



Outlook on Energy Price Benchmark Market and Overview of SC Crude Oil Futures

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Chairman, SHFE and INE

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Riyadh, Saudi Arabia

Disclaimer

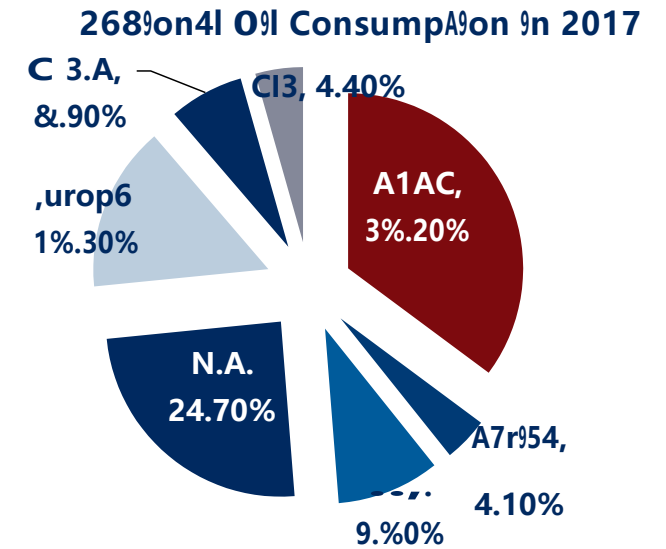
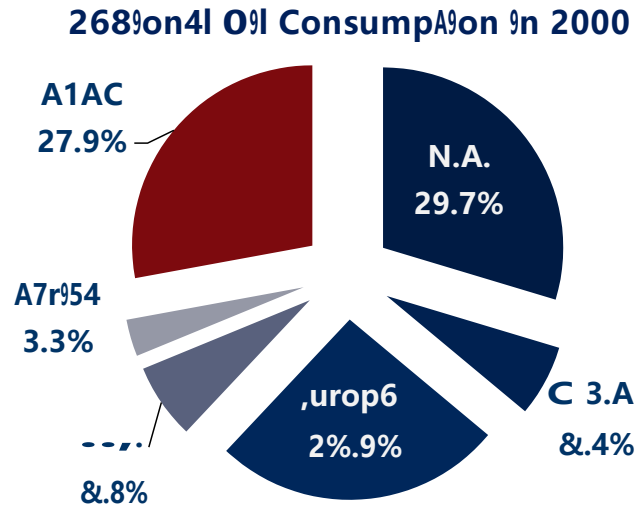
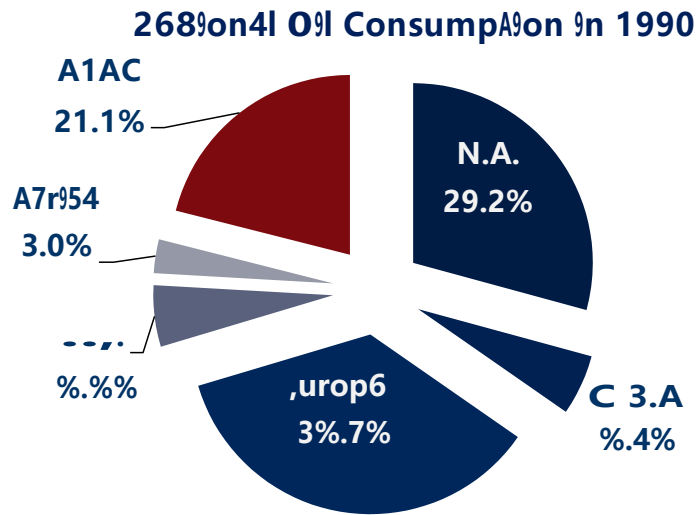


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Steady Volume and Share Increase of Asia Pacific Oil Consumption



