

# Financial Investment Opportunities in the Oil Industry

8th Joint IEA-IEF-OPEC Technical Meeting

October 21, 2021

**David A. Chang**

Senior Managing Director and Commodities Portfolio Manager

## **Today's Panel**

Investment opportunities in the oil industry in light of recent trends in the global economy and financial markets

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### *Presenters:*

Jason Bloom, Director, Global Macro ETF Strategy, Invesco

Mathew Portillo, Managing Director, Equity Research Department, Tudor, Pickering & Holt

Mark Viviano, Managing Partner and lead Portfolio Manager, Kimmeridge

### *Also in attendance:*

Christyan Malek, Head of EMEA Oil & Gas Research, JP Morgan Securities

Martin Rats, Managing Director, Global Oil Strategist, Morgan Stanley

Alastair Syme, Managing Director, Energy Research, Citigroup

### *Moderated by:*

David Chang, Senior Managing Director, Wellington Asset Management

# Oil Prices Have Doubled in a Year and at 2018 Highs

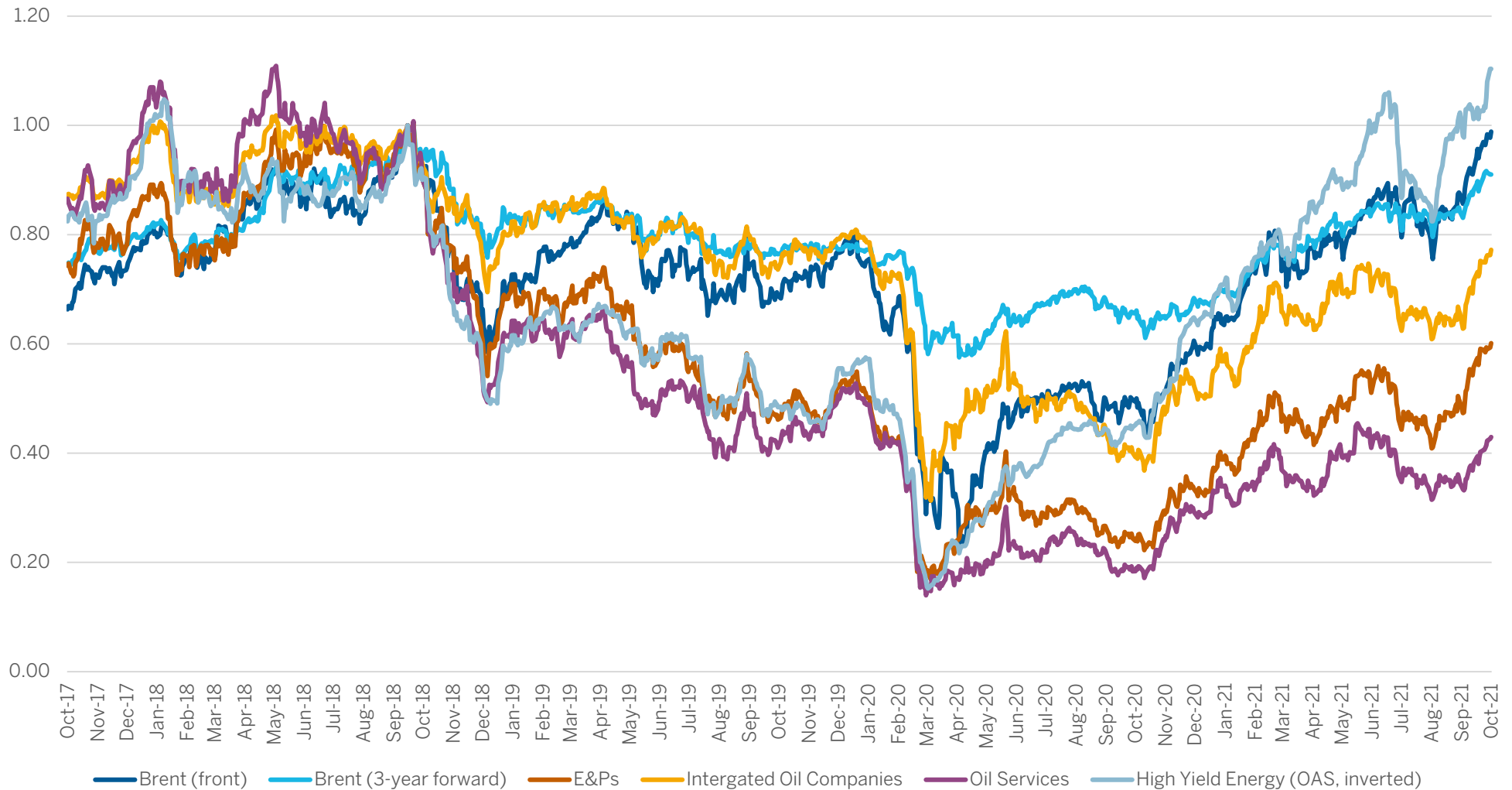
Brent Oil (US dollars per barrel)



