

*A joint IEA-IEF-OPEC event*

## Understanding the New Dynamic: How do the Physical and Financial Markets for Energy Interact?

*22 November 2010, Hotel Crowne Plaza Saint James, London*

Monday, November, 22, 2010	
8:30 to 9:00	Registration, Coffee and Networking
9:00 to 10:30	<p><b>Session I: How the physical markets have evolved in recent years?</b></p> <ul style="list-style-type: none"> <li>How have the physical markets evolved over the last decade, in terms of crude and products, quality, regional demand and trade patterns?</li> <li>How has price formation in the physical markets evolved?</li> <li>Are the current benchmarks still valid? What sort of bearing does the declining liquidity in WTI, Brent, Oman and Dubai have on price formation? What would the market gain or lose in shifting to alternatives?</li> <li>How has the role of price assessment by information publishers, such as Platts and Argus Media, evolved?</li> </ul> <p><u>Moderator:</u> <b>Tatsuo Masuda</b>, <i>Professor, The NUCB Graduate School, Japan</i></p> <p><u>Panelists:</u>  <b>Jorge Montepeque</b>, <i>Senior Editor, Platts</i>  <b>Ken Koyama</b>, <i>Director, Institute of Energy Economics of Japan</i>  <b>Bassam Fattouh</b>, <i>Director, Oil and Middle East Programme, Oxford Institute for Energy Studies</i>  <b>Adeeb Y. Al-Aama</b>, <i>Corporate Advisor, Economic and Energy Outlook, Saudi Aramco</i></p>
10:35 to 11:45	Coffee and Networking
10:45 to 12:15	<p><b>Session II: How have energy-related financial markets evolved?</b></p> <ul style="list-style-type: none"> <li>How have the energy-related financial markets evolved over the last decade, in terms of structure, size, participants, financial products and their functioning?</li> <li>How do developments in other asset classes, such as equities and the currency markets, affect the paper oil market and other commodity markets?</li> <li>How do the investment strategies of market participants, such as hedgers, money managers and index traders, impact markets' functioning, in particular in terms of price discovery and volatility?</li> <li>What impact does the structure of the futures market have on price behaviour? Who are active in the far-forward months and how does this activity influence front-month prices? What type of trade and post-trade information is needed to improve transparency, in particular in over-the-counter markets?</li> </ul> <p><u>Moderator:</u> <b>Jean-Marie Chevalier</b>, <i>Professor, University of Paris-Dauphine</i></p> <p><u>Panelists:</u>  <b>Michael Masters</b>, <i>Managing Member, Masters Capital</i>  <b>David Bicchetti</b>, <i>Associate Economic Officer, UNCTAD</i>  <b>Philip Wiper</b>, <i>Director, PVM Oil Associates Ltd</i>  <b>Eugen Weinberg</b>, <i>Senior Commodity Analyst, Commerzbank</i></p>
12:15 to 13:30	Lunch

13:30 to 15:00	<p><b>Session III: OTC market functioning and impact on oil price and volatility</b></p> <ul style="list-style-type: none"> <li>• How has the OTC market developed during the last decade, in terms of size, participants, products and operation?</li> <li>• What are the OTC participants' objectives and strategies? What are the costs and benefits for participants to trade on the OTC versus a regulated exchange?</li> <li>• How do the OTC and exchange-traded futures markets interact and influence each other? What is their degree of transparency? How does information flow between the two?</li> <li>• How does the OTC market impact oil price discovery and volatility? What is the influence of speculators in OTC markets?</li> </ul> <p><u>Moderator:</u> <b>Jeff Harris</b>, <i>Former CFTC Chief Economist, University of Delaware</i></p> <p><u>Panellists:</u>  <b>Joel Couse</b>, <i>Head of Trade and Shipping, Total</i>  <b>Vincent Kaminski</b>, <i>Professor, Jesse H. Jones Graduate School of Business, Rice University, Houston.</i>  <b>David Peniket</b>, <i>President of ICE Futures Europe</i></p>
15:00 to 15:15	Coffee Break
15:15 to 16:45	<p><b>Session IV: The relationship between the products and paper markets</b></p> <ul style="list-style-type: none"> <li>• How do price developments in the products markets impact the oil market as a whole?</li> <li>• What are the hedging strategies used by refiners and main end-users?</li> <li>• How has the relationship between inventories and price changed? How does the regular release, revision and availability of data on inventories influence crude oil price levels and volatility?</li> <li>• What impact has the changing crude slate, evolving product demand, emerging refinery surplus, and differentiated quality specifications had on the market?</li> </ul> <p><u>Moderator:</u> <b>Nader Sultan</b>, <i>Senior Partner, F+N Consultancy Group</i></p> <p><u>Panellists:</u>  <b>Philip Verleger</b>, <i>The David E Mitchell /EnCana Professor of Management, Owner of P.K. Verleger LLC</i>  <b>Hans-Werner Polzin</b>, <i>Director Risk Management &amp; Emission Trading , HAM MT Lufthansa</i>  <b>Ian Bourne</b>, <i>Editor-in-Chief, Argus Media</i>  <b>Jayaraman Rajaraman</b>, <i>Vice President, Head, Crude Oil &amp; Feedstock Trading, Reliance Industries</i></p>
16:45 to 17:45	<b>Wrap-up: How do the Physical and Financial Markets for Energy Interact?</b>
18:00 to 20:00	Networking Cocktail

(\*) to be confirmed

### Session protocol

Discussion in workshop sessions will be steered by a Moderator.

To ensure free and open discussion, the workshop is held under the Chatham House Rule: each participant in the Workshop is free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

### Session timeline

Introduction of topics, main theme and issues by the Moderator (3 minutes)

Presentations by speakers (15 minutes each)

Roundtable discussion Summary of the Session and Conclusion by the Moderator (5 minutes)