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International perspectives on energy prices

Ifiec Energy forum 2017

Matthew Monteverde

31 May 2017


- London
- Houston
- Singapore
- Moscow
- Dubai
- New York
- Portland
- Calgary
- Santiago
- Bogota
- Rio de Janeiro
- Beijing
- Shanghai
- Tokyo
- Sydney
- Astana
- Kiev
- Cape Town
- Riga
- San Francisco
- Washington

Market Reporting

Consulting

Events

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A nighttime cityscape with a glowing blue line. The background shows a city skyline at night, with various buildings illuminated. A prominent feature is a glowing blue line that starts from the bottom left, curves upwards and to the right, and then curves back down and to the left, resembling a stylized 'S' or a path. The text 'A brief review' is positioned in the upper left quadrant.

A brief review

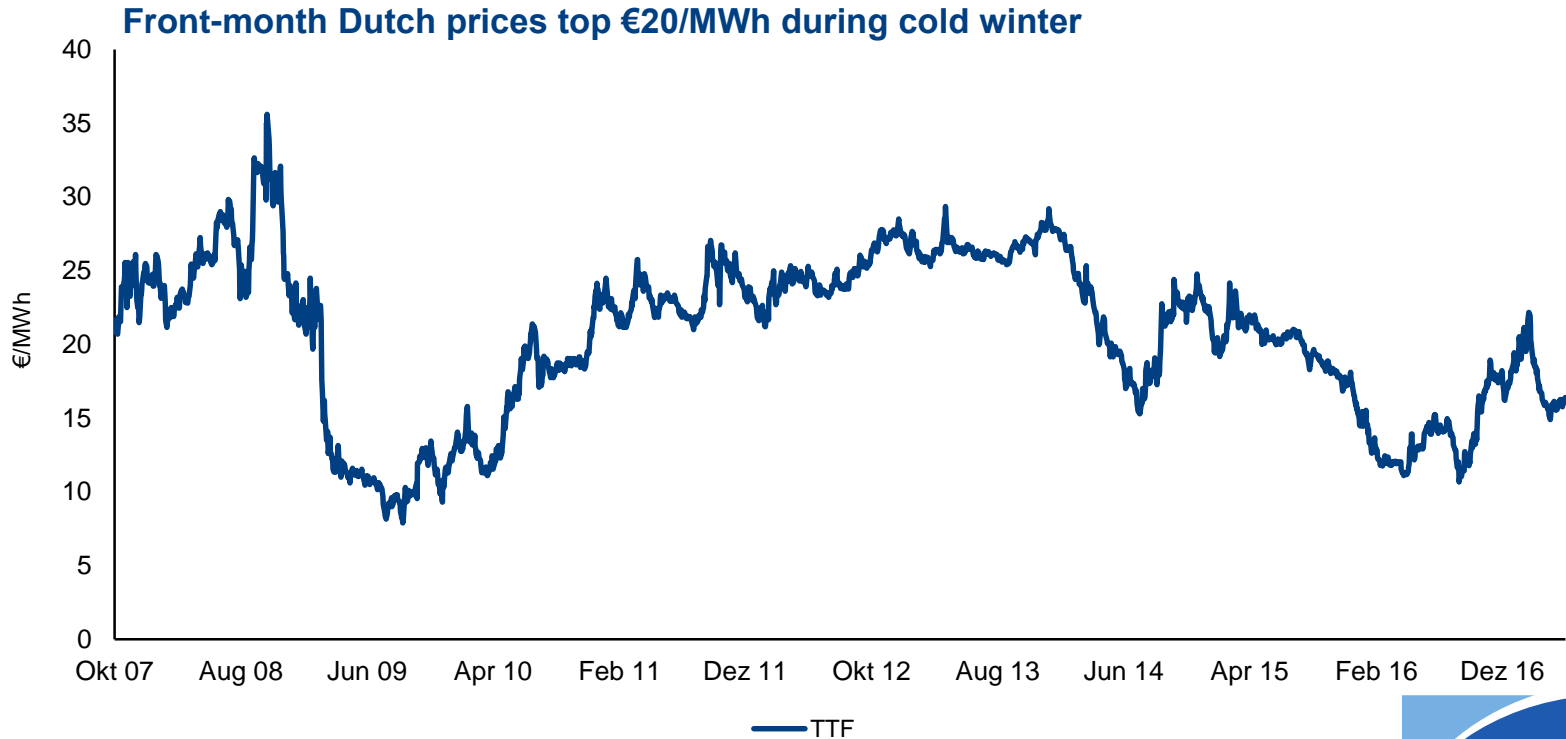
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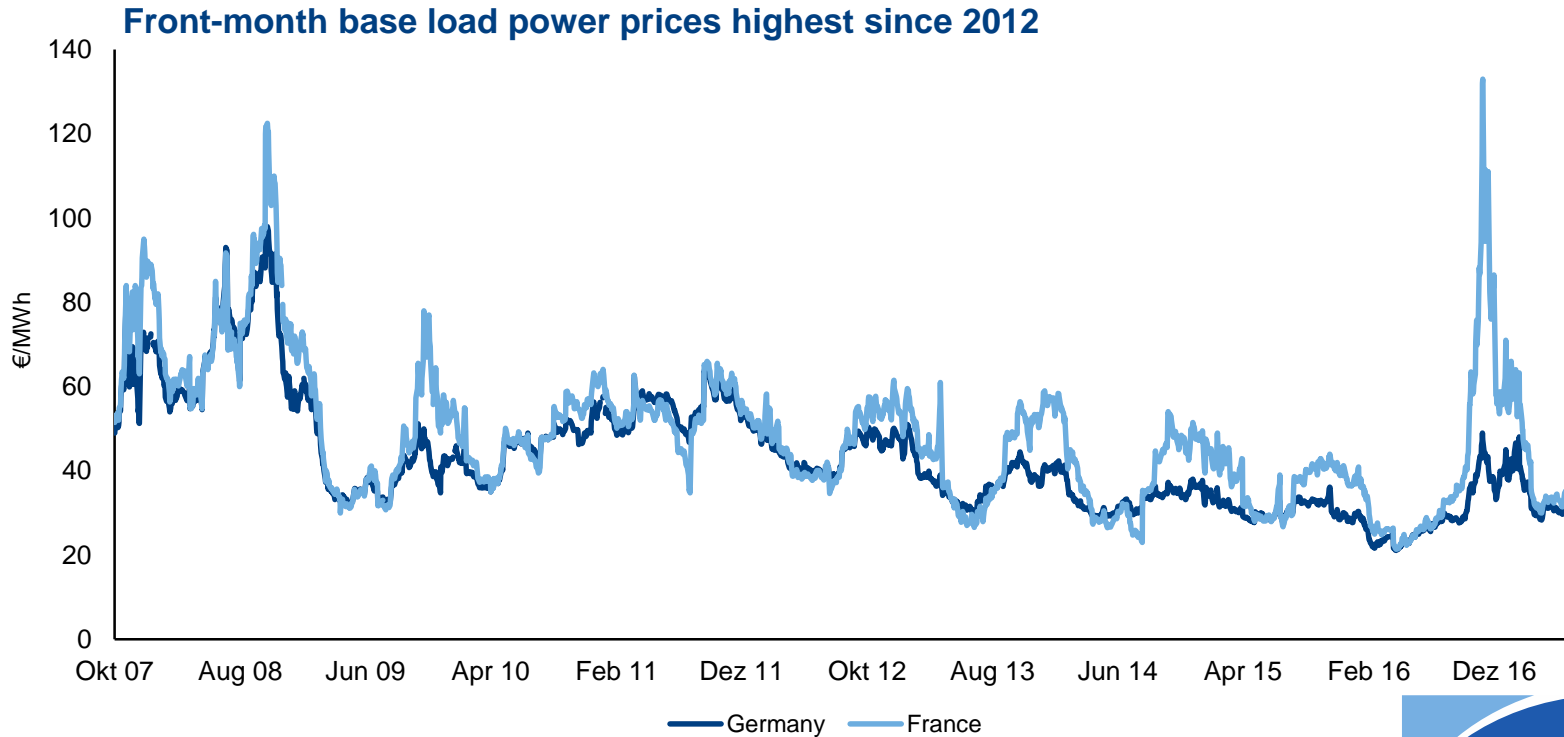
Gas prices were higher



So were power prices



Especially in France



A nighttime cityscape with a glowing blue line. The background shows a city skyline at night, with various buildings illuminated. A prominent feature is a glowing blue line that starts from the bottom left, curves upwards and to the right, and then curves back down and to the left, resembling a stylized 'S' or a path. The city lights are reflected in a body of water in the foreground.