Sources: Bloomberg

# Energy Equities Have Lagged the Oil Price Recovery

Energy Financial Markets (Indexed at 1 on 10/3/18)

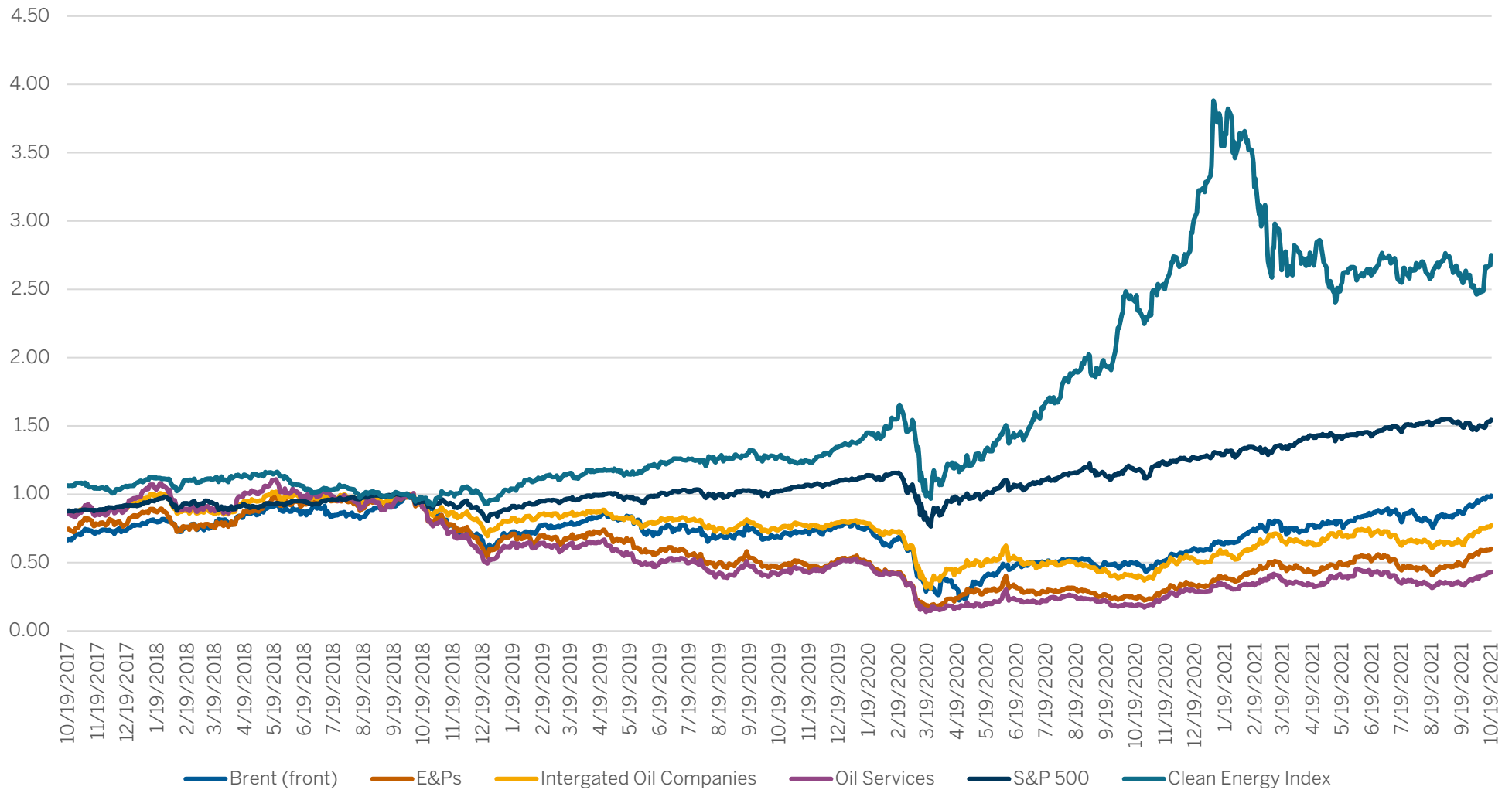


Sources: Bloomberg, S&P

