BANKING / INVESTMENTS \ ADVISORY

ABLV

Global Financial Market: Topical Issues in June

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Results of June 2012

Macroeconomic reports published in June continued to indicate that the debt crisis in the euro area has a negative impact on not only European but also the entire world economy.

In turn, the crisis in the euro area made a new turn in June, and Spain and Cyprus asked the European Union for aid, thus becoming the fourth and fifth country in the euro area, which resorted to replacement of market financing with non-market lending.

But the central event of the month was a meeting of EU leaders at another one, 19th anti-crisis summit held in the last days of June, in a situation of Spain possible slippage in a full-blown debt crisis.

This dangerous situation has led to the fact that this time the EU leadership acted more resolutely, and a number of really important decisions for the euro area and the entire Union were made at the summit.

Caused by these decisions, the sharp price rise in risky markets, including on the global stock market, has allowed the majority of the world's stock exchanges to close the month with growth, and global stock index MSCIWR returned to positive territory after the collapse in May.

At the same time one of the world's leading indexes monitored by us – Mexican MXX – even managed to reach a new historical maximum.

On the bond market, in the sector of emerging markets and PIIGS, there was also an increase in prices observed, and safe haven markets demonstrated fall, standing for the return of appetite for risky assets on the market.

In the currency market, the month was marked by a slight weakening of the dollar to the developed currencies and the more substantial fall of the same to the developing currencies, which is also characteristic of weakening crisis processes.

In the markets of precious metals, the month was not very volatile, and the trends were different – gold and platinum were able to show a slight increase, while silver and palladium closed the month with falling prices.

In the oil market, the month was marked by a significant drop, with Brent falling by 9% more in addition to 14% decline in May, and the price per barrel of the same fell shortly under $90, but given the burst of optimism at the end of the month has risen to $95.

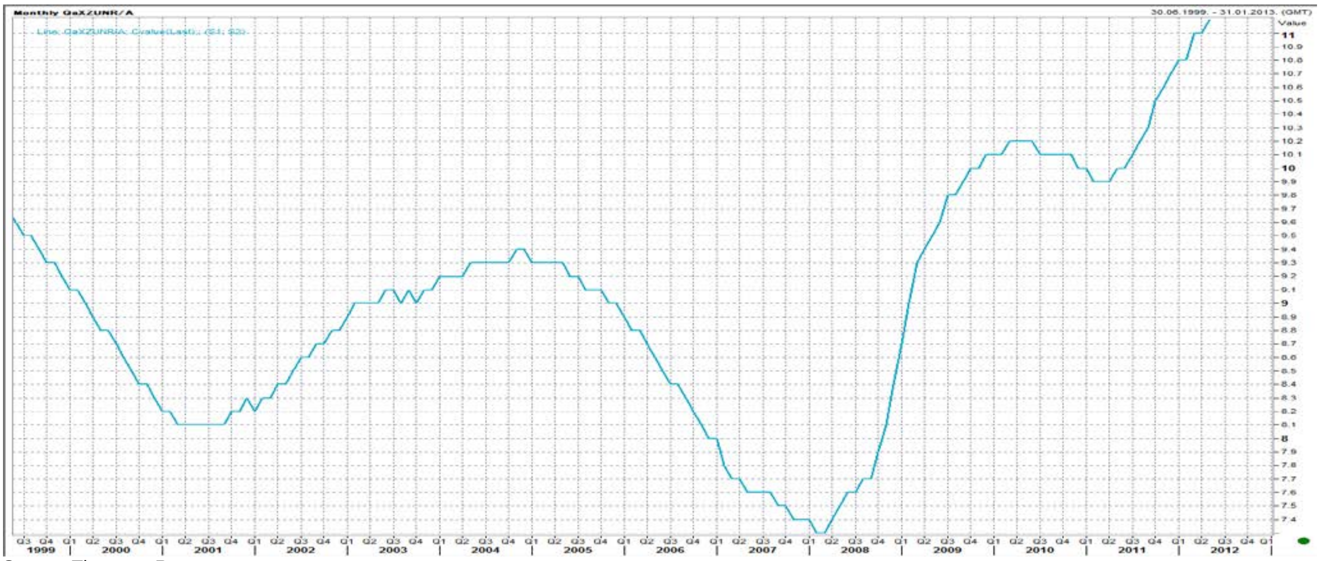
Situation in financial and economic system

Macroeconomic reports published in June continued to indicate that the debt crisis in the euro area has a negative impact on the entire world economy, while most serious problems are localized in Europe.

The indexes of business activity in the euro area manufacturing and services in June continued to stay below the equilibrium rate of 50 (45.1 and 46.4) and have been there from the middle of 2011, pointing to a prolonged reduction in both leading sectors of the economy.

Whereas the unemployment rate in the euro area in May set a new historical record – 11.1%, rising over the last year by 1% more (i.e., an increase of 10%, see Fig. 1).

Fig. 1. Dynamics of changes in the level of unemployment in the euro area, monthly lines



Source: Thomson Reuters

Given the situation, the ECB at its meeting on 5 June is likely to lower the financing rate to 0.75%.

The economic situation is also extremely difficult in the UK, which has not joined the euro area, where entering into a recession has been observed according to the results of the last two quarters (GDP -0.3% and -0.2%).

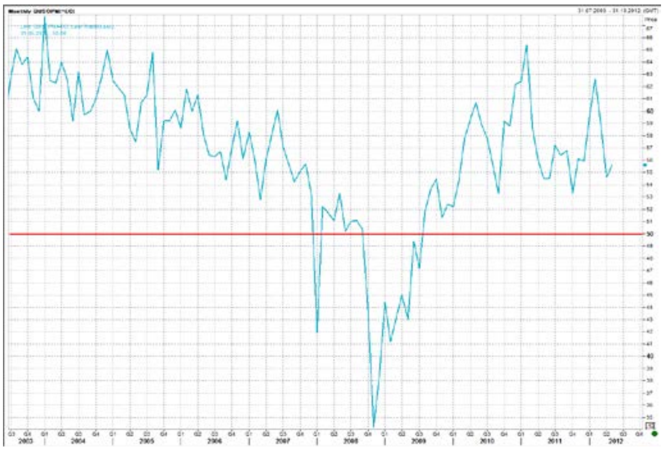
Given this situation, in June, Finance Minister George Osborne and the Governor of the Bank of England Mervyn King announced new plans to stimulate the banking sector and advancement of lending to the economy and households.

Ministry of Finance launches a program of preferential subsidies to banks, the amount of which is £80 billion. In turn, the Bank of England will launch a scheme to monthly provide six-month loans to banks, equal to £5 billion at least, under favourable conditions.

Recall that the Bank of England has authorized the purchase of government bonds worth £330 billion since 2009 and holds interest rates at a record low for the entire 317-year history of the bank – at 0.5%.

The situation in America seems to be much more preferable, but index of production for June was 49.7 there, falling below the equilibrium level of 50 for the first time since 2010, but the index for services was ... and still evidences a continued expansion in the sector since the beginning of 2010 (see Fig. 2).

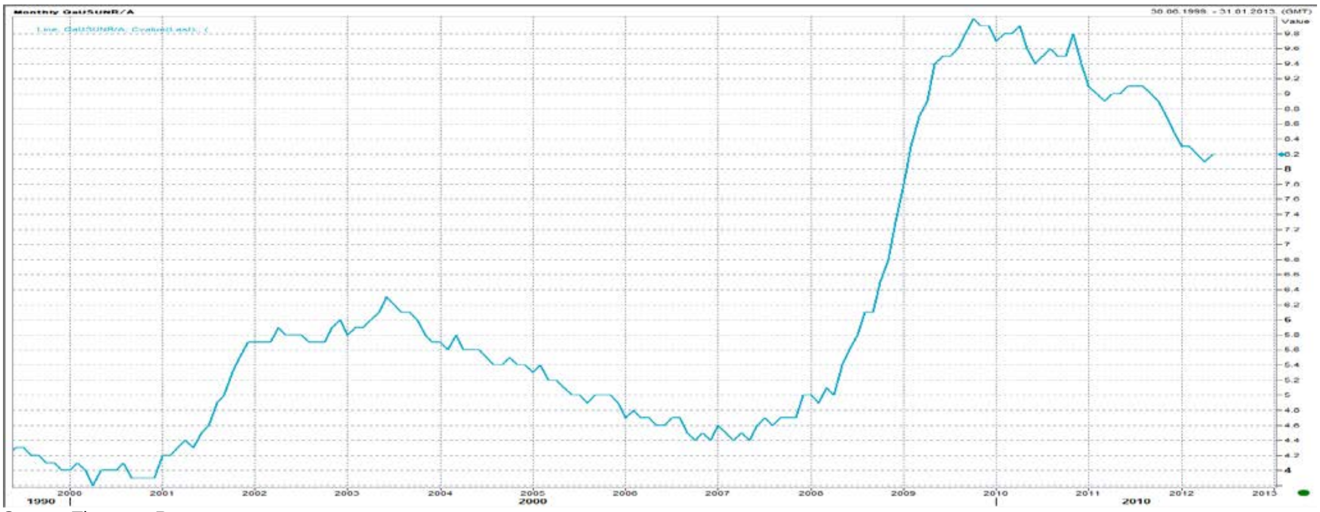
Fig. 2. Dynamics of the movement of indexes of business activity in the U.S. manufacturing and services



