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# **China and the Quest for Oil Price Stability**

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Second IEF Industry Advisory Committee Workshop

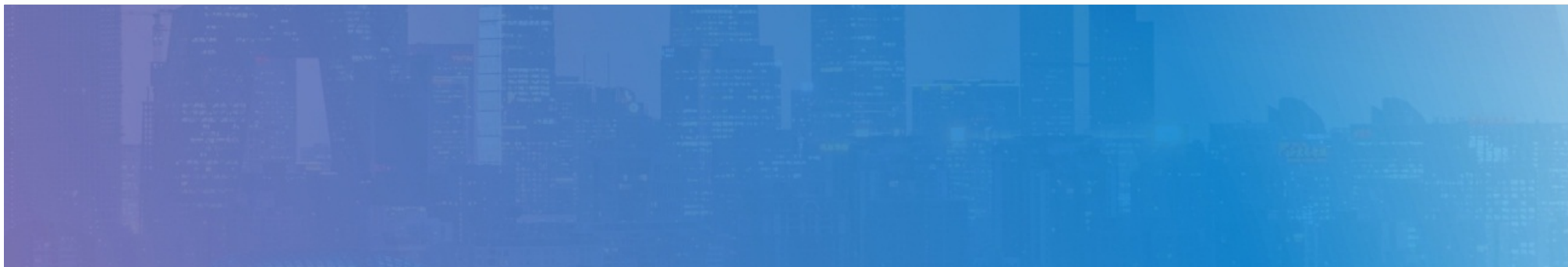
Beijing, China, July 31, 2018



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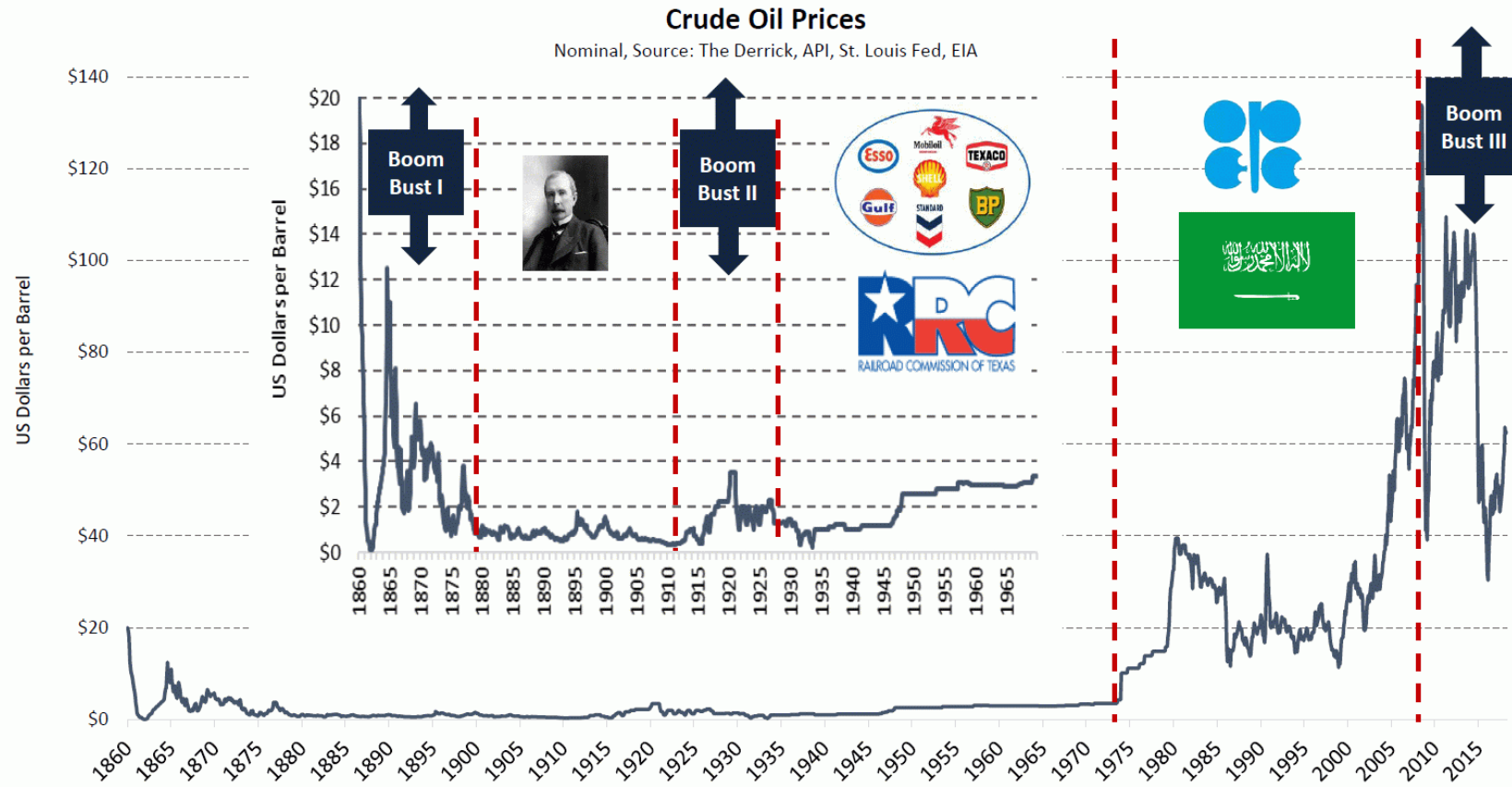


