



# CORNERSTONE ANALYTICS

## THE MORNING ENERGY UPDATE

JULY 29, 2025

MICHAEL ROTHMAN +1 908-573-5870 MIKE@CORNERSTONEANALYTICS.COM

## CLOWNS TO THE LEFT OF ME. JOKERS TO THE RIGHT...

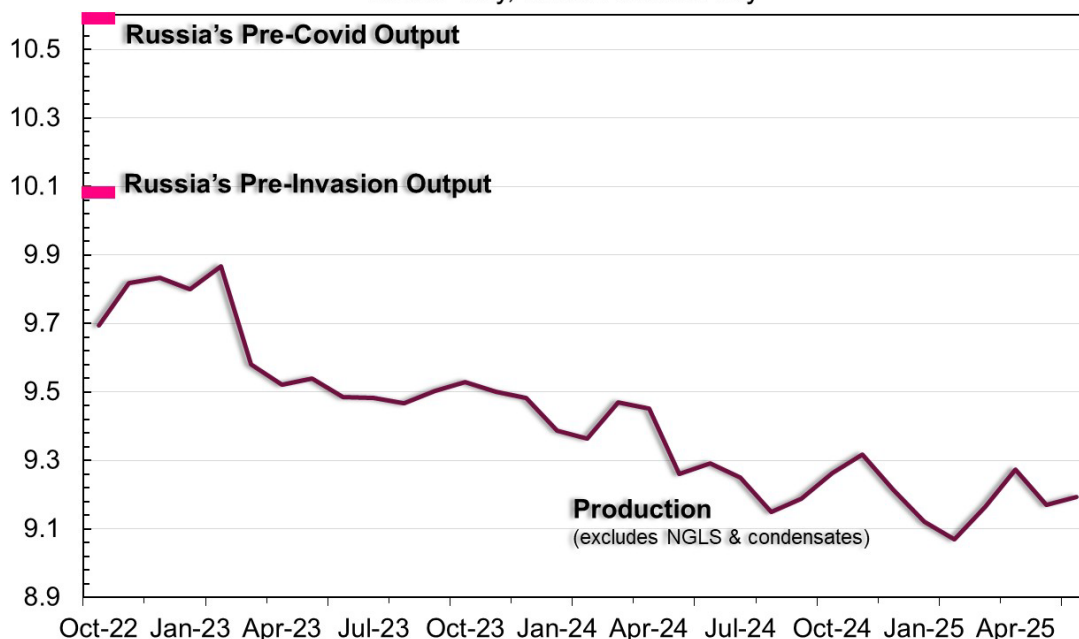
### Pro-Ukrainian hackers claim massive cyberattack on Aeroflot

Reuters - Russian airline Aeroflot, opens new tab was forced to cancel more than 50 round-trip flights on Monday, disrupting travel across the world's biggest country, as two pro-Ukraine hacking groups claimed to have inflicted a crippling cyberattack. The Kremlin said the situation was worrying, and lawmakers described it as a wake-up call for Russia. Prosecutors confirmed the disruption at the national flag carrier was caused by a hack and opened a criminal investigation. "We must not forget that the war against our country is being waged on all fronts, including the digital one. And I do not rule out that the 'hacktivists' who claimed responsibility for the incident are in the service of unfriendly states," Gorelkin said in a statement. Another member of parliament, Anton Nemkin, said investigators must identify not only the attackers but "those who allowed systemic failures in protection". Aeroflot did not say how long the problems would take to resolve, but departure boards at Moscow's Sheremetyevo Airport turned red as flights were cancelled at a time when many Russians take their holidays...

While the mid-July cyber-attack on Gazprom continues to be off the energy pit's radar screen (literally), a similar action by a reportedly different group targeted Aeroflot yesterday. We don't know how extensive the impact will prove to be but press accounts of canceled flights were widespread. Unlike Gazprom, yesterday's strike on Russia's national airline doesn't carry an oil market impact. That said, the concern we would raise relates to cyber-attacks being employed to disrupt Russia's oil operations. We claim no inside knowledge, but it does seem that Ukraine was given a *defacto* "go ahead" to put Russian energy assets in the crosshairs. Were market players pricing in any such scenario, this would be a waste of ink, however, that is not the case. We remind our readers that the most recent MIKER generated value for Brent crude is \$83/barrel which is based on the state of the physical oil balance.