Source: Thomson Reuters

The pace of economic growth has also slowed in the U.S., amounting to 1.9% in Q1 2012, against 3% in Q4 2011 (year-on-year), and the unemployment rate in May showed an increase for the first time in the year, rising from 8.1% to 8.2% (see Fig. 3).

Fig. 3. Dynamics of changes in the level of unemployment in the U.S., monthly lines



Source: Thomson Reuters

However, at the June meeting, the FRS, despite the expectation of many market participants for new measures to stimulate the economy, there was only made a decision to extend the program "Operation Twist" from the end of June until the end of this year and allocate another $267 billion, in addition to the initial $400 billion, to it.

This will not increase the dollar monetary base (as you don’t get more cash by putting it from one pocket to another), and the FRS balance sheet will continue to remain near $2.85 trillion.

But the extension of Twist will definitely allow long-term rates to stay low and will support the public debt market, preventing the U.S. from slipping into debt crisis, following the scenario of troubled euro area countries.

The slowdown is increasingly affecting the locomotive of the global economy – China's economy, where the "official" manufacturing PMI fell below 50 in June, for the first time since November 2011 (PMI index calculated by HSBC is below 50 since November 2011).

This and other indicators of weakening Chinese economy have led to the fact that the Central Bank of China has lowered the base refinancing rate by 0.25% to 3.25% for the first time since 2008.

Debt crisis in the euro area, the June round

After Fitch and Moody's rating agencies downgraded Spain's sovereign credit rating by three levels in the first half of June due to problems in the banking system, the Spanish government was forced to seek financial aid from the European Union.

The main purpose of the requested loan is bank recapitalization, and its amount could reach €100 billion (authorities' attempts to get help from EU institutions directly to banks failed), i.e., about 10% of GDP.

The exact amount will be known after further negotiations, and the Spanish government had hoped to get money at a rate of about 3% -4%.

Thus, all countries of the **PIGS** club were forced to replace the market financing with non-market lending from international sources (see Fig. 4).

Fig. 4. Amount of aid compared with GDP of PIGS countries

Source: Financial Times

It should be noted that according to the results of 2011 Spain has the lowest ratio of public debt to GDP among problematic countries of the euro area (current public debt is equal to 72% of GDP) and showed not the biggest budget deficits (see Tab. 1).

Table 1. Table of public debt and budget deficits of some countries with high debt

		2011 (forecast)		2010		2009		2008	
Country	**Public debt**	**Public debt to GDP**	**Budget to GDP**	**Public debt to GDP**	**Budget to GDP**	**Public debt to GDP**	**Budget to GDP**	**Public debt to GDP**	**Budget to GDP**
Japan	$12 trillion	233%	-10%	220.3%	-9.5%	216.3%	-10.3%	195%	-4.2%
Greece*	€253 bn	130%	-7.4%	142.8%	-10.5%	127.1%	-15.4%	110.7%	-9.8%
Italy	€1.9 trillion	121%	-4.4%	119.0%	-4.6%	116.1%	-5.4%	106.3%	-2.7%
Ireland	€177 bn	106%	-10.8%	96.2%	-32.4%	65.6%	-14.3%	44.4%	-7.3%
Belgium	€355 bn	100%	-3.9%	97.1%	-4.1%	96.2%	-5.9%	89.6%	-1.3%
USA	$15 trillion	100%	-10.3%	91.6%	-10.6%	84.6%	-12.7%	71.2%	-6.4%
Portugal	€156 bn	93%	-5.6%	93.0%	-9.1%	83.0%	-10.1%	71.6%	-3.5%
France	€1.7 trillion	87%	-6.0%	81.7%	-7.0%	78.3%	-7.5%	67.7%	-3.3%
England	£1.3 trillion	86%	-8.4%	80.0%	-10.4%	69.6%	-11.4%	54.4%	-5.0%
Germany	€2.1 trillion	85%	-2.3%	83.2%	-3.3%	73.5%	-3.0%	66.3%	0.1%
Spain	€693 bn	68%	-6.1%	60.1%	-9.2%	53.3%	-11.1%	39.8%	-4.2%

Source: Bloomberg, Eurostat, EconomyWatch
* after restructuring in March 2012, public debt of Greece fell from €360 billion to €253 billion, and its ratio to GDP from 165% to 130%

However, Spain's economy has other serious problems: it has the highest unemployment in the EU – almost 25%, and GDP has shown negative growth for 3 consecutive quarters already, indicating a deep recession.

After receiving aid, deficit and debt of Spain will seriously deteriorate and may increase in 2012 up to 10%-15% and 80%-85% respectively.

In late July, Cyprus also turned to the European Union for aid, becoming the fifth euro area country (or rather, the fourth, since asked for aid before Spain, at the end of 2011, but it was denied) which was unable to cope with the financial situation.

The amount requested by Cyprus is not yet known, but the country needs from €2 billion to €4 billion to recapitalize the country's banks, and by some estimates, the total amount of aid could reach €10 billion, which exceeds 50% of Cyprus GDP.
The appeal was made after the agency Fitch, following Moody's and S&P, downgraded the country's rating to "junk."

This time, the EU is likely to provide aid, but as one of the conditions may require the elimination of Cyprus favourable tax regime for multinational corporations, which will impact on the Cyprus economy model.

Media reported that authorities are engaged in alternative negotiations with China and Russia, and asked Moscow for a new loan of €5 billion, but the Russian authorities are unlikely to dare to help its largest offshore for the second time in six months.

The June EU summit – forced efficiency

Given the situation of Spain possible slippage in the large-scale debt crisis, leaders of the EU countries gathered at another, 19th, anti-crisis summit in the last days of June.

Insecurity has led to the fact that this time the EU leaders acted more decisively, and even disagreements between Merkel and "progressive" wing, led by French President Hollande, went by the wayside.

The summit adopted a number of decisions really important for the euro area and the entire Union.

Stabilization funds of the European Union (temporary EFSF and a permanent ESM starting in July) were entitled to provide direct financial assistance to European banks, including direct capitalization of the banks.

In fact, this is the first step towards the creation of a bank union – a supranational body that will control the banks, guarantee the return of deposits and, if necessary, perform operations to recapitalize the banks in crisis situation.

In addition, it was agreed that the stabilization funds will be able to use their resources to buy back government bonds of the problem countries, thus playing the CB role of the "lender of last resort" at the market.

It is assumed that the assistance will be provided to the Spanish banks applying the new mechanism before the end of this year.

At the same time, the money allocated to the Spanish banks will not formally increase the amount of total public debt of Spain (and no other EU country!). Despite the guarantees of approximately €100 billion provided by the countries under the funds' bonds.

Consciously or unconsciously, the EU leadership this way is actually trying to "outwit" the debt market.

However, it is possible that such a move will not work. Given a substantial increase in the amount of borrowing through the EFSF and ESM, yield of funds' securities may also soar sharply, drawing the whole euro area and the EU system in crisis.

Another important decision of the summit was the signing of the pact for growth and employment, providing for the allocation of €120 billion for projects to develop and modernize the European infrastructure.

The objectives of the pact are to support economic growth in Europe and bring down the protests, giving work to those who lost it as a result of fiscal discipline policy.

The amount of the project is about 1% of the Union GDP, and the new pact will boost government spending, contradicting the Stability Pact signed in early March.