Demand

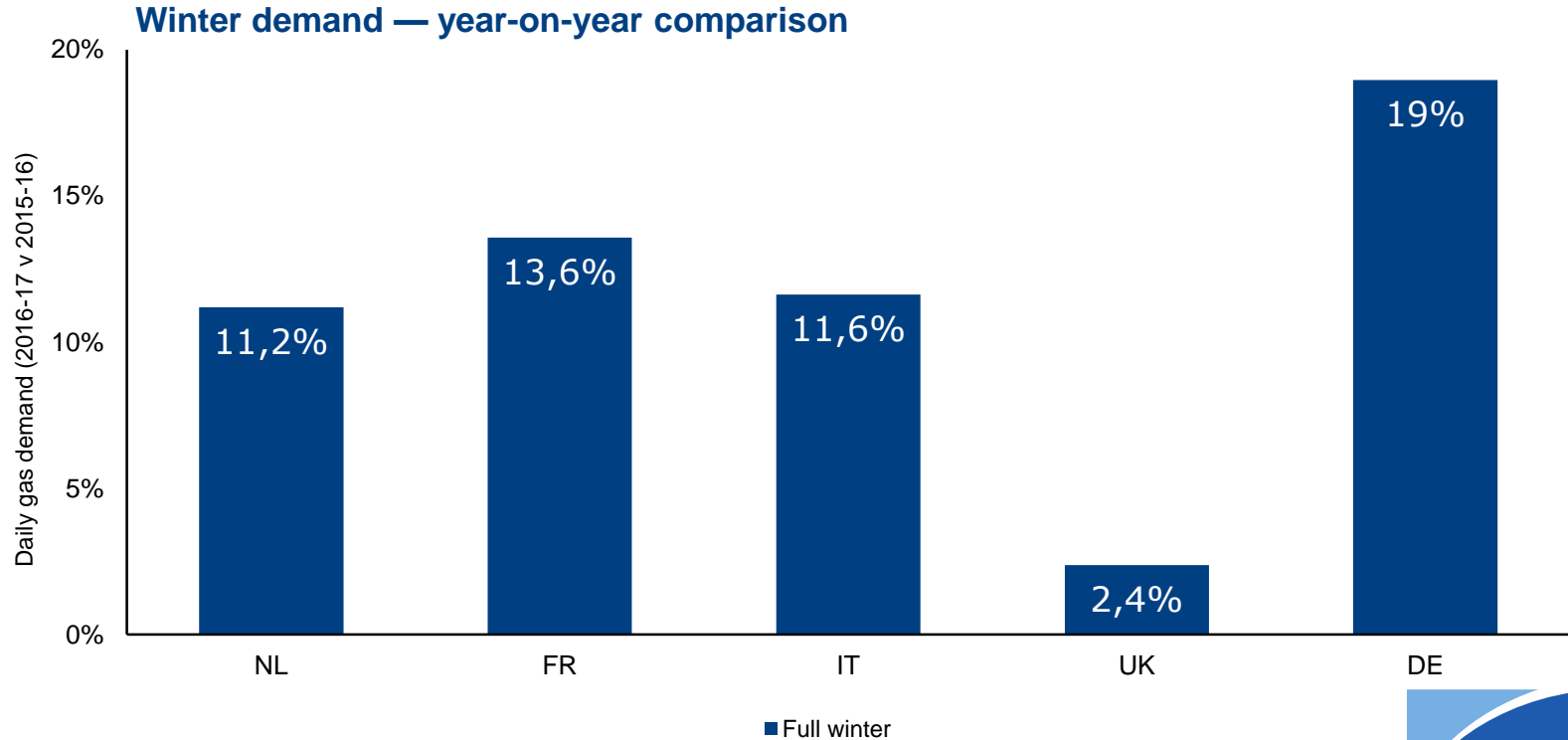
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