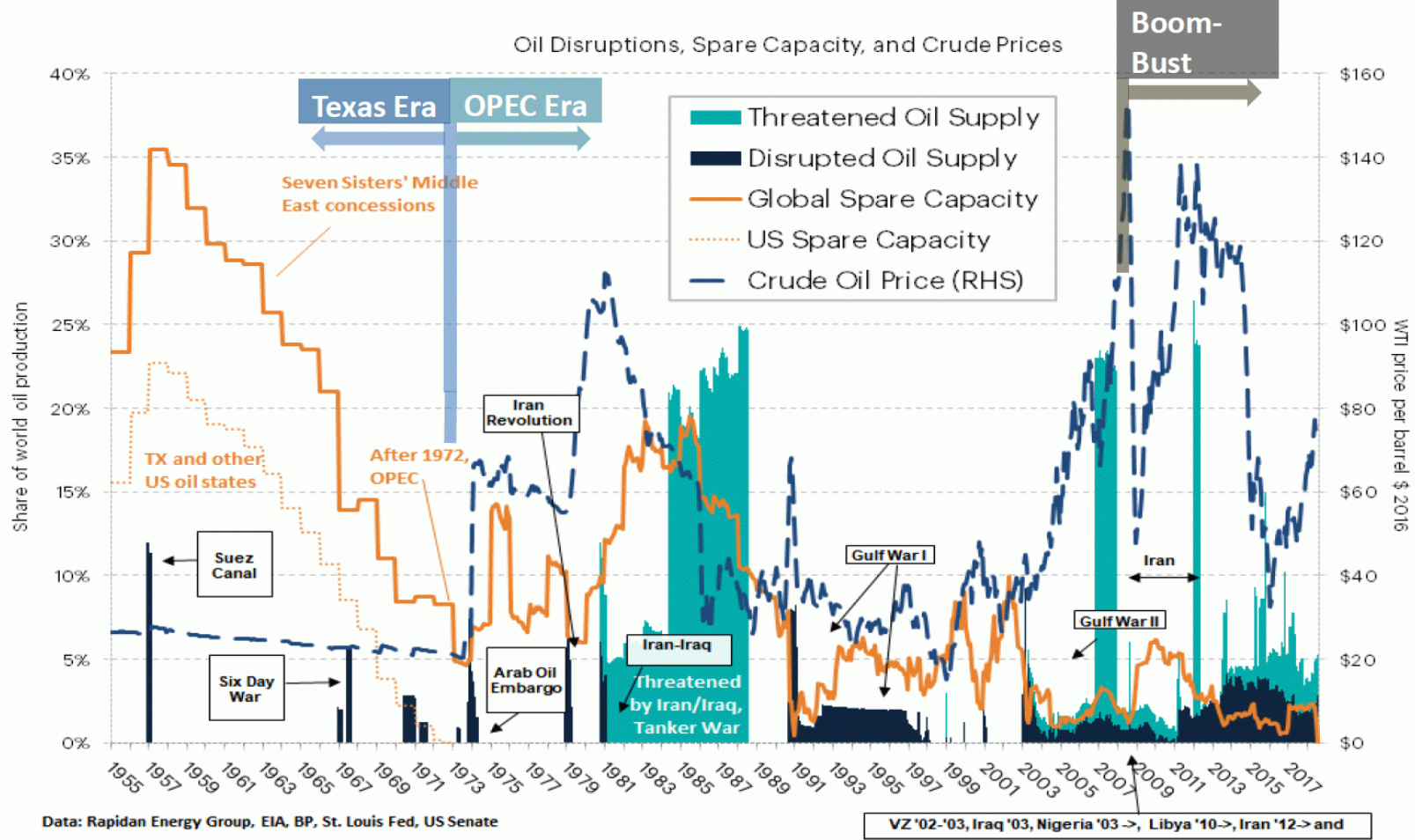
Daily WTI Spot Price



Source: EIA, Rapidan Energy Group

## Sticky Supply & Demand, Limited Storage = Oil Prone to Boom-Bust Supply Managers and Swing Producers Tried to Stabilize Prices