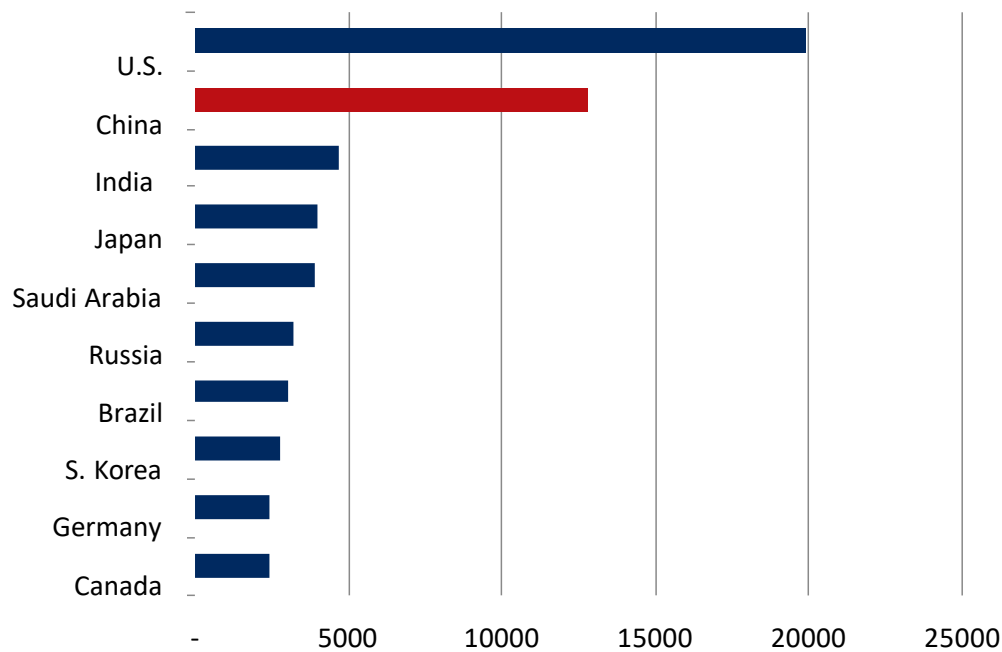
N.A.: North America
 C&S.A: Central and South America
 M.E.: Middle East
 APAC: Asia Pacific
 CIS: Commonwealth of Independent State

