



Market Transparency

IEA-IEF-OPEC Market Impact Report on IOSCO Oil Price Reporting Agencies Principles

Christof van Agt

Senior Energy Analyst

2nd G20 Energy Sustainability Working Group Presidency of Turkey

www.ief.org

Agenda

1. Mandate and objective

- IOSCO Principles for Oil Price Reporting Agencies 2012
- G20 request to assess their impact on physical markets

2. The Joint IEA-IEF-OPEC Market Impact Report of the IOSCO Oil Price Reporting Agencies Principles

- Qualitative analysis: Update on final shared findings
- Quantitative analysis: Update on progress and analysis

3. Discussion Questions

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Mandate: Oil market integrity

“IOSCO PRA Principles “intend to enhance the reliability of oil price assessments that are referenced in derivative contracts subject to regulation by IOSCO members” (1)

“Encourage and facilitate well-functioning, open, competitive, efficient, stable and transparent energy markets that promote energy trade and investment.” (2)

Mandate

- I. The Principles for Oil Price Reporting Agencies were published in October 2012 in response to the G20 Leaders' request of November 2011 that: *“IOSCO, in collaboration with the IEF, the IEA and OPEC, prepare recommendations to improve their [PRAs] functioning and oversight.”* (4)

- I. In response to the G20 Leaders' request of 5 November 2012: *“ask (s) IOSCO to liaise with the IEA, IEF and OPEC to assess the impact of the principles on physical markets and report back.”* (5)

Agenda

1. Mandate and objective

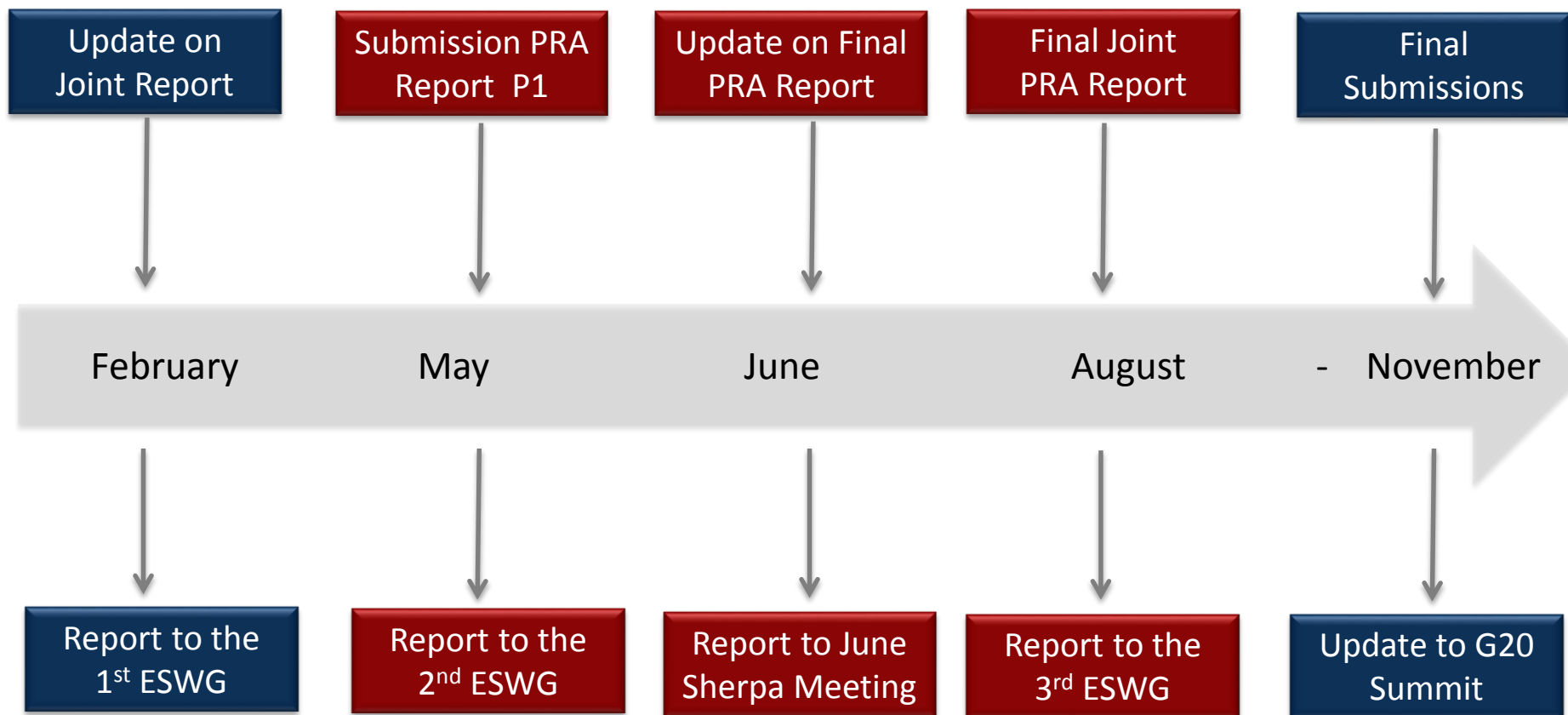
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Milestones