### Russia's Monthly Oil Production

Crude only, Million barrels/day

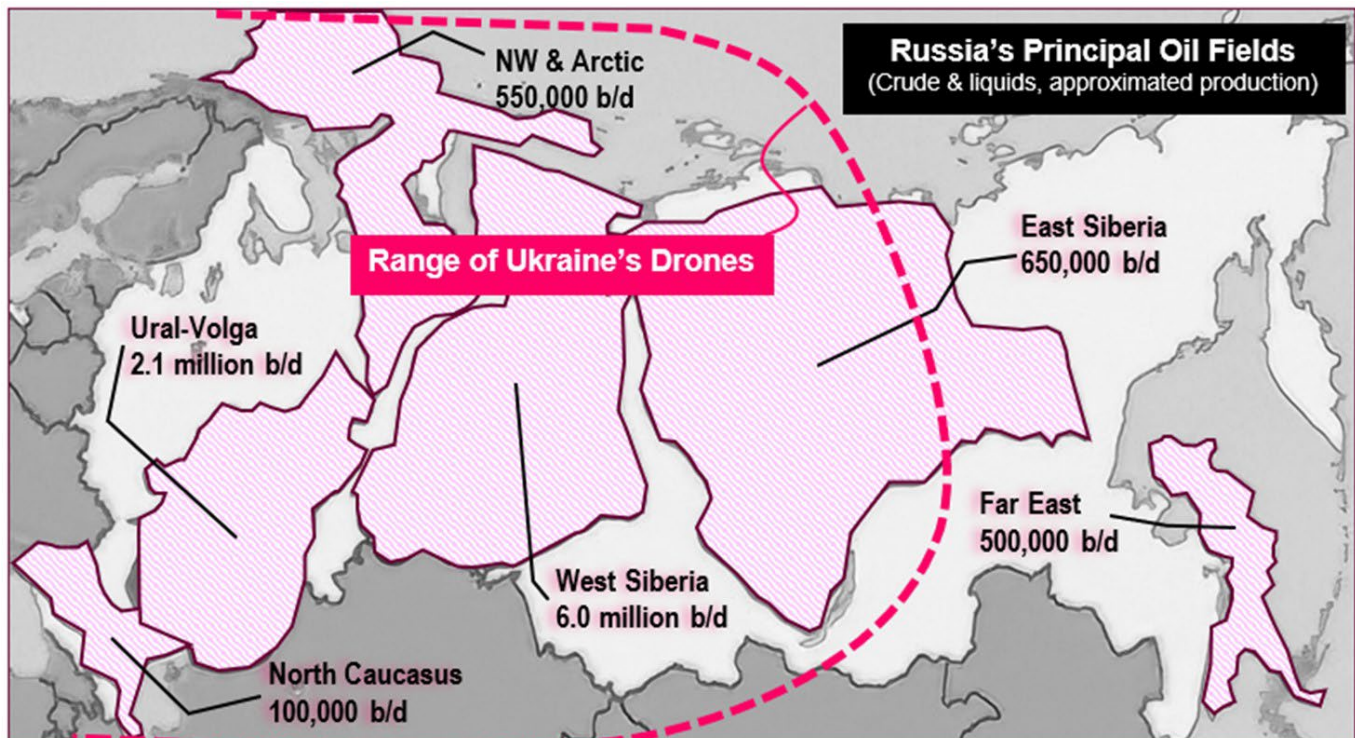


Copyright 2009-2025 © Cornerstone Analytics, Inc.

>> THIS REPORT IS FOR THE EXCLUSIVE USE OF CORNERSTONE ANALYTICS' CLIENTS. IT IS ILLEGAL TO BE SHARED OR REDISTRIBUTED <<

## TARGET RICH ENVIRONMENT

The graphic to the right details a mostly up-to-date BINGO card of Russia refinery strikes carried out by Ukraine that were hit with weaponized drones. The number of attacks on these facilities have gone largely unreported – which seems to have become a theme. Be that as it may, the reach of Ukraine's drones covers most of Russia's oil producing fields (and, for that matter, its western oil export terminals). We have not been comfortable trying to handicap the odds of Ukraine directly targeting oil producing/ exporting assets, but as we note on the preceding page (and citing the current MIKER valuation) there's still an absence of any sort of risk premium in crude prices.