Data = BP

China: 2nd Largest Oil Consumer, High Dependence on Imports

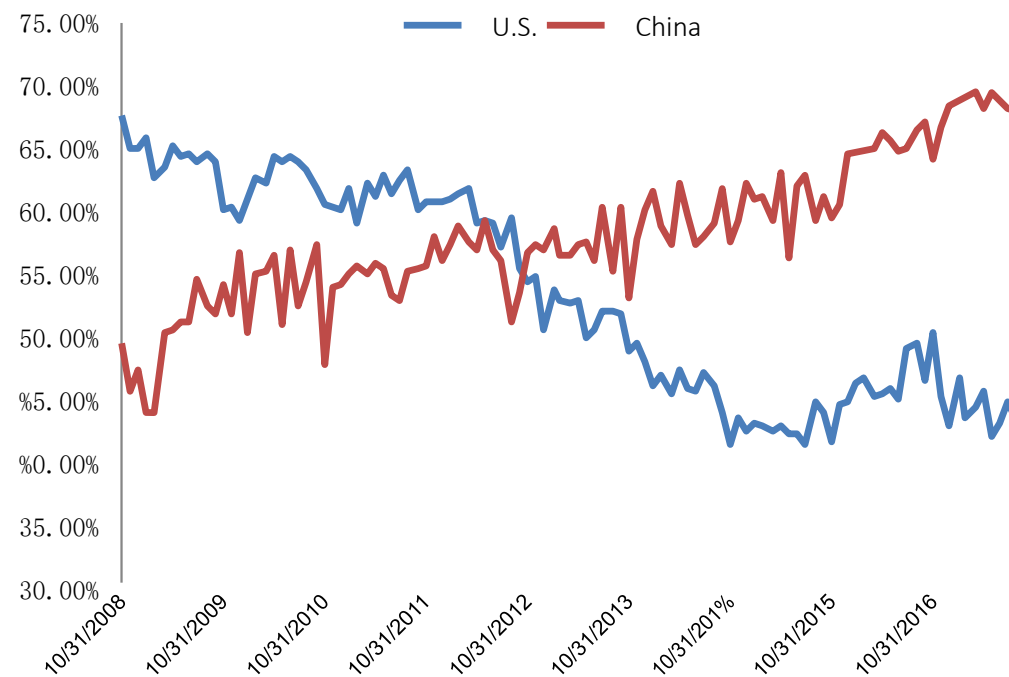


Oil Consumption by Country (b/d)



Data = BP

Crude Oil Dependence on Imports