8<sup>th</sup> Joint OPEC, IEA and IEF Workshop, 21 October 2021

# Broad Equity Markets and Clean Energy Have Outperformed Until Recently

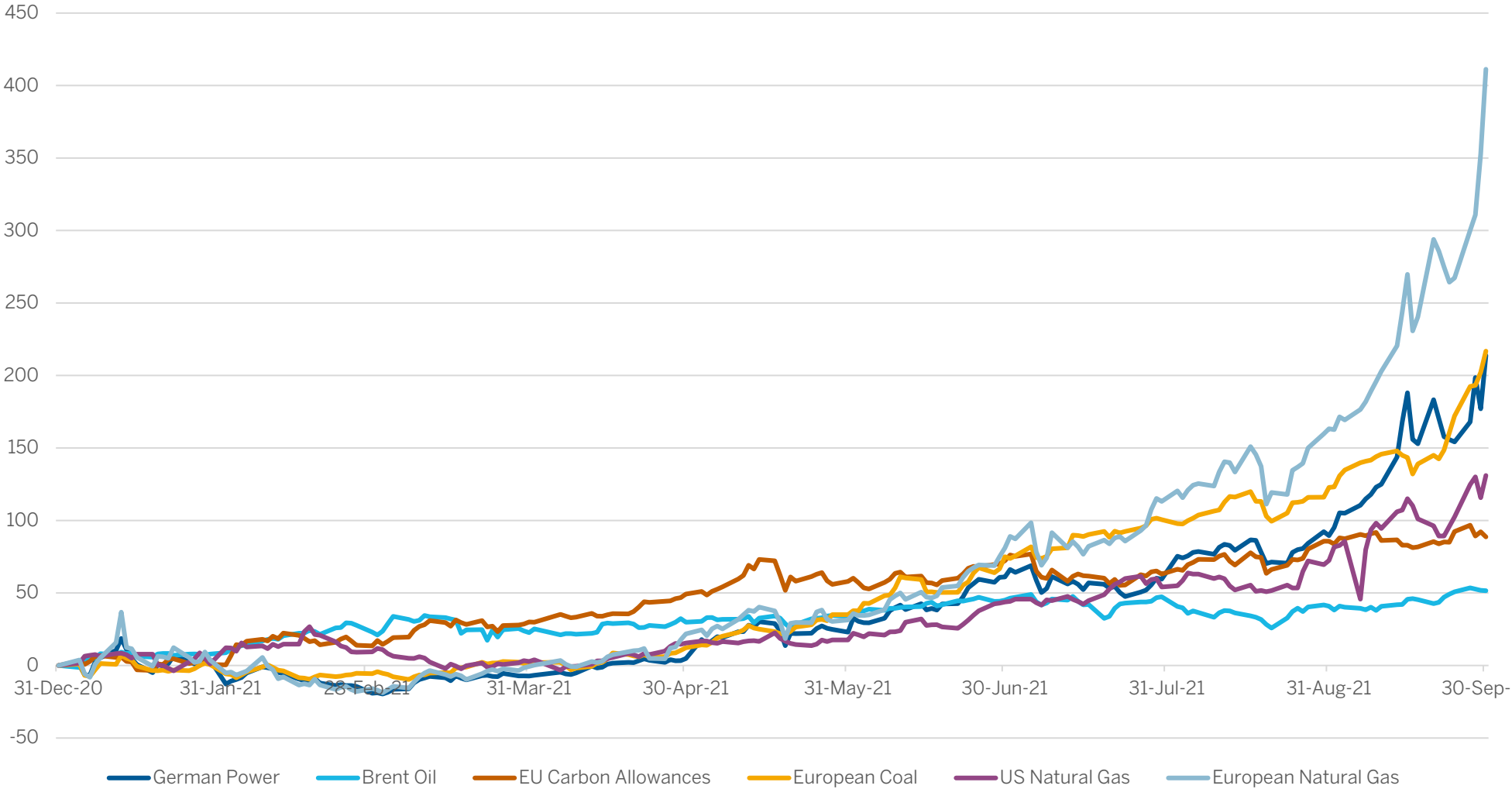
Energy, Clean Energy and Broad Equities (Indexed at 1 on 10/3/18)



