



VICTORY PARTNERS

MIDDLE MARKET INSIGHT

What Business Owners Need To Know

30 MILLION

BARRELS OF OIL
RELEASED FROM THE
UNITED STATES

60% OF

RUSSIAN OIL EXPORTS
GOES TO EUROPE, 20%
TO CHINA

RUSSIA

EXPORTS 5M BARRELS
OF CRUDE PER DAY
(12% OF GLOBAL TRADE)

3 LARGEST

CONTAINER LINES
TEMPORARILY SUSPEND
TRADE WITH RUSSIA

WHAT TRADES

FOODSTUFFS, MEDICAL
AND HUMANITARIAN
SUPPLIES

MAERSK HAS

500 EMPLOYEES IN
RUSSIA, 60 EMPLOYEES
IN UKRAINE

DOW JONES

FELL 600 POINTS ON
TUESDAY

CRUDE OIL

JUMPS NEARLY 10% TO
AROUND \$105 A BARREL

S&P 500

LOST 1.5%

Nations Release 60M Barrels of Oil

- The 31 member countries of the International Energy Agency agreed Tuesday to release 60 million barrels of oil from their strategic reserves, half of which will come from the United States, "to send a strong message to oil markets" that supplies will not be shortened following Russia's invasion of Ukraine.
- "Besides the United States, other members of the organization include Germany, France, the United Kingdom, Japan and Canada. IEA members hold emergency stockpiles of 1.5 billion barrels of oil. The release amounts to 4% of stockpiles, or roughly 2 million barrels per day for 30 days."
- The price of crude oil influences a large chunk of what drivers spend to fill up their cars with gasoline in the United States. According to the motor club association AAA, the national average for a gallon of gas is \$3.61, which is 26 cents higher than a month ago and 90 cents higher than a year ago.

World's Largest Container Lines Suspend Shipping to Russia

- Similar moves have previously been made by Singapore-based Ocean Network Express and Germany's Hapag Lloyd (HLAG.DE), virtually cutting Russia off from the world's biggest container shipping companies, posing new freight issues.
- Maersk owns 31% of Russian port operator Global Ports (GLPRq.L), a Russian port operator with six terminals in Russia and two in Finland. Russian state nuclear enterprise Rosatom and Russian businessman Sergey Shiskarev are also shareholders in Global Ports.
- In a coordinated response, the US, European countries, and others have taken the step of imposing financial sanctions on Russia's central bank and placing restrictions on cross-border transactions by the country's top lenders.

DOW Falls 600 Points as Oil Prices Surge

- Stocks fell dramatically on Tuesday as severe warfare in Ukraine continued, with Russia increasing its bombing of multiple cities and sending a massive military convoy of over 40 kilometers to shut in on Kyiv, the country's capital.
- "Energy prices surged higher amid the ongoing conflict: U.S. oil benchmark West Texas Intermediate crude jumped nearly 10% to around \$105 per barrel on Tuesday, its highest level since July 2014, while international benchmark Brent crude gained 8.6% to trade at more than \$106 per barrel."
- Energy is likely to increase, as more experts warn that oil could fluctuate above \$100 per barrel as Russian exports are hindered. "If Russia continues to oppress Ukraine, it's very likely that the world won't be using Russian energy anymore," says Charles Lemonides, founder and chief investment officer of ValueWorks. "There's going to be an unwillingness to do business with Russia for a long time to come," he predicts, citing the fact that BP and Shell have already shut down operations in the country.

Sources: www.apnews.com | www.reuters.com | www.forbes.com