Data: EIA, National Bureau of Statistics, Customs

Regional Crude Oil Benchmarks



WTI Futures

Brent Futures

Dubai / Oman OTC

Assessment

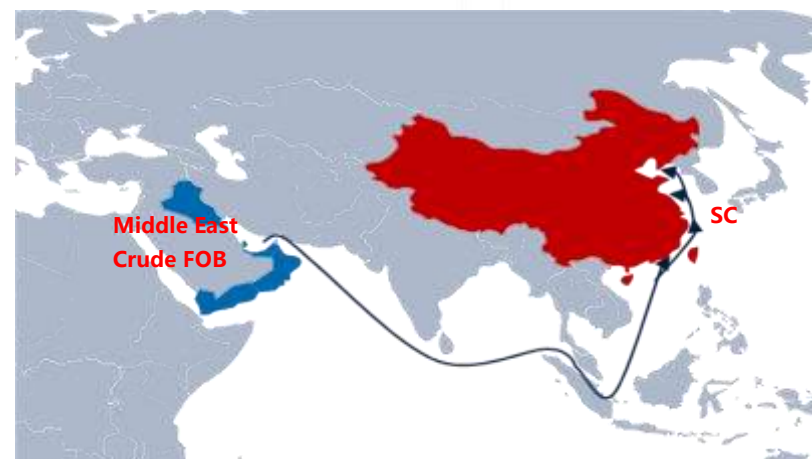
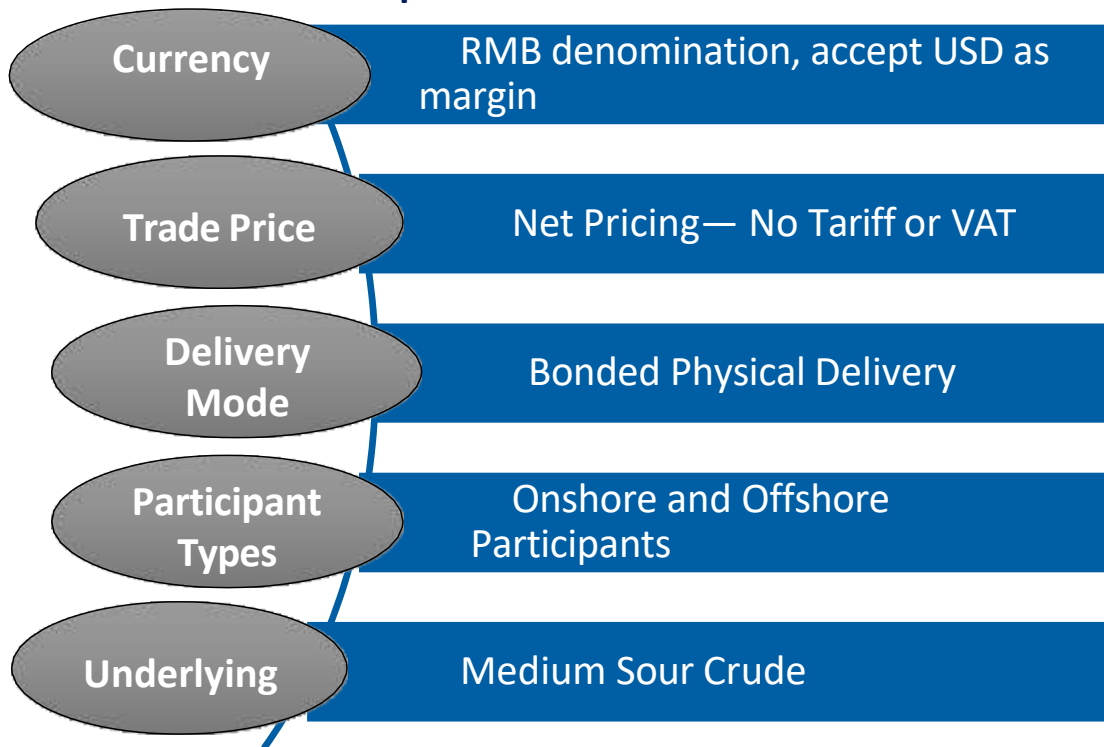


