

Russia threatens to shut off natural gas supplies to Europe

RUSSIA threatened to cut natural gas supplies to Europe via the Nord Stream 1 pipeline as part of its response to sanctions imposed over the invasion of Ukraine, a move that could heighten the turmoil in energy markets and drive consumer prices even higher.

Russia has the right to take actions that "mirror" the penalties imposed on the Russian economy, Deputy Prime Minister Alexander Novak — who's also in charge of energy affairs — said in a televised speech late on Monday. He said no decision to shut off Nord Stream 1 has yet been taken, and the pipeline is currently operating "at its full capacity."

The comments come after a day of wild swings on European gas markets, with prices at one point surging by almost 80% amid fear of disruption to supplies from Russia.

Europe's reliance on Russian energy has been a key factor in efforts by the continent's leaders to agree

on how to respond to the invasion of Ukraine. Last month, Berlin shelved the \$11-billion Nord Stream 2 pipeline project, and European Union (EU) officials say they're working on a plan that could cut the bloc's import needs from Russia by almost 80% this year.

But many EU politicians remain wary of immediate action, one reason why Germany has pushed back against proposals for a ban on oil imports. German Chancellor Olaf Scholz said on Monday that Russian oil and gas are of "essential importance" to the European economy. Roughly 40% of EU gas imports and one quarter of its oil come from Russia.

Mr. Novak said that Russia has other options for selling its oil if the US and EU ban Russian imports, and he warned that any such move could have "catastrophic consequences for the world market" with prices surging to \$300 a barrel or more. — **Bloomberg**

Crude oil shock hitting plastics in first sign of demand destruction

STRATOSPHERIC oil prices are flowing through into the plastics industry with producers reducing activity as profit margins collapse, a first sign of the demand destruction that may spread to other sectors.

Several Asian operators of plants that make the petrochemicals used as the building blocks for everything from children's toys to car interiors have cut processing rates to as low as 80%, said five traders at these companies. The facilities, known as crackers, typically run at or near full capacity.

The soaring price of crude and question marks over the supply of oil-derived naphtha — a popular feedstock in Asia — from Russia are challenging the economics of producing plastics in crackers in South Korea, Taiwan and Malaysia, said the traders who asked not to be named as the information

isn't public. The problems are an early indication of the difficulties Russia's invasion of Ukraine may create for industries that rely on raw materials.

As much as 15% of Asia's naphtha imports come from Russia and the Black Sea and Baltic regions, according to industry consultant FGE. Many petrochemical plants have paused purchases from Russia, and are hesitant to buy crude from anywhere at such high levels, given that their finished products won't be ready for around six weeks or so.

Expensive freight rates are adding to the problem and causing companies to cut activity now rather than risk massive losses.

"The situation is very foggy for crackers in Asia," said Armaan Ashraf, a senior analyst at FGE. It's a "big risk" to buy naphtha when



MIS VHS/OT

crude is at \$130 a barrel, he said, adding that profit margins are going to stay poor for at least a month.

Profit margins from products including ethylene and propylene — which are used to make plastics — were already weak and have shrunk further since Russia's invasion of Ukraine.

The premium for prompt naphtha deliveries to Asia over contracts

another month out is more than \$30 a barrel, compared with less than \$10 in early January. The so-called backwardation is another indicator of anxiety over the extremely tight supply situation.

Taiwan's Formosa Petrochemical Corp. is running crackers at its Mailiao plant at 80% to 85%, three of the traders said. Lotte Chemical Titan Holding Bhd. has cut run rates at its facility in Malaysia to below 90% and plans to reduce them further if market conditions deteriorate, while Hanwha Total Petrochemical Co., Lotte Chemical Corp. and LG Chem Ltd. in South Korea have lowered processing by 10% to 20%, the traders said.

A Lotte Titan spokesperson didn't answer several phone calls seeking comment, while the other companies didn't immediately respond to e-mails. — **Bloomberg**



