less oil and gas. The reaction from Biden's supporters, however, illustrates the challenge of managing the impact of the energy transition on different communities.

While climate activists celebrated the president's decision to stop the Keystone XL oil line from Canada into the U.S. Midwest, labor unions, reeling from the oil downturn, have mobilized to keep ongoing projects from being derailed. Mike Knisely, secretary and treasurer of the Ohio State Building and Construction Trades Council, which endorsed Biden, said he has been leaning on state officials to talk to the president about how his climate announcements are affecting his union membership's support.

Climate groups have had successes in recent years, persuading large investors to reduce holdings in fossil-fuel industries, as well as lobbying banks to shun investment in Arctic drilling. But Biden was endorsed by a number of unions that work on pipelines, refineries and other energy installations, including the International Teamsters and North America's Building Trades. Those unions celebrated the victory of a pro-labor president but opposed the Keystone move, and are lining up to support other pipelines.

Insurgency risk builds for Total's Mozambique LNG project

(Business Day; South Africa; Jan. 31) - French oil and gas company Total is facing increased security concerns at its $20 billion Mozambique liquefied natural gas project. The company has been removing staff from the project work site as a three-year-old Islamist militant insurgency in the northern province of Cabo Delgado escalates. Total's project is intended to start production in 2024.

A January risk commentary by IHS Markit noted that the increasing security concerns, along with COVID-19, have "raised major questions over the timelines for such huge undertakings in one of Mozambique's least developed areas." The news has flown largely under the radar, however, as other news of the company's renewable energy investment and its exit from the main U.S. oil and gas lobby group — the American Petroleum Institute — over climate disagreements have attracted more attention.

The worsening security situation is raising the risk of further delays. IHS Markit said that the "ongoing failure by the Mozambican authorities to offer sufficient protection to LNG operators is raising the risks of sustained, long-term postponements of onshore project developments," while scoring Mozambique an "F" for political violence over a five-year outlook. After a local newspaper reported on leaked contracts between LNG developers and the Mozambique government concerning the provision of troops for security, the offices of the newspaper were torched in a suspected arson attack.

Russian lawmaker criticizes LNG competition with pipeline gas sales

(Reuters; Feb. 2) - Russia's flagship liquefied natural gas project, privately owned Yamal LNG, is challenging state gas giant Gazprom in its core European market and should either be taxed or have a limit put on its sales there, a lawmaker said. Pavel Zavalny, head of the energy committee in Russia's lower house of parliament, or Duma, is the loudest voice to date to comment on direct LNG-vs.-pipeline competition between Russian gas suppliers in Europe — something Moscow has said would never happen.

Yamal LNG shipped 33.5 million tonnes of LNG to Europe between 2018 and 2020, Refinitiv Eikon data showed, compared with 8.8 million tonnes to Asia. Led by Russia's top private gas producer Novatek and launched in 2017, Yamal LNG had focused on Asian markets via the Northern Sea Route in Russia's Arctic. The route cuts delivery times to some 20 days from nearly 40 days for ships going to Asia via the Suez Canal.

But Novatek is supplying more LNG to Europe, especially when supplies to Asia are limited wheb thick ice blocks the route. LNG exports are not taxed and Yamal LNG was granted other breaks, which Zavalny said are undermining state revenues. Novatek CEO Leonid Mikhelson told reporters last week it was impossible to regulate the LNG market by law. Zavalny's Duma committee plans to propose that the government considers either taxing LNG to make exports to Europe less attractive or to set a limit on volumes and prices if the gas is sold to the same clients as Gazprom's pipeline gas.

China continues building coal-fired power plants

(Reuters; Feb. 3) - China put 38.4 gigawatts of new coal-fired power capacity into operation in 2020, according to international researchers, more than three times the amount built elsewhere in the world and potentially undermining its short-term climate goals. The country won praise last year after President Xi Jinping pledged to make it "carbon neutral" by 2060. But Chinese regulators have come under fire for failing to control the coal power sector, a major source of climate-warming greenhouse gas.

Including decommissions, China's coal-fired fleet rose by a net 29.8 GW in 2020, even as the rest of the world cut 17.2 GW, according to research released Feb. 3 by Global Energy Monitor, a U.S. think tank, and the Helsinki-based Centre for Research on Energy and Clean Air (CERA). "The runaway expansion of coal-fired power is driven by electricity companies' and local governments' interest in maximizing investment spending, more than a real need for new capacity," said Lauri Myllyvirta, of CREA.

China approved construction of 36.9 GW of coal-fired capacity last year, three times more than a year earlier, bringing the total under construction to 88.1 GW. It has 247 GW of coal power under development, enough to supply Germany. Central government environmental inspectors delivered a scathing assessment of China's energy regulator Jan. 29, accusing it of focusing too much on guaranteeing energy supply. China has been criticized for pursuing an energy-intensive post-COVID recovery based on heavy industry and construction. Experts say new coal plants could become stranded assets.

Rosneft talks big numbers for future LNG development

(Reuters; Feb. 3) - Russia's Rosneft is considering liquefied natural gas projects in the Arctic and other regions with total annual capacity of up to 95 million tonnes, Russian media company RBC reported Feb. 2. Citing two sources close to the government, RBC said the projects were considered as part of the country's LNG strategy at a meeting chaired by Deputy Prime Minister Alexander Novak last month. Rosneft has long talked about getting into the LNG business but has yet to commit to a project.

The projects are a part of Russia's plans to boost its production of LNG to 140 million tonnes a year by 2035 from 30.5 million tonnes at present. Russia already has two large LNG producing plants. Yamal LNG is led by Novatek in the Arctic, while Gazprom's Sakhalin Energy is in the Far East. RBC said Rosneft, headed by Igor Sechin, a long-standing ally of President Vladimir Putin, is studying plans to build a plant known as Kara LNG with capacity of up to 30 million tonnes per year in the Arctic.