Qualitative Analysis: Final Shared Findings (1/3)

*“ Based on the survey responses, physical oil market participants generally consider the Principles for Oil Price Reporting Agencies to have had **a positive impact on the activities of Price Reporting Agencies.**”*

Source: Conclusion: Joint Report on the IEA-IEF-OPEC Survey of Oil Market Participants regarding the Impact of the Principles for Oil Price Reporting Agencies on the Physical Oil Market



Qualitative Analysis: Final Shared Findings (2/3)

*“Improvements have been seen in the following areas: **The functioning of PRAs; confidence in price assessments; transparency regarding changes to methodologies; and dialogue with PRAs surrounding methodological changes.**”*

Source: Conclusion: Joint Report on the IEA-IEF-OPEC Survey of Oil Market Participants regarding the Impact of the Principles for Oil Price Reporting Agencies on the Physical Oil Market



Qualitative Analysis: Final Shared Findings (3/3)

*“The implementation of the Principles **was not seen to have given rise to any new concerns, or to have materially impacted the engagement of physical market participants in the price assessment process** so far in the period immediately following implementation.”*

Source: Conclusion: Joint Report on the IEA-IEF-OPEC Survey of Oil Market Participants regarding the Impact of the Principles for Oil Price Reporting Agencies on the Physical Oil Market

Agenda

I. The Joint Organisations Data Initiative (JODI)

- Results from the JODI Survey
- Improvement of JODI

II. The Joint IEA-IEF-OPEC Market Impact Report of the IOSCO Principles for Oil Price Reporting Agencies

- Qualitative analysis: Update on final shared findings
- Quantitative analysis: Update on progress and analysis

III. Discussion Questions



Quantitative Analysis: Update on Progress and Analysis (1/2)

Upon the request of the G20 ESWG, IOs conducted a quantitative analysis of PRA price reporting to complement qualitative findings. This involved an analysis of Platts, Argus, ICIS and OPIS price series.



Quantitative Analysis: Update on Progress and Analysis (2/2)

*After further assessments including on how findings may relate to the Market Impact of IOSCO PRA Principles, IOs will report in liaison with IOSCO on their **shared final findings and present these for discussion at the 3rd Energy Sustainability Working Group taking place late August 2015***

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Discussion Questions

- 1. How do you evaluate the findings of the “Qualitative PRA Market Impact Report”?**
- 2. What are the expectations from the Second Oil PRA Report?**
- 3. What Should be reported to the Sherpa’s in the June Meeting?**

References

- [\(1\) IOSCO Publishes Principles for Oil Price Reporting Agencies IOSCO Media Release Madrid 2012](#)
- [\(2\) G20 Principles on Energy Collaboration Sydney 2014](#)
- [\(3\) G20 Leaders Statement Cannes 2011](#)
- [\(4\) G20 Finance Ministers and Central Bank Governors Communiqué Mexico City 2012](#)