



# VICTORY PARTNERS

## MIDDLE MARKET INSIGHT | What Business Owners Need To Know

### SAKHALIN 1

EXXONMOBIL USED TO HAVE 30% OWNERSHIP SHARE IN THIS OIL AND GAS PROJECT BARRELS A DAY

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PRODUCED NEARLY A 250M BARRELS A DAY IN 2021 PLUS ABOUT 700B CUBIC FEET OF NATURAL GAS

### DOW JONES

FELL, 90.22 POINTS, OR 0.3%, TO 30,333.59

### S&P 500

FELL 29.38 POINTS, OR 0.8%, TO 3,665.78

### MACRON'S

DECISION FOLLOWS A RECENT VOTE BY THE POLISH PARLIAMENT TO LEAVE

### EUROPEAN

COMMISSION HAS PROPOSED A CHANGE TO THE AGREEMENT WHICH WOULD END THE SECRET INVESTOR-STATE COURTS

### ExxonMobil's Departure From Russia

- ExxonMobil has a long history of working with Russia, and it has been looking into a potential shale oil project and considered making an investment in the Shtokman-1 supergiant gas deposit in the Barents Sea. This latter industry, which is among the biggest in the world, has frequently been mentioned as a potential development target but has never taken off.
- Like it did ten years ago with Venezuela, Exxon is likely to file a lawsuit to challenge the Russian government's seizure of its assets. Although it was given a victory, it is still pursuing damages. A court victory against Russia could improve the general protection of foreign-owned assets and increase the appeal of such investments. Lower risks equate to cheaper borrowing. Long term, that would increase the supply of oil around the world.
- On the other side, state-run oil corporations, like those from China, would have an advantage if a post-war Vladimir Putin attracted new investors who disregarded his prior behavior. These investors, correctly or wrongly, are less concerned about political risk than private investors.

### Major US Stock Indexes

- As markets continue their erratic quest for direction, stocks on Wall Street gave up an early gain and finished down.
- As additional firms released their most recent quarterly results, many of them made significant swings, both higher and lower. S&P 500 decreased 0.8% on Thursday. The benchmark index was still maintaining its weekly gain. The Nasdaq and the Dow Jones Industrial Average both decreased.
- Mortgage rates have increased as a result of Treasury yields, which are still at multiyear highs. For the ninth consecutive month, home sales decreased in September.

### France Joins Other European Countries in Pulling Out of Energy Treaty

- The contentious Energy Charter Treaty (ECT), which shields investors in fossil fuels from regulatory reforms that would jeopardize their profits, has seen the latest withdrawal: France.
- To safeguard western energy companies operating in former Soviet Union nations, the Energy Charter Treaty was established in 1994. It enables investors to bring legal action against governments that pass laws that can reduce their expected financial returns.
- However, critics predict that the total cost of compensating fossil fuel firms may exceed \$1 trillion. A £210 million award was given to the UK oil company Rockhopper in August as restitution for an Italian offshore drilling prohibition. Italy has also backed out of the agreement.

Sources: [www.forbes.com](http://www.forbes.com) | [www.apnews.com](http://www.apnews.com) | [www.reuters.com](http://www.reuters.com)