It is also looking into possibly setting up a plant, Taymyr LNG, also in the Arctic, with a capacity of 35 million to 50 million tonnes per year, as part of its giant Vostok Oil energy project, in which international oil and gas trader Trafigura recently bought a 10% stake. Rosneft also has plans to build an LNG plant as part of its Sakhalin-1 oil and gas project in the Russian Far East. However, a lack of natural gas resources for the plant has hobbled implementation of the project.

LNG carrier makes winter transit of Northern Sea Route

(The Barents Observer; Norway; Feb. 3) - Never before has a commercial ship crossed Russia's Northern Sea Route in February. The 981-foot-long liquefied natural gas carrier operated by Sovcomflot was off the coast of Kamchatka in the Russian Far East on Feb. 3. The powerful ship has a northbound course and is due to arrive to take on a load at the Yamal LNG export terminal in Sabetta on Feb. 17. The ship left from the Chinese port of Yangkou on Jan. 27, data from ship traffic service MarineTraffic shows.

At the same time, a nuclear-powered icebreaker was sailing eastward toward the East Siberian Sea, and the two ships could meet near the Bering Strait for the icebreaker to escort the LNG carrier westward through thick sea ice. The straits between the mainland and archipelagos Severnaya Zemlya and New Siberian Islands are covered by thick fast ice, while the remaining part of the area has one-year-old sea ice that is up to six feet thick. There is no multi-year old ice in the area.

The operations are part of a series of experimental shipments along the remote and icy shipping route. The experiments are conducted in cooperation with gas producer Novatek and nuclear power company Rosatom. It is part of a bid to show that the route can be used in winter.

BP sells stake in Oman gas block to raise $2.6 billion

(Bloomberg; Feb. 1) - BP will sell a stake in an Omani gas block to Thailand's national energy firm for $2.6 billion, part of its push to divest billions of dollars of assets and focus more on renewable energy. PTT Exploration and Production Public Co. has agreed to buy 20% of Block 61, according to statements from both companies Feb. 1. The deal should help BP deliver on its goal of selling $25 billion of assets by 2025, easing its debt burden after the coronavirus pandemic hammered demand for energy.

The price of the Oman stake is "attractive" for BP compared with historical transactions, analysts at Bernstein including Oswald Clint wrote in a research note. The sale reinforces their view that BP will restart share buybacks as early as mid-2021. The company committed to purchasing its own stock once net debt is trimmed to $35 billion from around $40 billion at the end of September.

Block 61 is BP's biggest asset in Oman and has a daily production capacity of 1.5 billion cubic feet of gas and more than 65,000 barrels of condensate, a light form of oil, according to the company. It expects the deal to close this year, after which it will remain the block's operator and its biggest shareholder at 40%. Block 61 has been developed in two phases: Khazzan, which started up in 2017, and Ghazeer, which started operating in October. The block can meet about 35% of Oman's gas demand.

Production problems reduce oil flow in Nigeria and Angola

(Bloomberg; Feb. 1) - West Africa's oil exports slumped to the lowest level in at least three years last month, as infrastructure woes for some of Nigeria's biggest streams combined with gradually waning output in Angola. Combined flows from the region fell to 3.41 million barrels a day in January from 3.8 million barrels a day in December, according to tanker-tracking data compiled by Bloomberg. It was the lowest for both countries since January 2018, when Bloomberg started monitoring shipments in detail.

Nigeria — West Africa's biggest oil producer — has seen its shipments curtailed in recent months by infrastructure issues affecting several of its biggest crude streams. The nation's loadings fell to 1.37 million barrels a day in January, the lowest for four years, according to data compiled by Bloomberg. ExxonMobil's Qua Iboe stream was placed under force majeure until late January following a fire in mid-December at the oil export terminal. Revised loadings of Qua Iboe slumped to about 61,000 barrels a day over December and January, one-third of the average last year, the loading data show.

Nigeria's Brass crude flows also slumped as shipments were rescheduled after pipeline problems late last year. Eni lifted a force majeure — a clause in contracts that allows deliveries to be suspended — on Brass exports mid-December following repairs to two pipelines that feed the oil terminal. Angola's declining output is symptomatic of a longer-term slide in the country's flow. Africa's second-largest oil producer shipped 1.05 million barrels a day last month, slumping from an average 1.25 million barrels a day last year.

Russia plans to trim oil exports to meet local refinery demand

(Bloomberg; Jan. 26) - Russia plans to cut its seaborne oil exports from western ports to a three-month low in February as the country diverts crude into its refineries to help reduce record-high fuel prices. The world's second-largest exporter will cut overseas shipments of Urals crude by almost 20% in February, according to a loading program seen by Bloomberg. The oil is being diverted to Russian refineries, boosting supplies to domestic markets where fuel prices are the highest in ruble terms since at least 2008.

The rising cost of gasoline and other basic goods is adding to the political pressure on President Vladimir Putin. His support, which fell to a record low last year amid the pandemic, is facing a fresh challenge from protests after the imprisonment of opposition leader Alexey Navalny. Earlier this month, in an effort to curb rising food prices, the Kremlin intervened in the wheat market — of which Russia is a major exporter.

Russia's oil-market move, together with tighter supply from Saudi Arabia and Iraq next month, is supporting global crude prices, offsetting the impact of surging cases of coronavirus in Europe and elsewhere. In February, Russia will ship about 1.13 million barrels a day of the key Urals grade from two Baltic Sea ports and one in the Black Sea, according to loading programs. That compares with 1.38 million barrels in January.