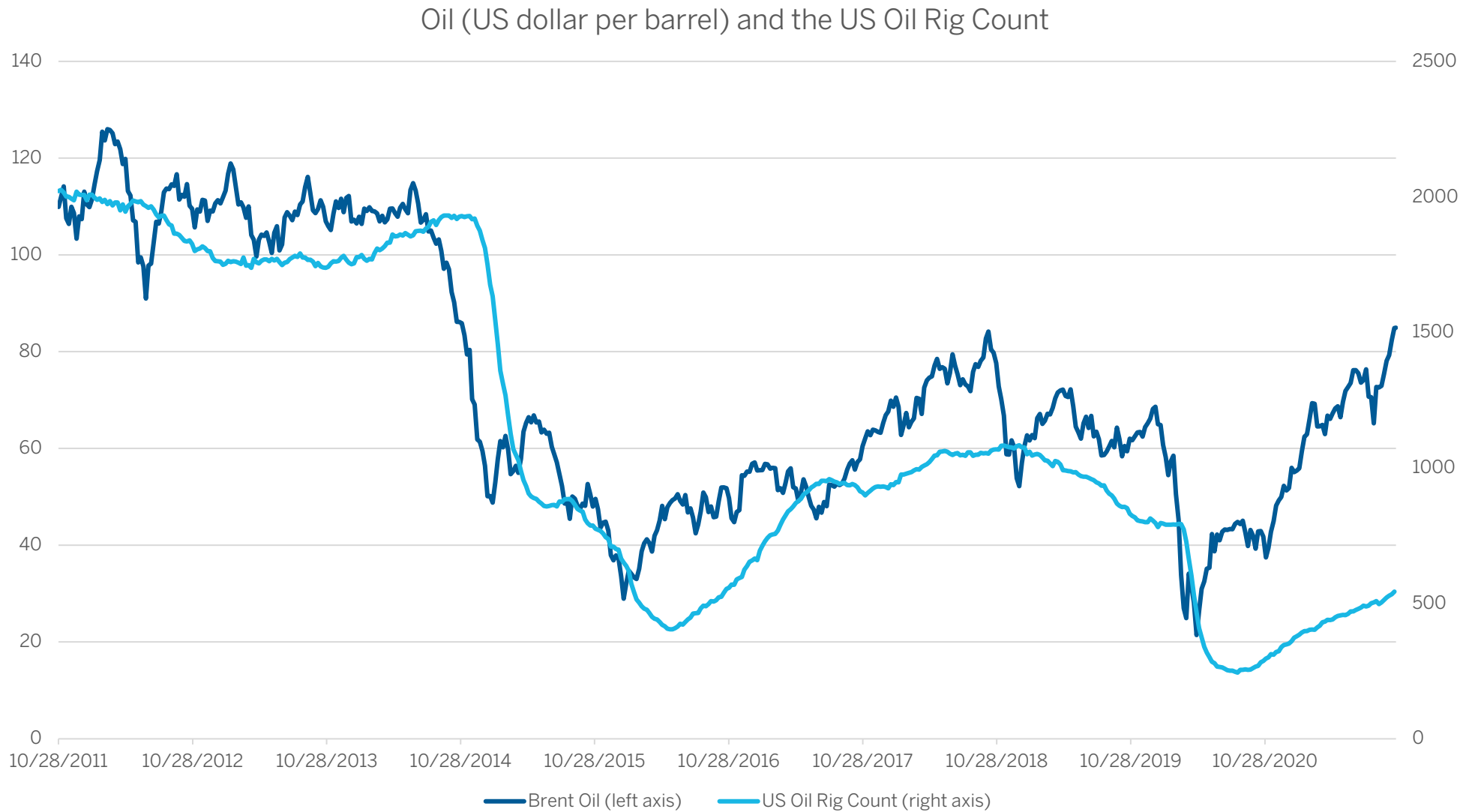
Sources: Bloomberg, S&P

# Oil Has Lagged Other Energy Commodities such as Coal and Natural Gas

Cumulative %Change in 2021 Global Energy Prices



# Drilling Activity Is Also Lagging Oil Prices



## Main Questions and Topics for the Panel

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What is the macro and fundamental backdrop for commodities and oil?

How are financial flows into oil shaping up and how will they impact the price?

How is ESG impacting financial investments into energy across asset classes?

Is capital discipline here to stay and what is the outlook for US capital spending?

How are private companies operating differently than their public counterparts?

What is the outlook for M&A?

How will the energy transition influence the outlook for oil fundamentals and is there a cost to decarbonizing?



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