<p>MOTORCYCLE ACCESSORIES</p> <p>SPYDER</p> <p>Safety has a brand.</p> <p>FOR CORPORATE INQUIRIES, CONTACT: (02) 8688 4565 Globe: 09175208650 (02) 8638 6556 Sun: 09228958303 sales@hassarams.com attention: Nita</p>	<p>CAFÉ</p> <p>TGC</p> <p>THE GIVING CAFÉ INDULGE IN GIVING</p> <p>TUESDAYS TO SUNDAYS 7:00 AM - 10:00 PM</p> <p>www.tgc.ph info@tgc.ph @tgcsocialentrep</p> <p>Sheridan corner Pines Streets, Highway Hills, Mandaluyong City</p>	<p>REVIEW & TUTORIAL CENTER</p> <p>MSA the country's most prestigious Tutorial and Review Center</p> <p>www.msa.edu.ph</p> <p>315 Katipunan Avenue, Loyola Heights, Quezon City Tel. No. 925-7544, 929-9145, 929-7279, QC 435-6062 • Makati 815-1307 • Alabang 659-0085 • SM Fairview 935-0011 • Calma 646-8243 • Antipolo 646-8245 • Cebu (032) 255-2191 • Sta. Rosa (049) 544-1071</p>	<p>BEAUTY AND WELLNESS</p> <p>növa wellness store</p> <p>Lower Ground Floor, East Wing Shangri-La Plaza, Mandaluyong City 0917-3028881</p> <p>LGF, One Uptown Residence, Bonifacio Global City 0917-3028882</p>	<p>WINE</p> <p>POUR OUT WHAT'S SPECIAL</p> <p>Novellino My Wine and Only</p> <p>Suite A, 6th Floor, Dao I Condominium, 189 Salcedo St., Legazpi Village, Makati City FB/www.facebook.com/novellinowines ; IG/@novellinowines www.novellinowines.com Tel:(02) 310-2063</p>	<p>TRAVEL AGENCY</p> <p>DREAM DESTINATIONS TRAVEL & TOURS</p> <p>14/F Net Cube Building, 3rd Ave. cor. 30th St. Bonifacio Global City, Taguig City 1634 Tel.: (02) 479-5419 / (02) 668-8735 Globe: (0917) 874-1326 (0917) 887-0810 Smart: (0920) 965-9192 acp@dreamdestinations.ph reservations@dreamdestinations.ph</p>
<p>HOTEL</p> <p>Fernandina 88 Suites Hotel</p> <p>FERNANDINA 88 SUITES HOTEL 222 P. Tuazon Blvd., Cubao, Q.C. Tel.: 911-6965 / 911-3169 www.fernandina88.com.ph www.fernandinagardensuites.com www.fernandinatagaytayvilla.com</p>	<p>SOFTWARE and TECHNOLOGY</p> <p>RETAIL ASSOCIATES Retailing Made Simple Integrated Retail Management Solution</p> <p>Financial Management Inventory Management Supply Chain Management Store Operations Business Intelligence Reporting & Analytics</p> <p>www.retail-associates.com Gold Microsoft Partner</p>	<p>PROPERTY</p> <p>spectrum LEASING</p> <p>BRIDGING EXPATS TO QUALITY APARTMENTS</p> <p>MAKATI • BONIFACIO GLOBAL CITY • ROCKWELL</p> <p>CALL SPECTRUM LEASING 0917 823 2612</p> <p>www.spectrumleasing.wordpress.com</p>	<p>GIA SOAP MAKING Buhangin Davao City - Philippines</p> <p>Mobile: (0923) 535-1648 (0915) 659-5180 giasoapmaking@yahoo.com</p>	<p>EVENT VENUE</p> <p>Events & Party VENUE</p> <p>P100/PERSON</p> <p>498 Boni Ave., Mandaluyong City (02) 585-3558; (02) 955-6609 0917-823-5533; 0998-992-1988 www.rooms498.com</p>	<p>DENTAL</p> <p>EUFRED RAMON V. JAVIER, D.M.D.</p> <ul style="list-style-type: none"> General Dentistry Cosmetic Dentistry Implant Dentistry Minor Oral Surgery Orthodontics TMJ Orthopedic Dentistry <p>Unit 203 Minerva Building, National Road, Putatan, Muntinlupa City Telephone: 862-3970 Mobile: (0917) 887-3785 (ERVJ) dcjvjavier@yahoo.com</p> <p>Monday to Saturday, 11 a.m. - 6 p.m. • by</p>