SC Middle Eastern Crude CRF Price to North-East Asia



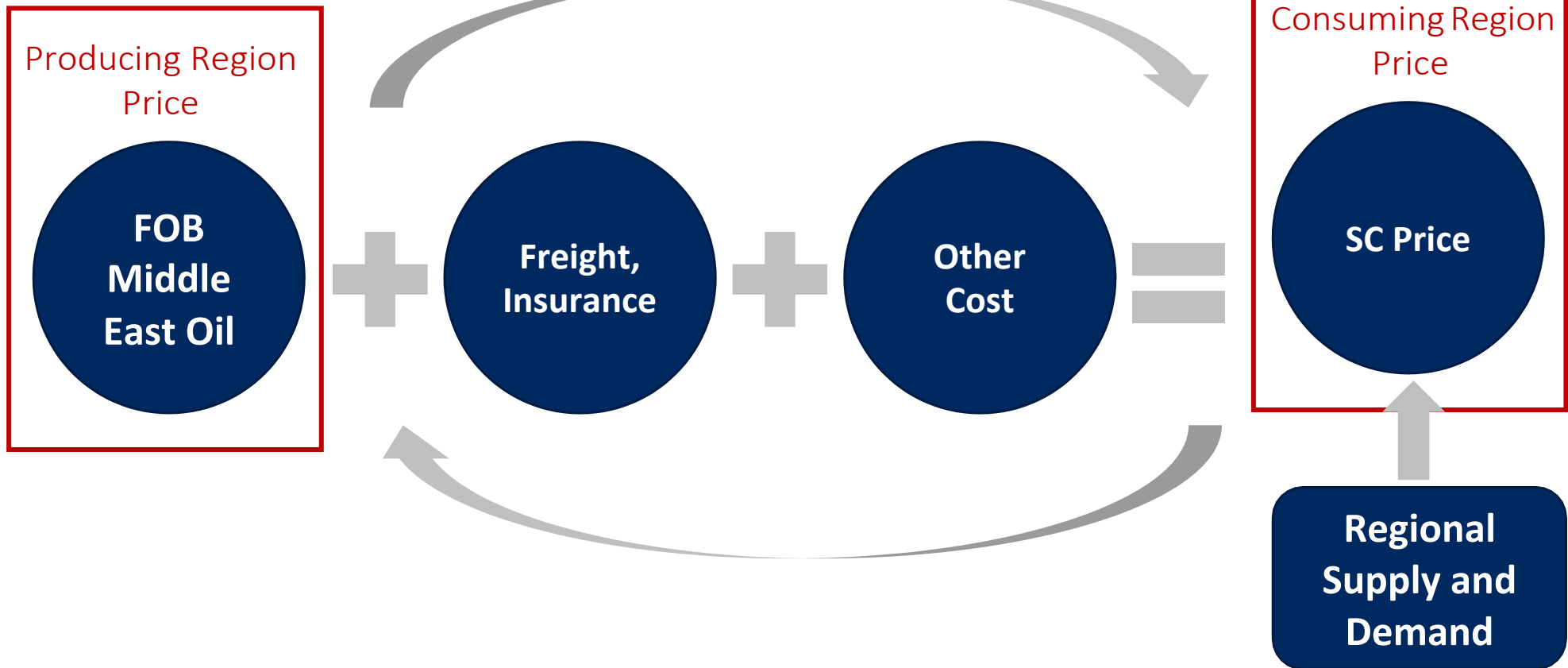
Lot size: 1000 bbls

Contracts listed : up to 36 months



Nation	Deliverable Crudes
United Arab Emirates	Dubai
United Arab Emirates	Upper Zakum
Sultanate of Oman	Oman
State of Qatar	Qatar Marine
Republic of Yemen	Masila
Republic of Iraq	Basrah Light
People’s Republic of China	Shengli

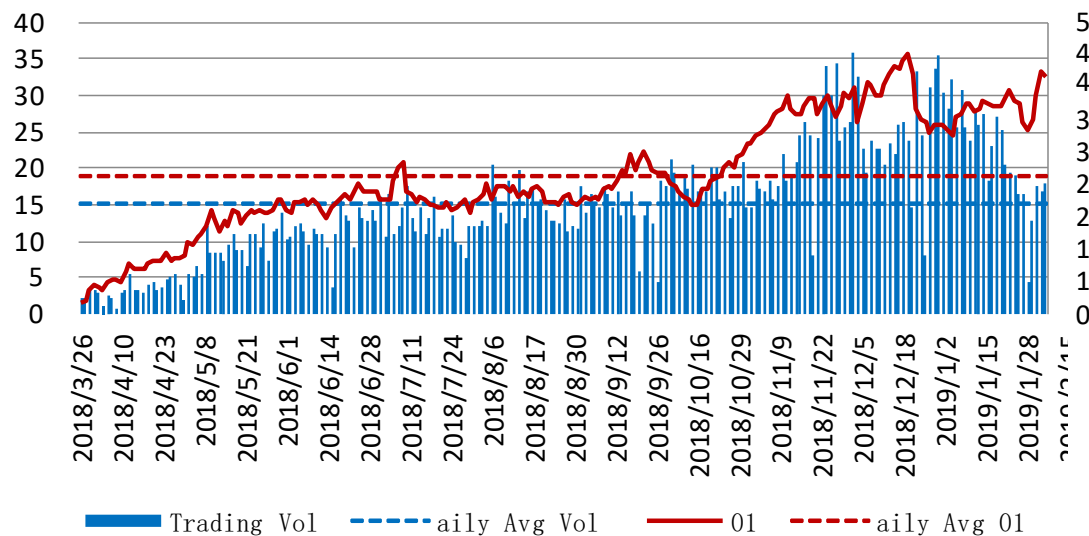
Price of Producing Region and Consuming Region