This is a significant departure from the policy of the former euro area leaders Merkel and Sarkozy towards the principles declared by the U.S. leadership.

Recall that earlier leaders of the U.S. and the euro area defended two nearly opposite ways out of the situation present in developed countries, where there is a weakening of economic growth combined with sharply rising public debt observed.

The U.S. approach (in fact, it is also supported by the leaders of the UK and Japan) implies keeping public spending at a high level, and the central bank implementing aggressive policy of supporting public debt market.

The second one, proclaimed by Merkozy, proposed a sharp reduction in government spending and limited use of CB in public debt market, in order to restore market confidence and ensure effective rebalancing of the economy.

It is difficult to find out which of these approaches is correct, but the American approach clearly shows better results so far (which does not mean this approach is guaranteed from causing more negative consequences in the more distant future).

Global stock market

In June, positive trends prevailed in the global stock market and most of the world's stock exchanges closed the month with a good growth, but almost all indexes monitored by us closed the second quarter with a decrease. Nevertheless, according to the results of June, the global stock index MSCIWR was able to return to positive territory since the beginning of the year (see Tab. 2).

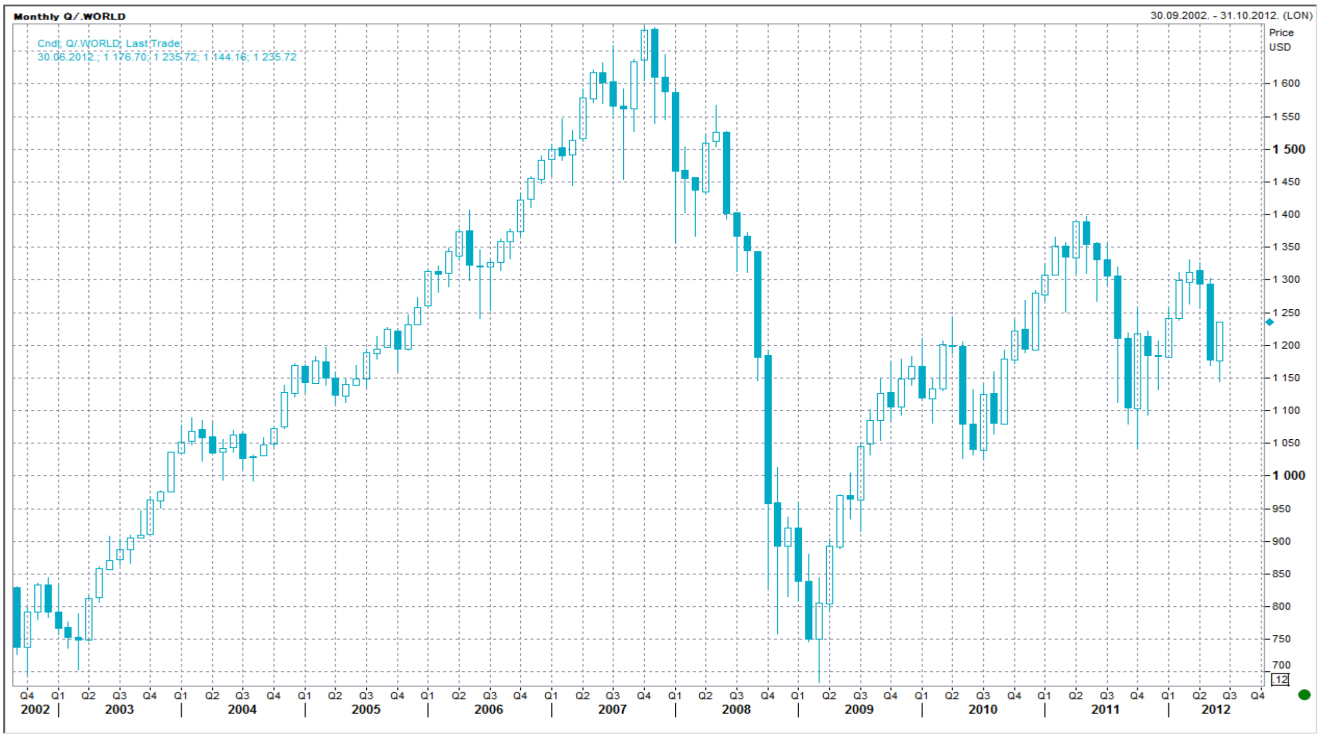
Table 2. The dynamics of movements of several leading world stock market indexes

Stock index	P/E	2003-2007	2008	2009	2010	2011	Q1 2012	April 2012	May 2012	June 2012	Q2 2012	Since the beginning of 2012
DJI (USA)	12.7	59.0%	-33.8%	18.8%	11.0%	5.5%	8.1%	0.0%	-6.2%	3.9%	-2.5%	5.4%
S&P 500 (USA)	13.4	66.9%	-38.5%	23.5%	12.7%	0.0%	12.0%	-0.8%	-6.2%	4.0%	-3.3%	8.4%
Nasdaq Comp. (USA)	16.1	98.6%	-40.5%	43.9%	16.9%	-1.8%	18.7%	-1.5%	-7.2%	3.8%	-5.0%	12.7%
GDAX (Germany)	13.8	178.9%	-40.4%	23.8%	16.1%	-14.7%	17.8%	-2.7%	-7.4%	2.4%	-7.6%	8.8%
FTSE (UK)	10.6	61.5%	-31.0%	23.2%	9.0%	-5.6%	3.5%	-0.5%	-7.5%	5.0%	-3.4%	0.0%
CAC (France)	10.1	83.2%	-42.7%	22.3%	-3.4%	-17.0%	8.4%	-6.2%	-6.1%	5.9%	-6.7%	1.2%
N225 (Japan)	21.5	78.4%	-42.1%	19.0%	-3.0%	-17.3%	19.3%	-5.6%	-10.3%	5.4%	-10.7%	6.5%
RTS (Russia)	4.8	537.9%	-72.4%	128.6%	22.5%	-22.0%	18.8%	-2.6%	-22.3%	8.7%	-17.7%	-2.2%
MICEX (Russia)	4.4	492.3%	-67.2%	121.1%	23.2%	-16.9%	8.3%	-3.0%	-11.3%	6.1%	-8.7%	-1.1%
SSEC (China)	16	287.4%	-65.4%	80.0%	-14.3%	-21.7%	2.9%	5.9%	-1.0%	-6.2%	-1.6%	1.2%
HSI (Hong Kong)	9.2	198.4%	-48.3%	52.0%	5.3%	-20.0%	11.5%	2.6%	-11.7%	4.4%	-5.4%	5.5%
KOSPI (Korea)	20.3	202.3%	-40.7%	49.7%	21.9%	-11.0%	10.4%	-1.6%	-7.0%	0.6%	-7.9%	1.6%
TWII (Taiwan)	21.6	91.0%	-46.0%	78.3%	9.6%	-21.2%	12.9%	-6.0%	-2.7%	-0.1%	-8.6%	3.2%
SENSEX (India)	14.1	500.7%	-52.4%	81.0%	17.4%	-24.6%	12.6%	-0.5%	-6.4%	7.5%	0.1%	12.8%
BOVESPA (Brazil)	11.8	467.0%	-41.2%	82.7%	1.0%	-18.1%	13.7%	-4.2%	-11.9%	-0.2%	-15.7%	-4.2%
IPC (Mexico)	15.7	382.1%	-24.2%	43.5%	20.0%	-3.8%	6.6%	-0.1%	-4.0%	6.1%	1.7%	8.4%
TOP40 (South Africa)	11.2	202.4%	-25.9%	28.6%	14.6%	-0.6%	4.0%	2.6%	-3.8%	1.5%	0.1%	4.1%
MSCI WD (world)		100.6%	-42.1%	27.0%	9.6%	-7.7%	11.0%	-1.4%	-9.0%	4.9%	-5.9%	4.5%
MSCI EM (emerging)		326.6%	-54.5%	74.4%	16.4%	-20.4%	13.6%	-1.2%	-11.9%	3.4%	-10.0%	2.3%

Source: Thomson Reuters,Bloomberg, ABLV Bank

The global MSCI index rose by 4.9% in June and returned above the opening level, at 4.5% (see Fig. 5).