<p>CREATIVE SERVICES</p> <p>TrueNorth ARTHOUSE GRAPHIC ARTS & DESIGN STUDIO CONCEPTS & CREATIVES VIDEO PRODUCTIONS GRAPHIC ARTS</p> <p>448-5396 0932-8441738 @truenorth.athouse@yahoo.com</p>	<p>EVENT COORDINATOR</p> <p>Call Us Today! Tel.: 643-3887 Fax: 640-1280 info@exlinkevents.com www.exlinkevents.com</p> <p>EX-LINK EVENTS</p> <ul style="list-style-type: none"> Meetings Planning & Execution Incentive Travel & Events Convention Marketing & Management Exhibition Marketing & Management Events' Production & Management Association Events' Marketing & Management 	<p>FOODS</p> <p>why wait for Delivery?</p> <p>Jimini Chicago style</p> <p>NOW AVAILABLE AT LEADING SUPERMARKETS!</p>	<p>FAMILY RUBBING ALCOHOL</p> <p>Hindi lang pang-pamilya pang sports pa!</p> <p>No. L-4623-3 Valenzuela St., Old Sta. Mesa, Manila, Philippines Tel. Nos.: 715-7194 - 98 • 715-6927 Fax: 715-6947</p>	<p>IT'S HAPPENING.</p> <p>CHARDONNAY BY ASTORIA</p> <p>352 Captain Javier Street, Pasig City, Philippines 1600 T: (+632) 687.1111 (+632) 335.1131-35 W: chardonnaybyastoria.com</p>	<p>CONSULTANCY</p> <p>fsb Consultants inc. For Small Business Consultancy Services</p> <p>Unit 45, The District Dasmariñas - Ayala Mall, Dasmariñas City, Cavite Tel: 046 540-6162 • 046 416-6884 Mobile: (0920) 901-9188 E-mail addresses: frank.bufl@fsbconsultants.com fsbufl.cpa@gmail.com</p>
<p>PROMOTIONS</p> <p>TEAMPLAY Training, Empowerment, Assignment and Management of Personnel for Long-Term Activation Yield Promotions & Activations</p> <p>0918-9113681 921-4167 teamplay@yahoo.com 0528-5041639 0922-8532132 Nationwide Offices & Operations</p> <p>ED Team Executive Decisions Special Events Specialist</p> <p>professional events management • Business • Corporate Events • Special Events • Exhibits / Conferences</p> <p>413-64-36 • 925-47-61 448-53-96 • 426-48-44 0917-5331595 www.teevents.com.ph</p>	<p>WORKSHOPS/TRAININGS</p> <p>WORLD STAGE SINGAPORE MALAYSIA, PHILIPPINES NLP Center for Leadership, Associates</p> <p>DOUBLE YOUR BUSINESS RESULTS BY FIRING UP YOUR PEOPLE</p> <ul style="list-style-type: none"> Be trained by a team of thought leaders and NLP coaches Increase your team cohesion, leadership, sales and communication skills through proven effective tools in learning that started in the USA and Singapore Before-your-eyes transformation through our Ultimate Breakthrough Tools™ like firewalking <p>BOOK US NOW! Telephone: 275 2090 Mobile: (0917) 617 9774 info@worldstageinternational.com.ph</p> <p>worldstageinternational.com.ph</p>	<p>BTIC GREENHILLS SHOPPESVILLE ARCADE TIENDESITAS, ORTIGAS • GREENBELT 1 MAKATI CINEMA SQUARE • SM MEGAMALL ALABANG TOWN CENTER • THE GARDENS IN LOYOLA GRAND VILLAS</p> <p>PLAIN GREEK yogurt & yogurt</p> <p>AVAILABLE AT SELECT BTIC STORES: GREENHILLS SHOPPESVILLE ARCADE TIENDESITAS, ORTIGAS • GREENBELT 1 MAKATI CINEMA SQUARE • SM MEGAMALL ALABANG TOWN CENTER • THE GARDENS IN LOYOLA GRAND VILLAS</p> <p>TO ORDER, CALL: 725-4313 OR 726-5596 MON-SAT, 9AM-4PM</p>	<p>DATA GATHERING</p> <p>AERO 308</p> <p>DATA GATHERING SOLUTIONS DRONE CONSULTING & SERVICES</p> <p>INDUSTRIAL SERVICES</p> <ul style="list-style-type: none"> LAND SURVEY 3D LAND MAPPING TIME-LAPSE DOCUMENTATION CONSTRUCTION DOCUMENTATION & REPORTING EMERGENCY RESPONSE FACILITY INSPECTION THERMAL INSPECTION MINING EXPLORATION & VOLUME REPORTS <p>008 T. Pasco Ave., Brgy. Santolan, Pasig City, M.M., Philippines Phone: (+63) 908-873-8337 / (+63) 915-326-AERO (2376) Cebu: (+632) 532-1159 e-mail: aereo308@aero308.com / sales@aero308.com www.aero308.com</p>	<p>INFORMATION TECHNOLOGY</p> <p>tech.one www.techoneglobal.com</p> <p>IT SOLUTIONS PROVIDER</p> <p>+632 831 1079 aliana@techoneglobal.com</p>	<p>PLAYGROUND</p> <p>TRAMPOLINE PARK PHILIPPINES</p> <p>Mayflower St., The Portal, Greenfield District, Mandaluyong City, Metro Manila, Philippines 1550</p> <p>There's no better place to party than Trampoline Park. It's all yours! We'll ensure your child the best party ever on our Trampoline! Your child the best gift of all - details - please ask our staff.</p>