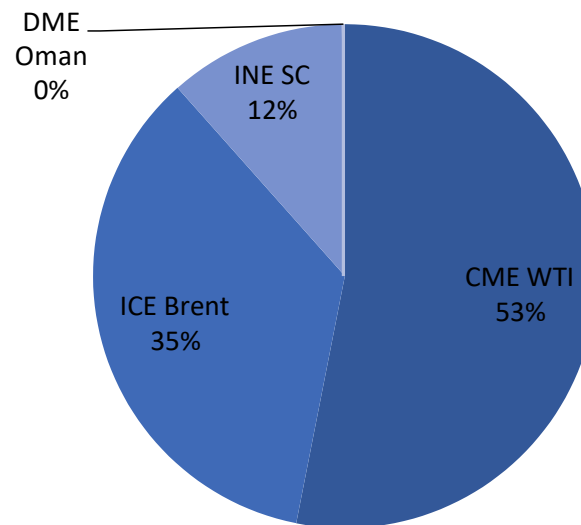
Market Size Increases Steadily



SC Trading Volume and OI



Jan-2019 Trading Volume Market Share

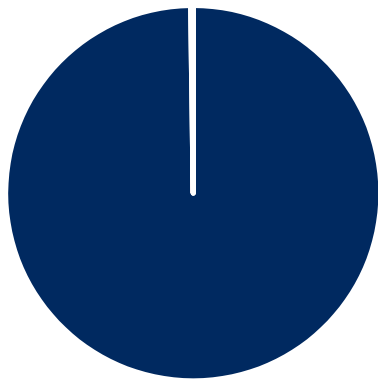


- In early 2019, INE SC trading volume reached 150k ADIs, with a daily average of 150k ADIs.
- In early 2018, the daily average trading volume of INE SC reached a high of 360k ADIs.
- In early 2018, the daily average trading volume of INE SC reached 50k ADIs.
- In early 2018, the daily average trading volume of INE SC reached 21k ADIs.
- Note: above numbers are counting single-sided

