# GUNVOR

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

**Moderator:** 

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

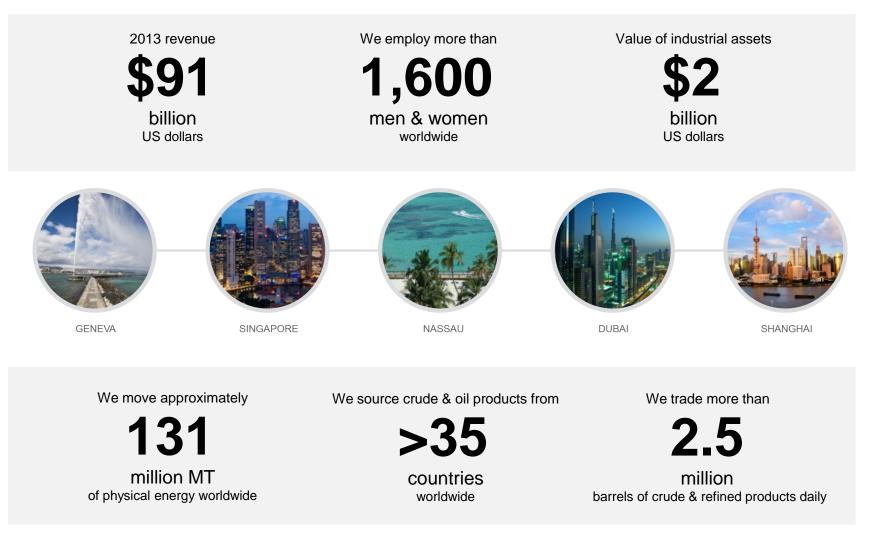
Panellists:

- 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







- 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



- **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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