Fig. 5. Dynamics of the MSCI WORLD index, monthly bars



Source: Thomson Reuters

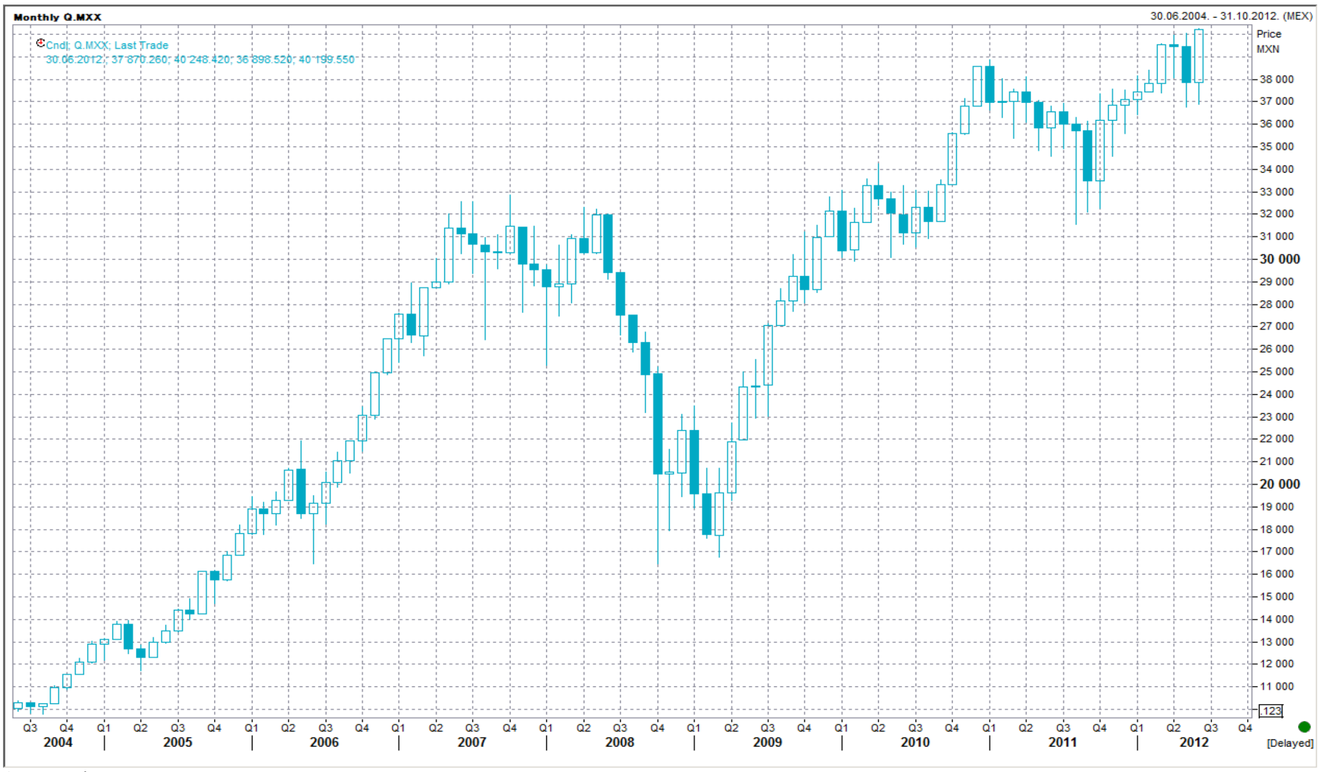
Emerging markets index MSCI EM grew less significantly this time – by 3.4% (see Fig. 6), but also rose above the opening of trading in 2012 by 2.3%.

Fig. 6. Dynamics of the MSCI EMERGING MARKETS index, monthly bars

Source: Thomson Reuters

At the same time one of the world's leading indexes monitored by us – Mexican MXX, which became one of the growth leaders – even managed to reach a new historical maximum (see Fig. 7).

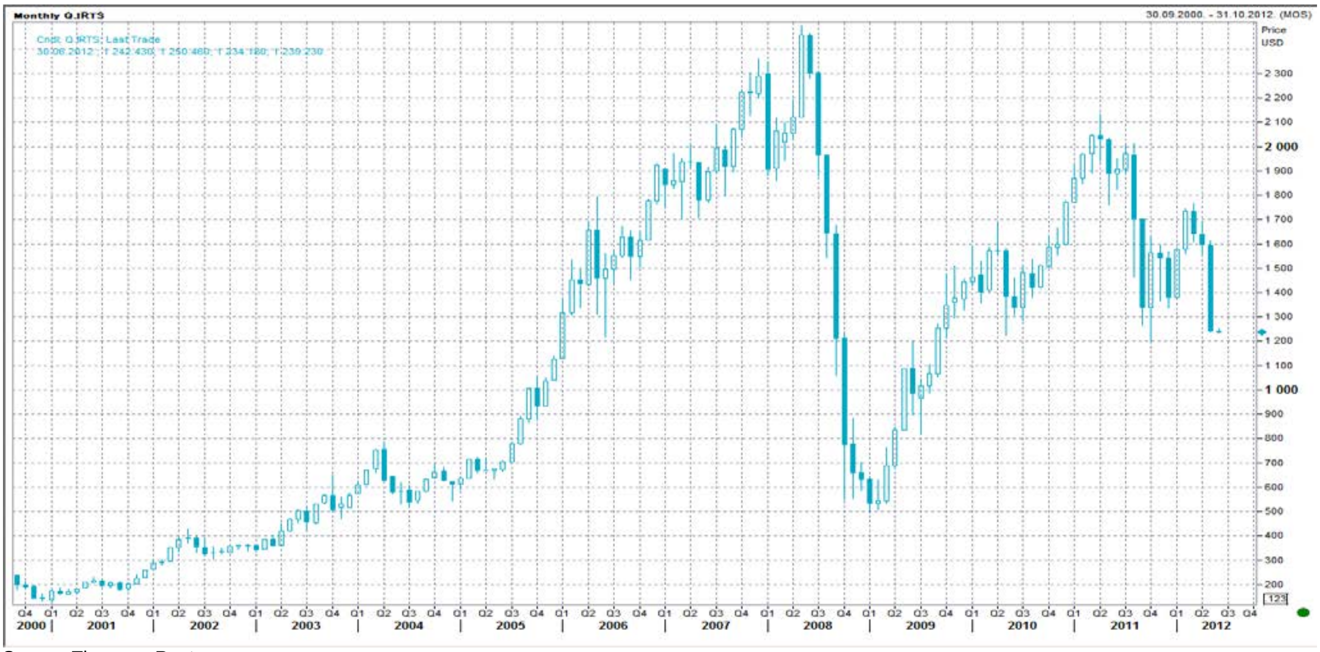
Fig. 7. Dynamics of MXX index, monthly bars



Source: Thomson Reuters

The best dynamics among indexes monitored by us was shown by the leader of the fall in May – Russia's RTS, which grew by 8.7%. However, 2.5% of this growth was provided by recovering rouble (see Fig. 8).