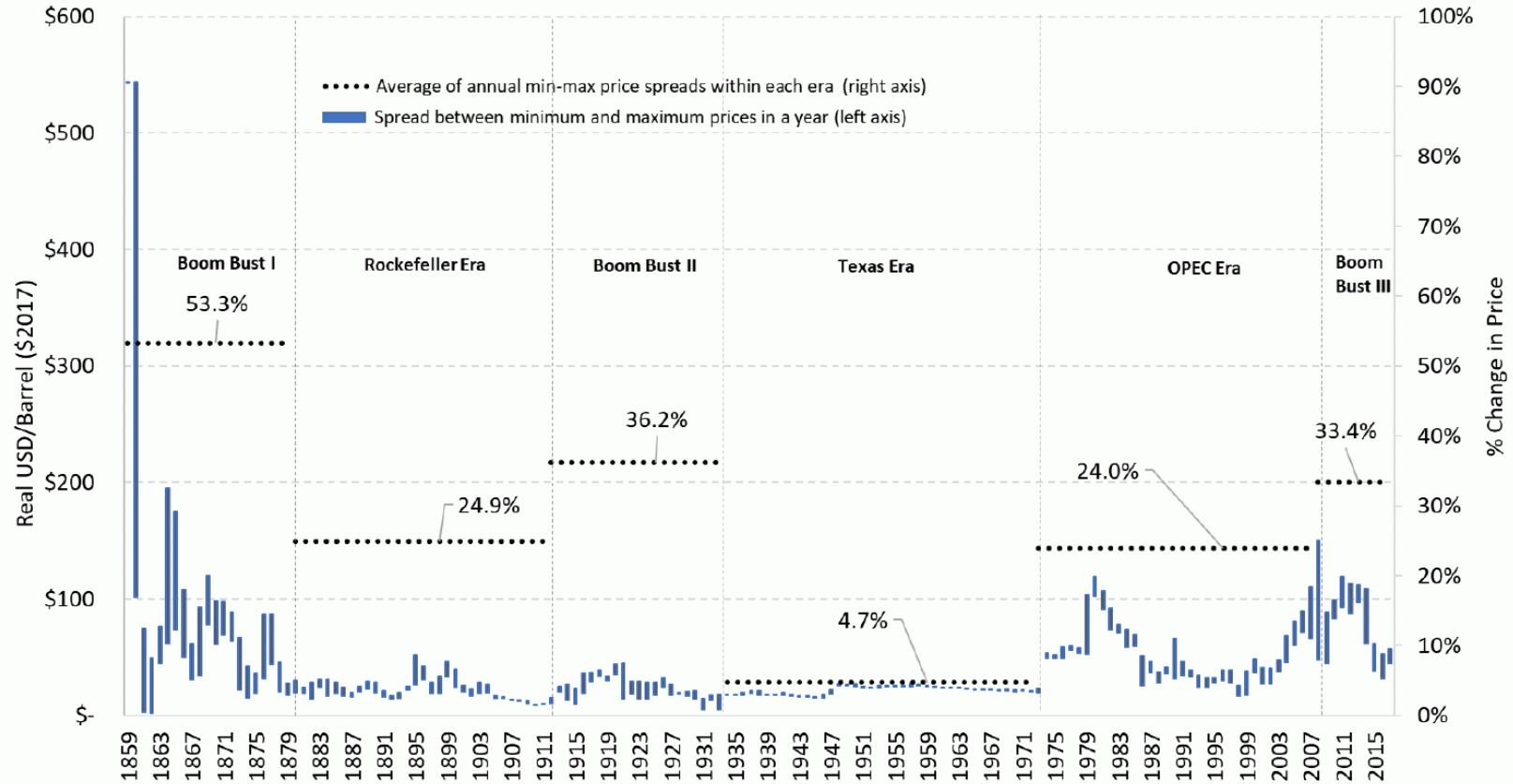




# 10 Years Ago Oil Entered History's Third Boom-Bust Era

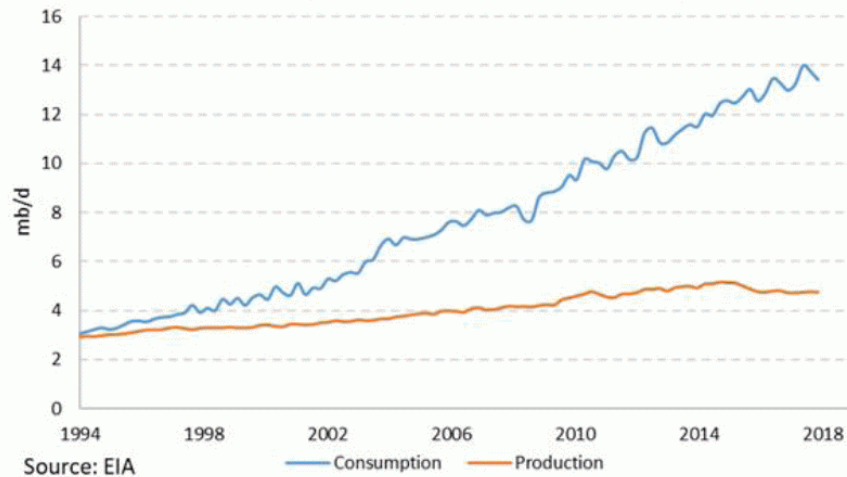
Last prolonged boom and bust era ended over 80 years ago

## Monthly Real Crude Oil Price Ranges, 1859-2017



Data Sources: The Rapidan Group, based on The Derrick, API, St. Louis Fed, and EIA

### China Total Liquids Production and Consumption

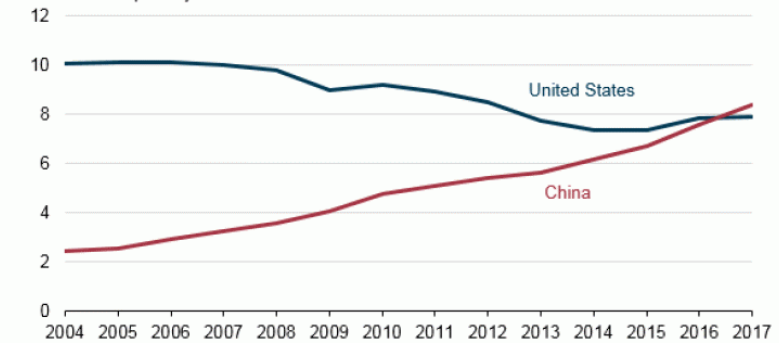


FEBRUARY 5, 2018

