



Industry views on short-, medium- and long-term energy outlooks
5th IEA-IEF-OPEC Symposium on Energy Outlooks, Riyadh, March 2015

Moderator:

- David Fyfe, Head of Market Research & Analysis, Gunvor Group Ltd

Panellists:

- Roberto Sieber, Chief Economist, Hartree Partners, LP
- Marianne Kah, Chief Economist, Corp.Planning & Development, ConocoPhillips
- Toshiro Okada, Senior Energy Advisor, Agency for Natural Resources & Energy, METI, Japan
- Du Wei, Deputy Director of CNPC Economics & Technology Research Institute

GLOBAL COMMODITIES TRADING

Gunvor Group Key Figures



2013 revenue

\$91

billion
US dollars

We employ more than

1,600

men & women
worldwide

Value of industrial assets

\$2

billion
US dollars



GENEVA



SINGAPORE



NASSAU



DUBAI



SHANGHAI

We move approximately

131

million MT
of physical energy worldwide

We source crude & oil products from

>35

countries
worldwide

We trade more than

2.5

million
barrels of crude & refined products daily

- 1.** Commodity prices weaken (energy 45%, ags 15%, metals 20%) since 1Q14
- 2.** Global economy seems limited to sub-trend growth
- 3.** Sluggish demand response so far to weak prices (outside US)
- 4.** Uncertainty over 'when', not 'if' Fed raises rates & how this impacts emerging markets (EMs)
- 5.** Coal in chronic surplus, but investment & demand responses occurring (albeit China demand weakens structurally)
- 6.** Oil-indexed gas prices have followed crude down, spot prices converge and wave of new supply imminent
- 7.** OPEC has discarded (for now) the marginal supplier role
- 8.** Crude supply is responding in a lagged manner, upstream budgets being slashed – less non-OPEC later?
- 9.** Volatility & storage back in vogue

What happens next?

1. How resilient is US shale to \$50/bbl?
2. When prices recover, how replicable is US shale elsewhere?
3. Do costs underpin prices or prices determine costs?
4. Is the '*call on OPEC*' still relevant?
5. How does elevated volatility impact upon investment decisions?
6. How 'inevitable' is a return to higher energy prices anyway?
7. Are we focussing too much on supply?
8. Demand: subsidies/taxes & the spectre of US interest rates
9. Has the 'golden age' of gas lost some of its lustre?
10. If not coal, if not nuclear, if not fracking, then what?



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