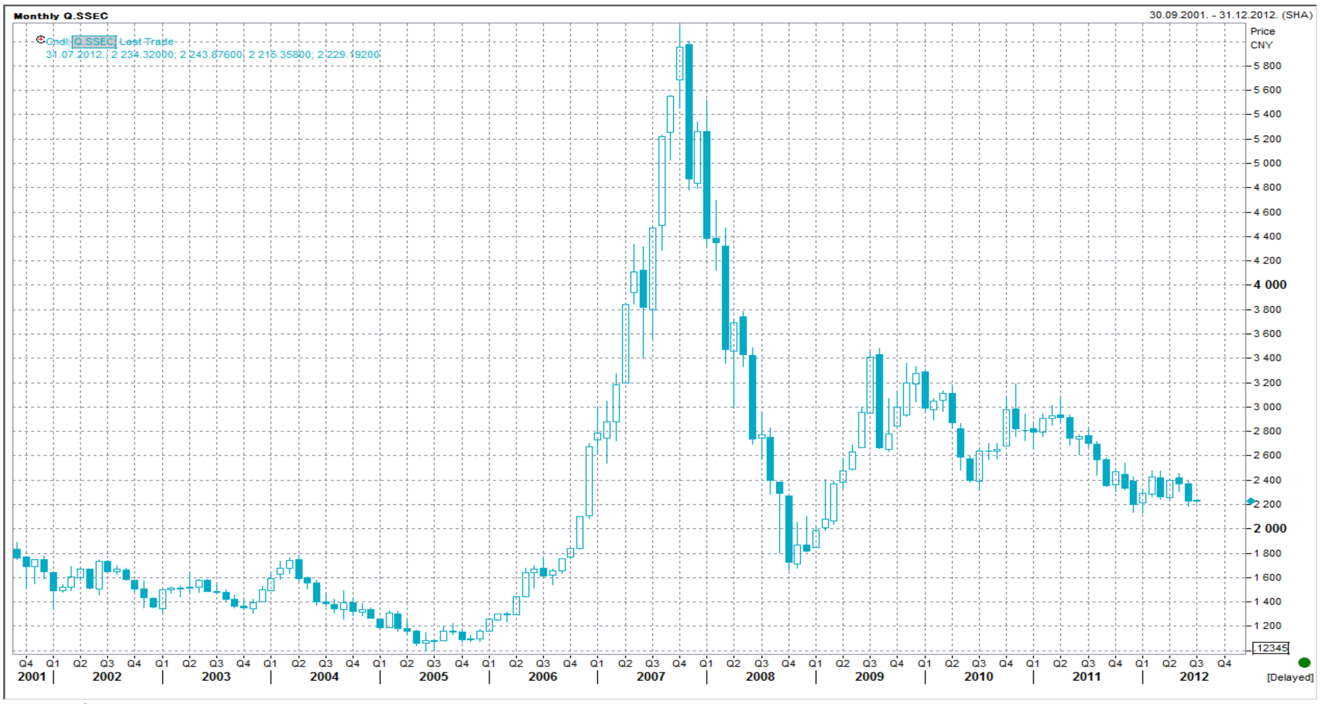
Fig. 8. Dynamics of RTS index, monthly bars



Source: Thomson Reuters

But the worst dynamics among the indexes monitored by us was demonstrated by China's SSEC, which experienced the smallest fall in May, decreasing by 6.2% in June (see Fig. 9).

Fig. 9. Dynamics of SSEC index, monthly bars



Source: Thomson Reuters

Our assessment of future scenarios

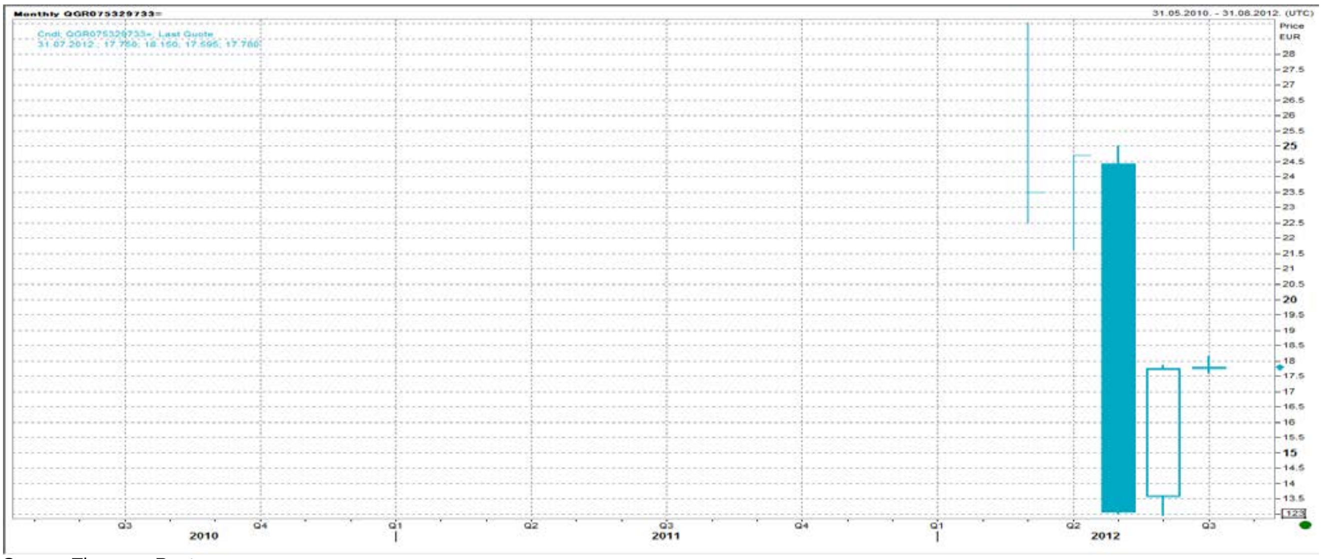
Strong decline in prices in May confirms fears expressed in our previous reviews, i.e., the risk that increasing debt crisis in the euro area can return strong negative trends to the market. However, one can continue to adhere to our proposed strategy for entering the market, choosing the "strong" companies (or indexes) with low P/E and high Div. Yield (see table). Even if strong negative trends return to the market, the high level of dividends will allow investors to outwait the period of market decline, receiving a steady cash flow in the form of dividends, which currently exceeds yield under government bonds of the leading countries. Whereas in case growth is resumed, the investor will gain considerable profit due to increase in stock prices.

Global bond market

On the global bond market in June in the sector of emerging markets and PIIGS there were observed strong positive trends, while the safe haven markets faced falling prices, which is characteristic of periods of crisis easing.

Among the PIIGS securities, strong growth was demonstrated by leaders of fall in May – Greek securities. In June 10-year Greek bonds grew by 30% (see Fig. 10), and their yield decreased from 31% to 26%.

Fig. 10. Dynamics of price movements of 10-year bonds of Greece, monthly bars

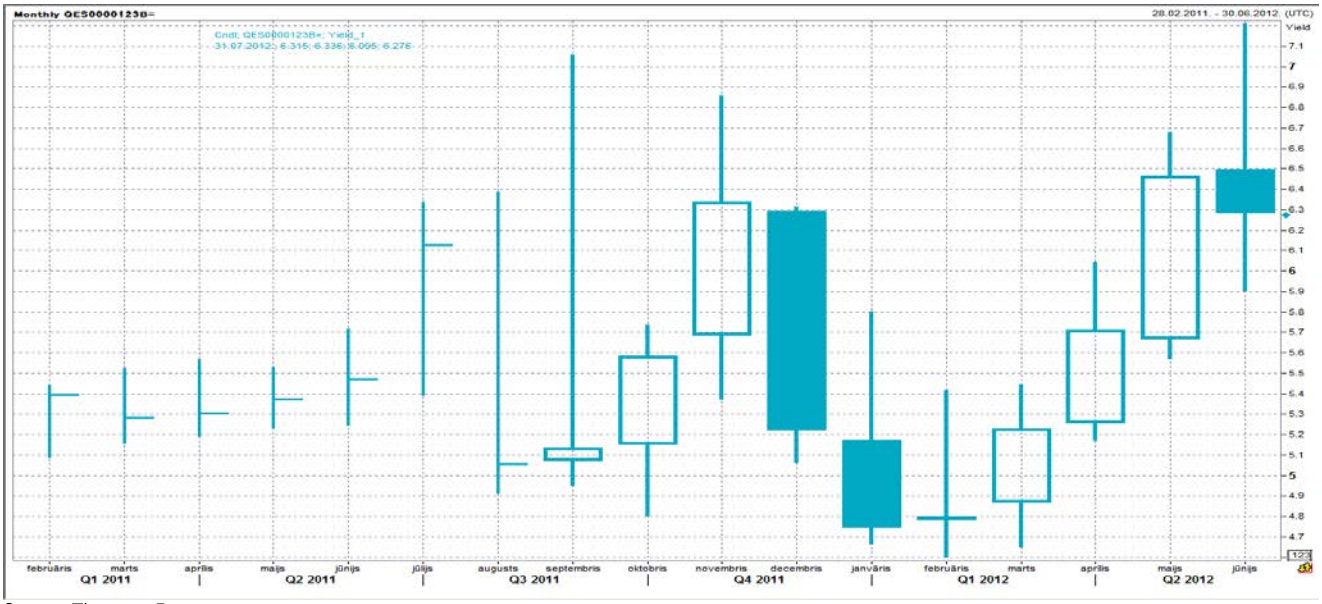


Source: Thomson Reuters

Growth over the month was also shown by securities of all other members of the PIIGS club, including the Portuguese securities rising by 14%.