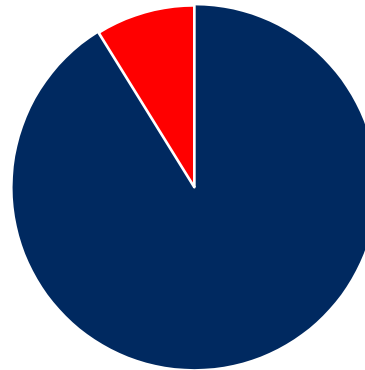
Offshore articipation



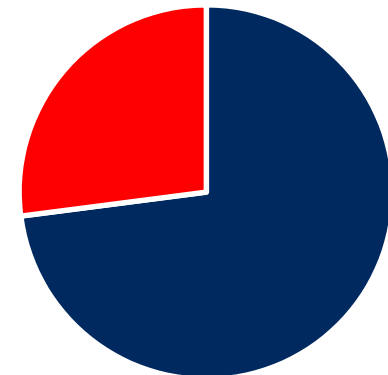
Account Number



Trading Volume



Open Interest



■ Onshore ■ Offshore

Note: as of Feb 15, 2019

48 Overseas Intermediaries

J.P.Morgan

UOB

Goldman Sachs

Phillip Futures

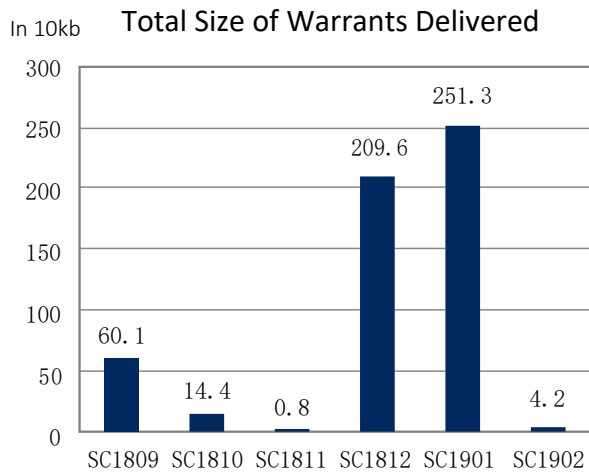
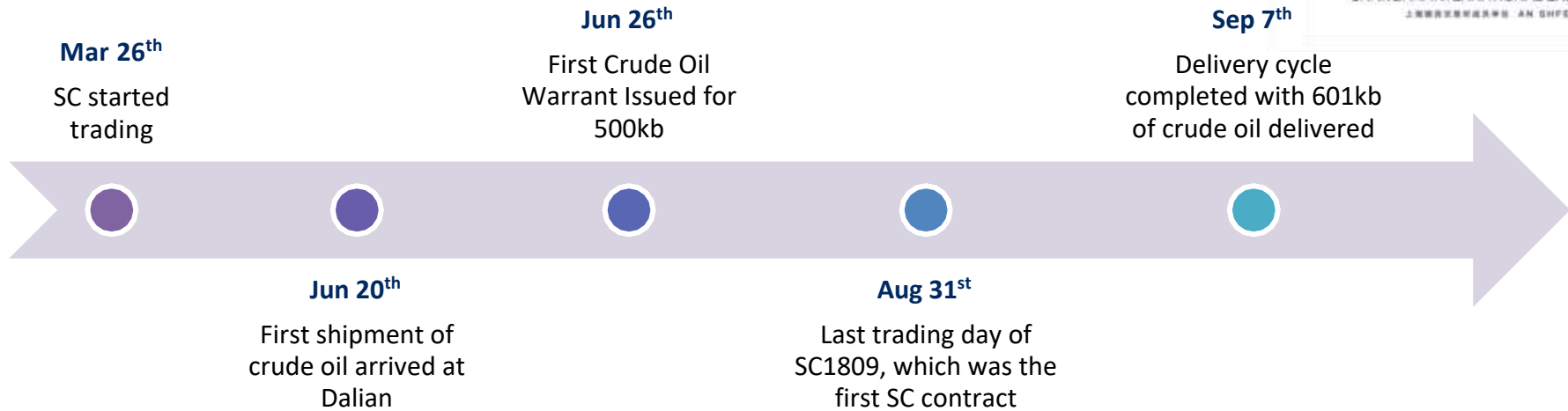
Straits Financial

MAREX SPECTRON

ADM

DBS

Delivery Went Smoothly



By Feb 2019, 6 contracts have completed their delivery cycles (SC1809, SC1810, SC1811, SC1812, SC1901, SC1902), with a total amount of 5.4 million barrels delivered.

- In April 2018, 528 contracts were traded using INE's first SC products as benchmark
- Contract turnover peaked in August 2018
- In October 2018, 512 contracts were traded using 350kb of 91182 standard 52aay source based INE's SC1812 products

Chinese Futures Market and Futures Exchanges



2018 Top 10 Global Commodity Exchanges

Ranking		Exchange Name	Volume (100mn lots)		YoY Growth
2018	2017		2018	2017	
1	1	Shanghai Futures Exchange (SHFE)	12.02	13.64	-11.90%
2	2	Chicago Mercantile Exchange Group (CME Group)	11.82	11.32	4.43%
3	3	Dalian Commodity Exchange (DCE)	9.82	11.01	-10.84%
4	5	Zhengzhou Commodity Exchange (ZCE)	8.18	5.86	39.57%
5	4	Intercontinental Exchange (ICE)	7.97	7.85	1.54%
6	6	Moscow Exchange (MOEX)	4.78	4.91	-2.64%
7	7	Multi Commodity Exchange of India (MCX)	2.30	1.99	15.97%
8	8	Hong Kong Stock Exchange (HKEX)	1.85	1.58	17.53%
9	9	National Association of Securities Deal Automated Quotations Group (NASDAQ Group)	0.24	0.52	-54.43%
10	10	Tokyo Commodity Exchange (TOCOM)	0.24	0.24	-2.32%

Source: FIA





Global Exchange Traded Commodities Market Share (2001-2018)



- Trading Vol, Other Countries / Regions
- Trading Vol, Mainland China
- Trading Vol, United States
- Market Share, United States
- Market Share, Mainland China

Source: FIA

Outlook on Pricing Benchmark Market

-  Increasing uncertainties in oil supply, demand and macro economy
-  Increasing fluctuation in energy prices
-  Greater importance of benchmark market for price discovery and hedging purposes
-  Opening up of Chinese futures market provides international solution

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SHANGHAI INTERNATIONAL ENERGY EXCHANGE

上海期货交易所成员单位 AN SHFE COMPANY