## China surpassed the United States as the world's largest crude oil importer in 2017

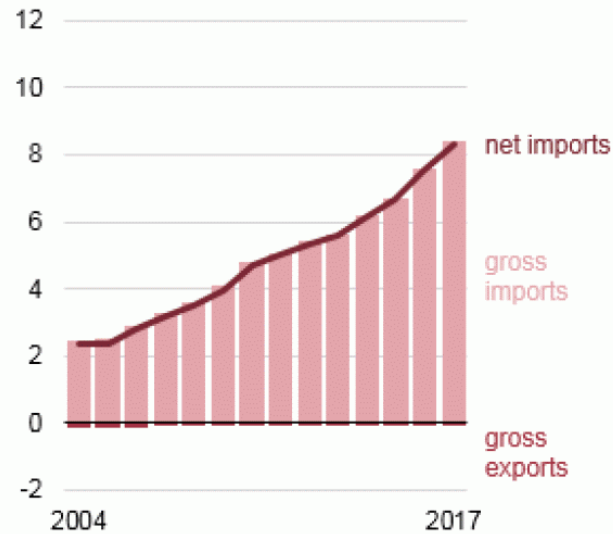
### Annual U.S. and China gross crude oil imports (2004-2017)

million barrels per day



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly* and *Weekly Petroleum Status Report*, China General Administration of Customs, based on Bloomberg, L.P.  
 Note: December U.S. imports derived from weekly crude oil imports.