However, in the first half of the month, the Spanish securities demonstrated a strong decline, given the escalating banking crisis in the country. At the same time, the yield on benchmark 10-year Spanish bonds rose shortly above the critical level of 7% (see Fig. 11).

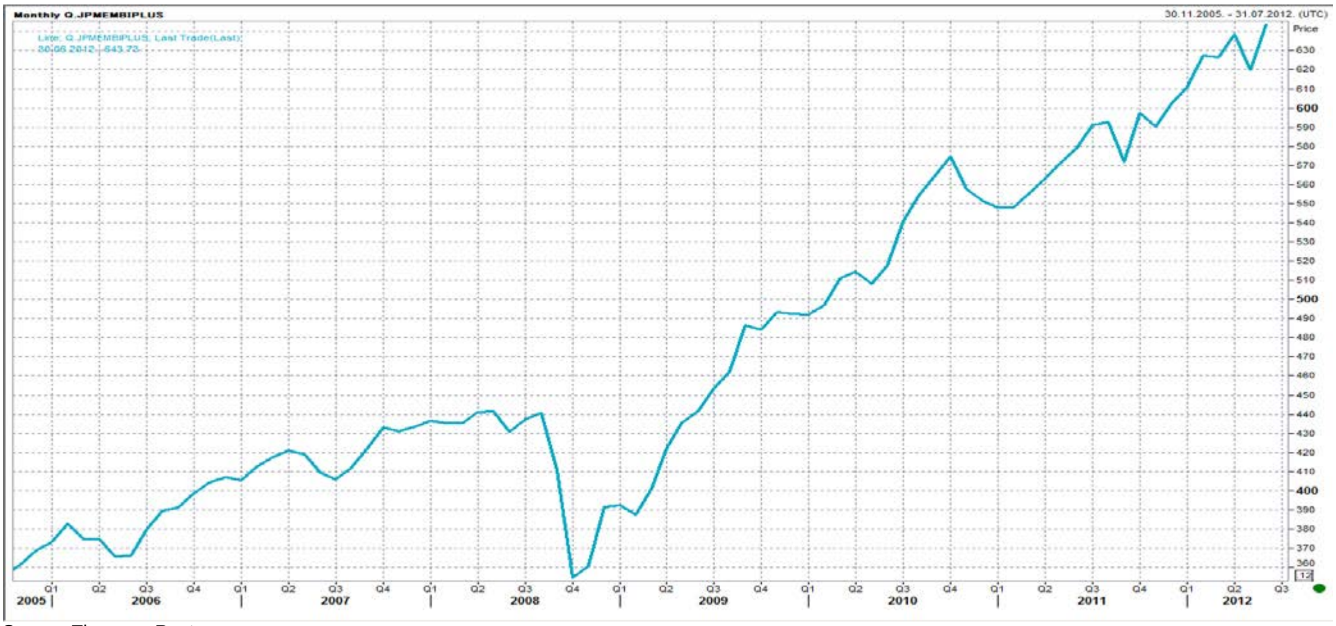
Fig. 11. Dynamics of yield movements of 10-year bonds of Spain, monthly bars



Source: Thomson Reuters

In the sector of public debt of developing countries in June there was also a return of positive trends after the active sale of securities in May, and the EMBI + index closed the month with an increase by 3.85%, after falling by 2.9% in May (see Fig. 12), and its spread to treasuries has fallen by 57 basis points to 3.6%.

Fig. 12. Dynamics of the EMBI+ index, the monthly closures line



Source: Thomson Reuters

In the emerging market corporate bonds there was a smaller growth, and the index CEMBI rose over the month just by 2.3%. RUBI index of Russian corporate securities showed almost equal increase by 2.2%.

In the U.S. bond market in June, there was a drop in prices, given the return of investors' appetite to riskier assets, and the yield on 10-year treasuries went from a new historic low 1.55% to 1.65% (see Fig. 13).

Fig. 13. Yield dynamics of the U.S. 10-year government bonds, monthly bars

Source: Thomson Reuters

The U.S. 30-year securities have also fallen, and their yield rose from 2.6% to 2.75% over the month.

The prices of German securities, which play the role of safe haven in the euro area, dropped even more significantly, and the yield on 10-year and 30-year bunds increased from their historical lows 1.2% and 1.8% to 1.6% 2.3% respectively.

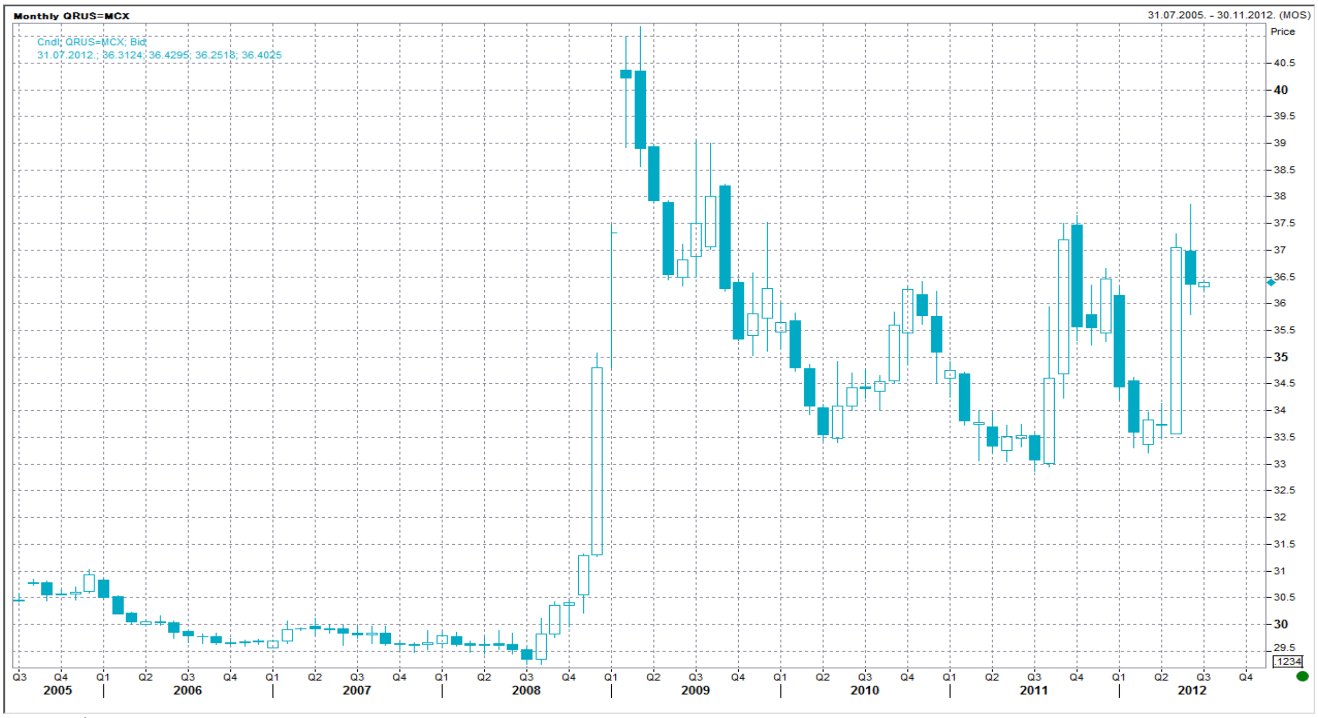
Global currency market

In the currency market, June was marked by a slight weakening of the dollar to the developed currencies and the more substantial fall of the same to the developing currencies, which is also characteristic of weakening crisis processes.

Among the developing currencies, the greatest increase against the dollar, as usual, was shown by the leaders of the fall of the previous months – Hungarian forint, Mexican peso and Polish zloty, which grew by 7.5%, 6.9% and 6.4% respectively.

The Russian rouble, also a former leader of the fall of last months, showed a smaller increase to the dollar – only by 3%, and its growth to the euro-dollar basket was 1.6% (see Fig. 14).

