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ENERGY MARKETS REPORT INCLUDING: WTI and Brent crude futures reside in minor negative territory

WTI and Brent crude futures reside in minor negative territory, with little related news flow to guide price action and no notable updates from Iraq, instead the looming WTI Jul-14 futures expiry applies light downside pressure on July WTI crude futures which trade down USD 0.04 at USD 106.01.

GEOPOLITICAL

The Ukraine Interior Ministry has issued a statement which described the blast at one of its gas pipelines on Tuesday as 'the latest attempt by the Russian side to discredit Ukraine as a partner in the gas sector'. In other news, there have been further reports of possible Russian troop mobilizations and combat preparations on the border between the two countries. (RTRS/BBG)

For a full in-depth wrap up of the Ukraine situation please see this Economist piece: <http://econ.st/1pqFqWH>

US President Obama agrees to send 300 military advisers to Iraq but keeps the option of targeted military action on the table in the future after deciding against sending combat troops. (CNBC)

OIL & GAS NEWS

BNP Paribas have raised their WTI and Brent average price forecasts for 2014 by USD 4 to USD 102/bbl and for 2015 by USD 6 to USD 100/bbl. The bank marked upwards its forecasts against recent Iraqi developments, yet is reluctant to raise forecasts further until there is more visibility in Iraq. (RTRS)

As of June 19th China's major refineries have boosted runs to 82.61% of capacity, up 0.06% from two weeks earlier, China's 'teapot' refineries have reduced runs for a second week to 41.4% from 41.98%, according to Oilchem. (BBG)

Iraq's Petroleum Ministry has said crude supply disruptions appear 'unlikely at present'. (BBG)

Partners in the licence PL 558 off Norway drilled a dry well in the Terne prospect, according to Norwegian oil company Det Norske. (RTRS)

Statoil has come up dry with its first exploration well in the frontier Hoop area of Norway's Barents Sea at the Apollo prospect. (Upstream)

A tanker carrying disputed Iraqi/Kurdish crude oil has anchored by Israel's Ashkelon port, according to industry sources. (RTRS)

Current proposed changes to South Africa's 2002 Mineral and Petroleum Resources Development Act are facing growing opposition as they could include giving the state the right to a free 20% stake in all new energy ventures and to change how projects are awarded. Exxon Mobil, Anadarko and Total are among those who say this will undermine their businesses and deter investment. (BBG)

WEATHER NEWS

The NWS Storm Prediction Centre is forecasting a chance of severe weather for parts of the Upper Midwest on Friday

and extending into the Plains by Saturday. This activity is forecast to be somewhat isolated, but large hail and damaging winds will be possible. In addition, heavy rain could exacerbate ongoing flood issues in the Midwest and Plains through Friday. (National Weather Service)

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