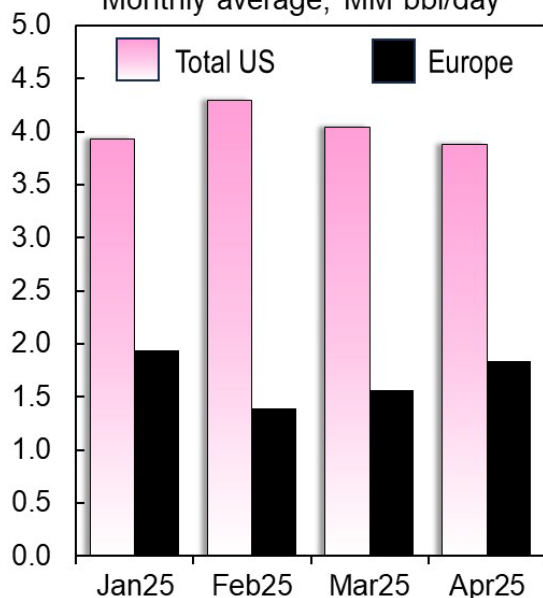


## NOT SURE HOW TO MAKE THIS DOG HUNT

At the risk of under-complicating the work, the announced US trade deal with Europe and the quarter trillion Dollars of purchases of “energy” appears to require a more-than-a-doubling in either price or volumes. We’re not sure how that would happen. The analysis we generated assess ’25-to-date data for Europe’s imports of US crude, refined products and liquified natural gas (LNG). To get an annualized value of these flows we used the average price of WTI (for the crude portion), the average cash market refining margin in the US Gulf Coast (for the refined products portion) and the average export price of LNG to Europe. The annualized total we arrived at comes to just under \$117 billion. Short of more than doubling the respective prices (or export volumes) we leave it to the more imaginative to massage that figure up by 215%.

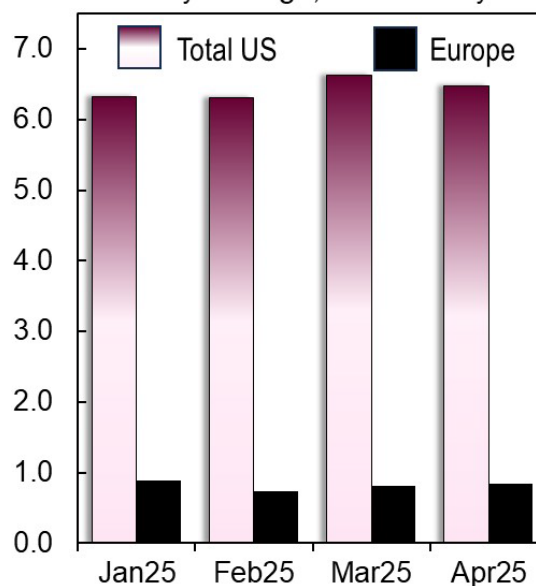
### US Crude Oil Exports in '25

Monthly average, MM bbl/day



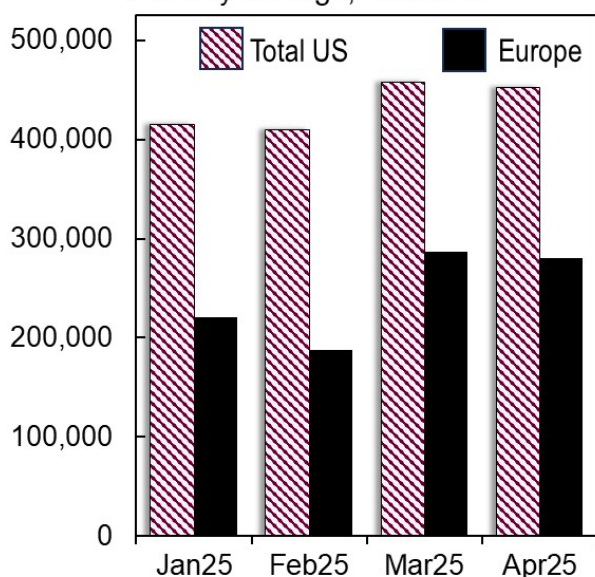
### US Product Exports in '25

Monthly average, MM bbl/day



### US LNG Exports in '25

Monthly average, Million CF



### US Energy Exports to Europe

Annualized, Billion \$