Fig. 14. Dynamics of the Russian rouble to euro-dollar basket, monthly bars



Source: Thomson Reuters

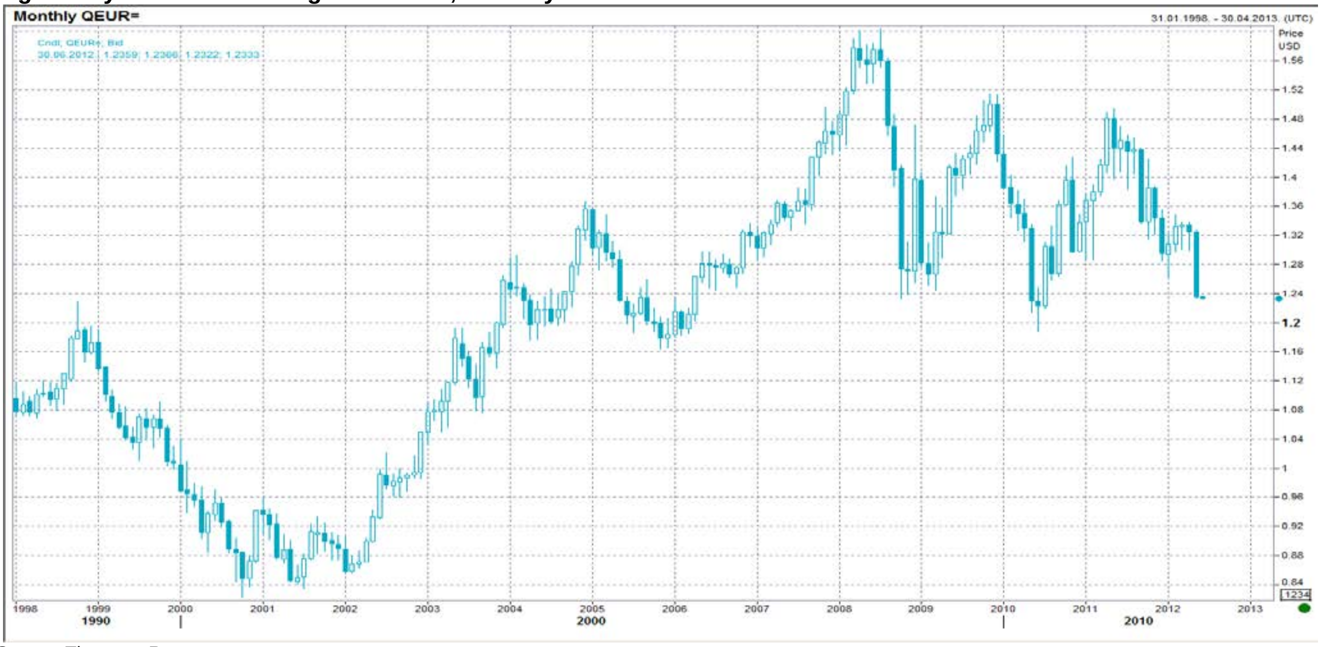
The dollar index – dollar's rate against six leading world currencies – closed June with a decrease by 1.8% (see Fig. 15).

Fig. 15. Dollar index dynamics, monthly bars

Source: Thomson Reuters

As for the main rival of the dollar – euro, the U.S. currency fell by 2.4% over the month, which, however, is not much compared to its strong growth by 6% in May (see Fig. 16).

Fig. 16. Dynamics of euro against dollar, monthly bars



Source: Thomson Reuters

Our assessment of future scenarios

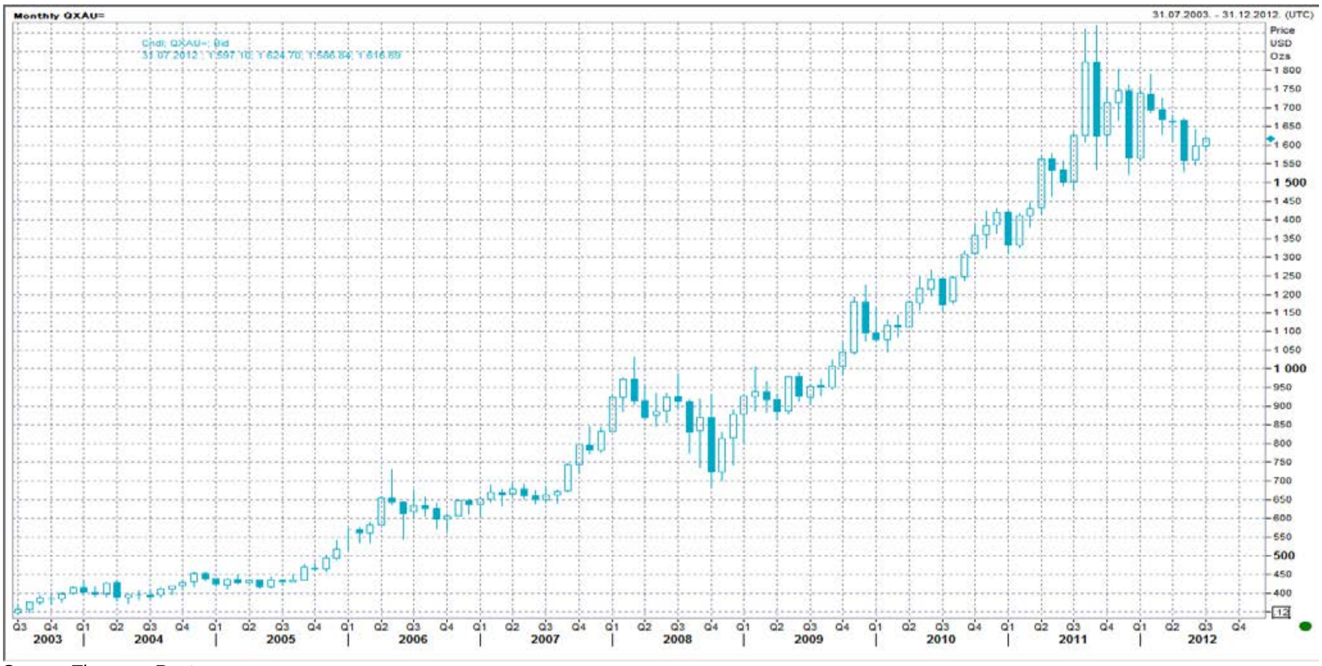
Our main scenario for the euro-dollar market remains unchanged. According to this scenario, the dollar minimum reached in July 2008 at the level of 1.6040 EUR/USD, is the end point of the long-term trend of the dollar falling against euro and the beginning of the trend for its long-term growth.

Consequently, we do not change our fundamental outlook for the market, according to which exchange of the euro to the dollar will fall to parity-close levels (1 EUR/USD) in 1-1,5 years.

Gold

In the gold market in June, there was a moderate rise in prices, and the price of an ounce rose by 3.2% to $1 600 per ounce, having compensated half of the 6% drop in May (see Fig. 17).

Fig. 17. Dynamics of gold prices, monthly bars



Source: Thomson Reuters

Our assessment of future scenarios

Gold prices have already entered the corridor of $1750-$2000 per ounce, which at the beginning of the year 2011 was considered in our reviews a target one for the current growth trend and a level where the basis for the trend reversal will be formed. However, given the strength of the growth trend, it is still very likely that prices will continue to grow, reaching the level of $2000-$2500 per ounce. From a technical point of view, the current growth trend can be considered active until support zone of $1400-$1500 is not broken.

But it should be noted that the movement in gold prices in recent years is strikingly speculative, and prices are unlikely to remain at high levels for long periods of time. Later, we are likely to see a rapid fall in prices, often observed in other speculative bubbles. Of course, it is possible that prices do not go back to previous levels of $300-$400 per ounce, but return to levels near $1000 is very likely.

A possible signal for the bubble break can be a sharp rise in prices for a short time, similar to the silver price movements in February-April 2011, but with greater amplitude and during a shorter time.

Silver

Trends in the silver market in June differed from trends in the gold market, and here the results of the month demonstrated a slight drop in prices, amounting to slightly less than 1% (see Fig. 18).