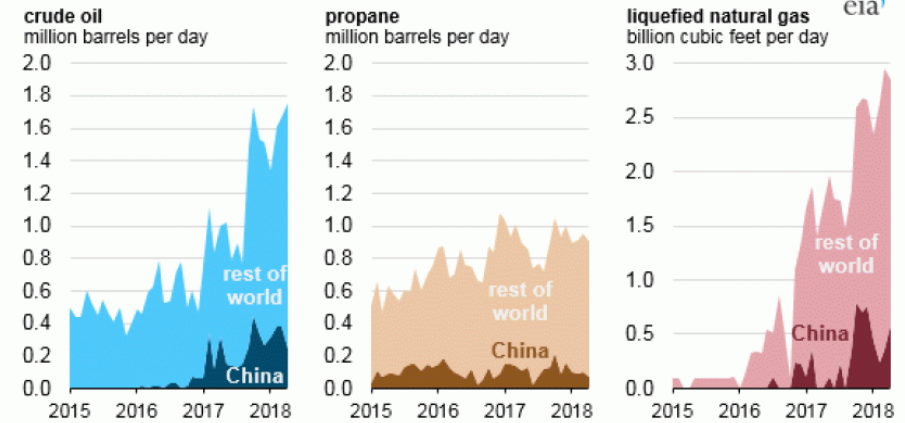
**China crude oil trade (2004-2017)**  
million barrels per day



JULY 10, 2018

## China is a key destination for increasing U.S. energy exports

**U.S. exports of selected energy goods (Jan 2015-Apr 2018)**



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly*, *Natural Gas Monthly*

1. Consistently improve quality and quantity of oil market data
2. Boost IEF's efforts to promote data transparency and dialogue between producers and consumers
3. Build commercial and strategic stocks, coordinate in the latter's use with other importers during emergencies
4. Assist in multilateral anti-piracy and regional stability efforts
5. Diversify sources of imports
6. Liberalize domestic oil prices
7. Fuel economy standards and other efficiency incentives
8. Promote breakthroughs in alternative fuels





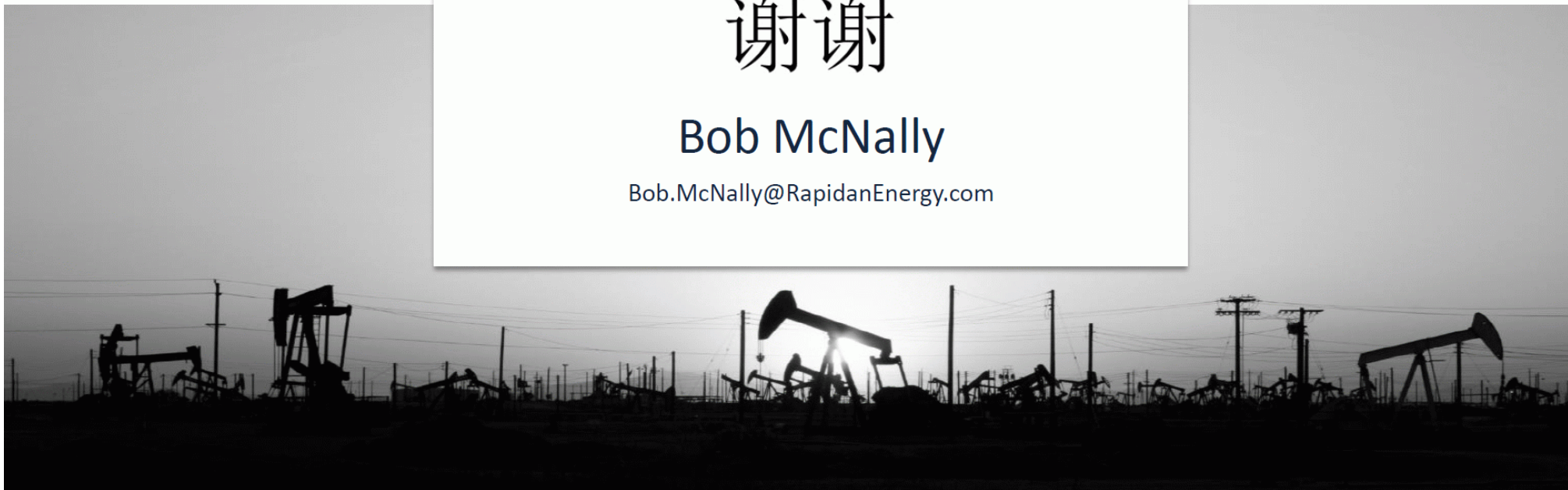
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Thank you!

谢谢

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