Fig. 18. Dynamics of silver prices, monthly bars

Source: Thomson Reuters

Our assessment of future scenarios

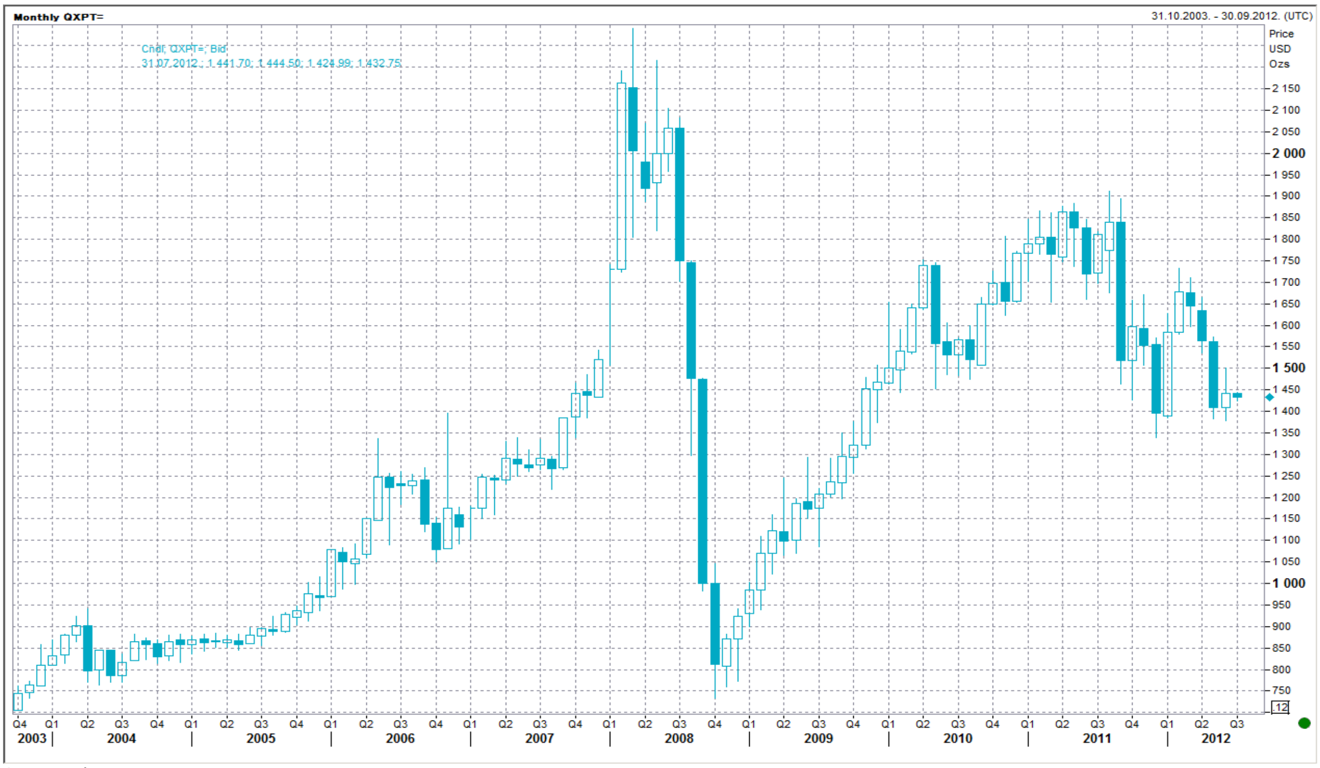
The sharp rise and the subsequent strong drop in the price of silver in 2011 indicate that the price bubble of 2010-2011 actually burst in this market.

However, the dynamics of further movement in prices is still uncertain and may depend on price movements in the gold market.

Platinum

In June, the price of platinum interrupted 3-month decline and showed a slight increase – by 2.3% (see Fig. 19).

Fig. 19. Dynamics of platinum prices, monthly bars



Source: Thomson Reuters

Our assessment of future scenarios

Giving forecasts for the movements in this market, it should be noted that in 2004-2008 the speculators have already "played" the market. In 2004, after many years of history the price of platinum diverged from gold price and soared almost 3 times over 4 years (by 200%), and then fell by 65% in 2008 (i.e. again nearly three times).

After 2008, the correlation between the markets of platinum and gold was resumed, but now gold shows larger growth. We expect that in case gold prices resume growth and reach the range of $2000-$2500 per ounce, platinum prices will increase as well, but their growth will be less significant.

Palladium

In June palladium showed fairly significant drop in prices – by 5%, and the price of an ounce dropped below the important psychological level of $600 (see Fig. 20).

Fig. 20. Dynamics of palladium prices, monthly bars

Source: Thomson Reuters

Our assessment of future scenarios

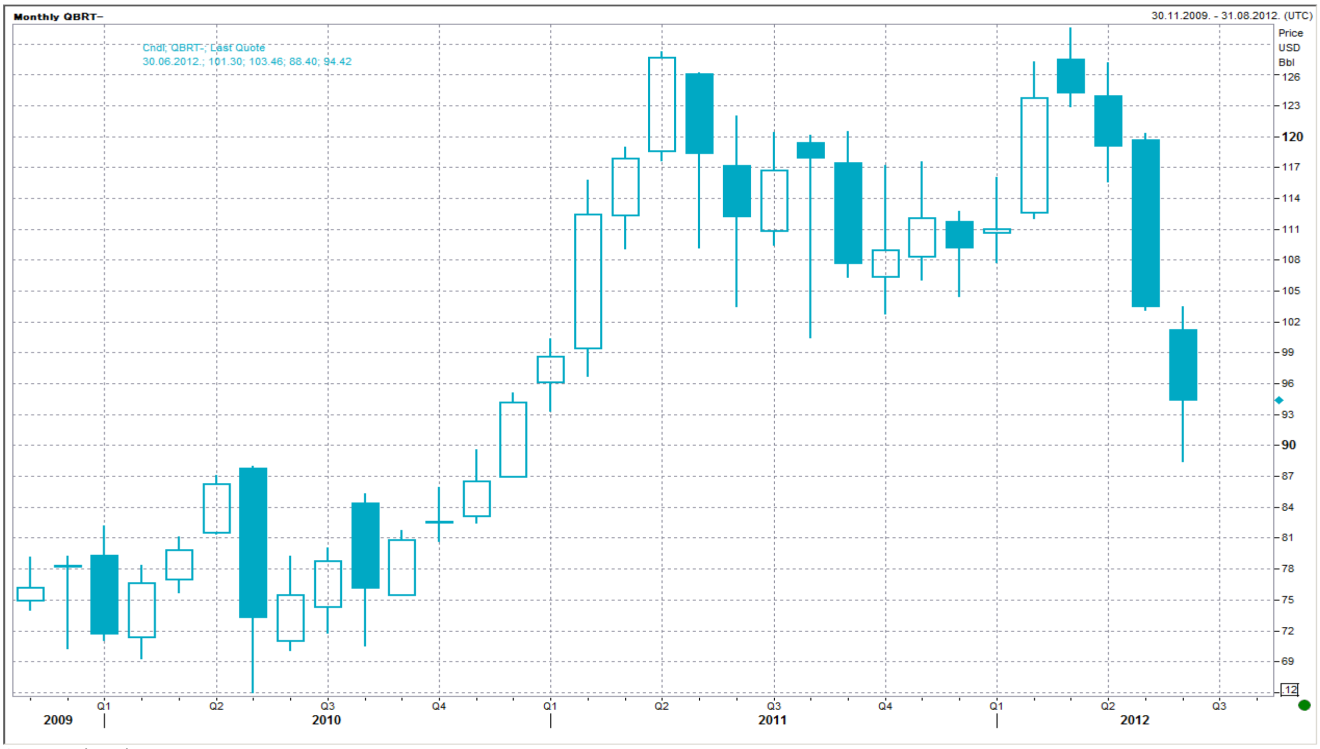
Palladium market has already experienced its "bubbling" – in 1998-2001 price of an ounce increased more than 5 times (by 400%), and then dropped 5 times in 2002-2003.

Since 2009, there is a new, more moderate growth trend observed in this market. And after the correction in August - October 2011 from $850 to $550 per ounce, we expect further consolidation movement in the corridor of $550-$750 per ounce, followed by a more likely resumption of growth in prices.

Oil

In the oil market, the month was marked by a significant drop in prices, with Brent falling by 9% more in addition to 14% decline in May, and the price per barrel of the same fell shortly under $90, but given the burst of optimism at the end of the month has risen to $95 (see Fig. 21).

Fig. 21. Brent price dynamics, monthly bars



Source: Bloomberg

Our assessment of future scenarios

Movements in May and June have confirmed our expectations of the organization of medium-term price correction in the market, with their drop below $100 a barrel. Now it seems very likely that within a few months the prices will consolidate in the corridor of $85-$105 per barrel.

Review information

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