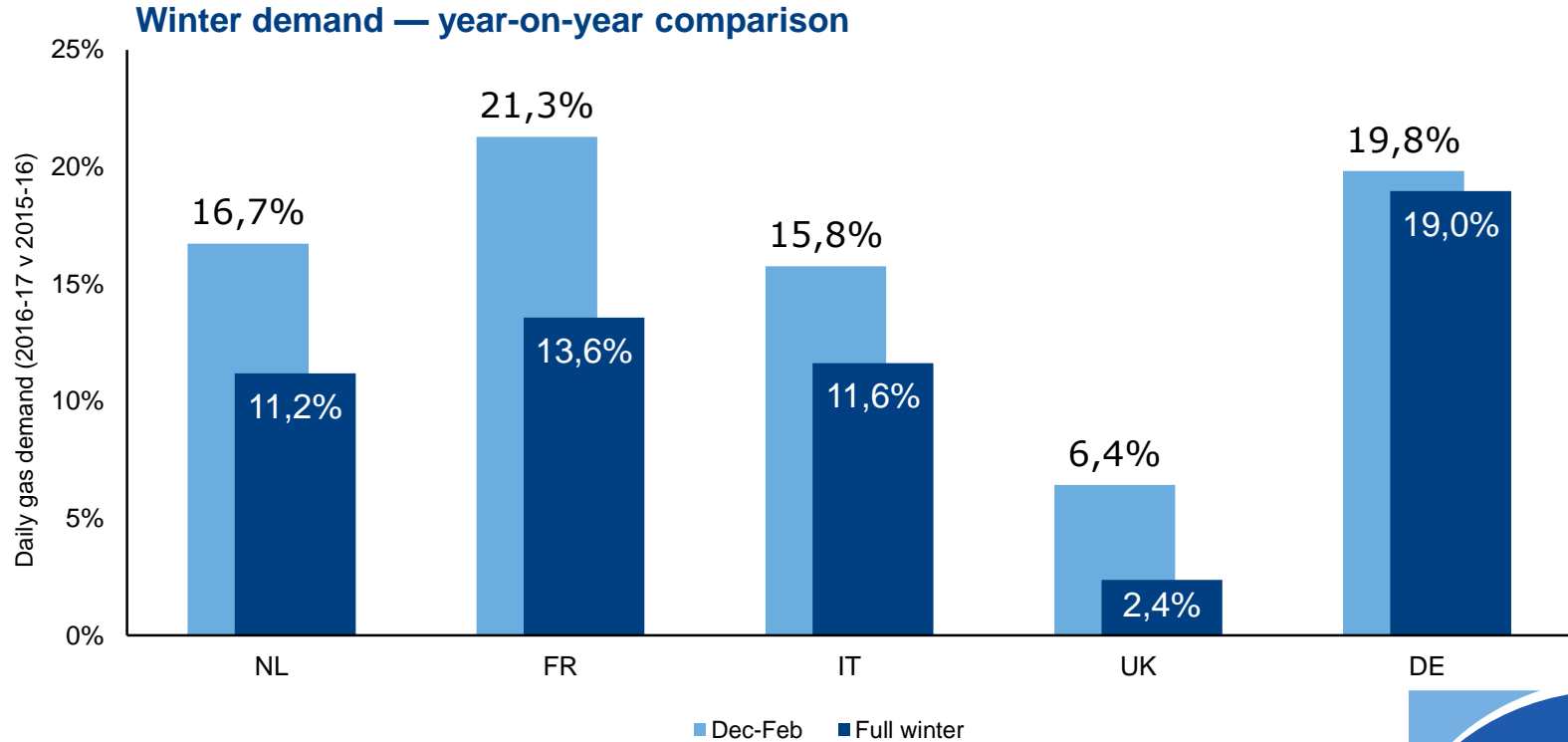
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Winter gas demand was higher

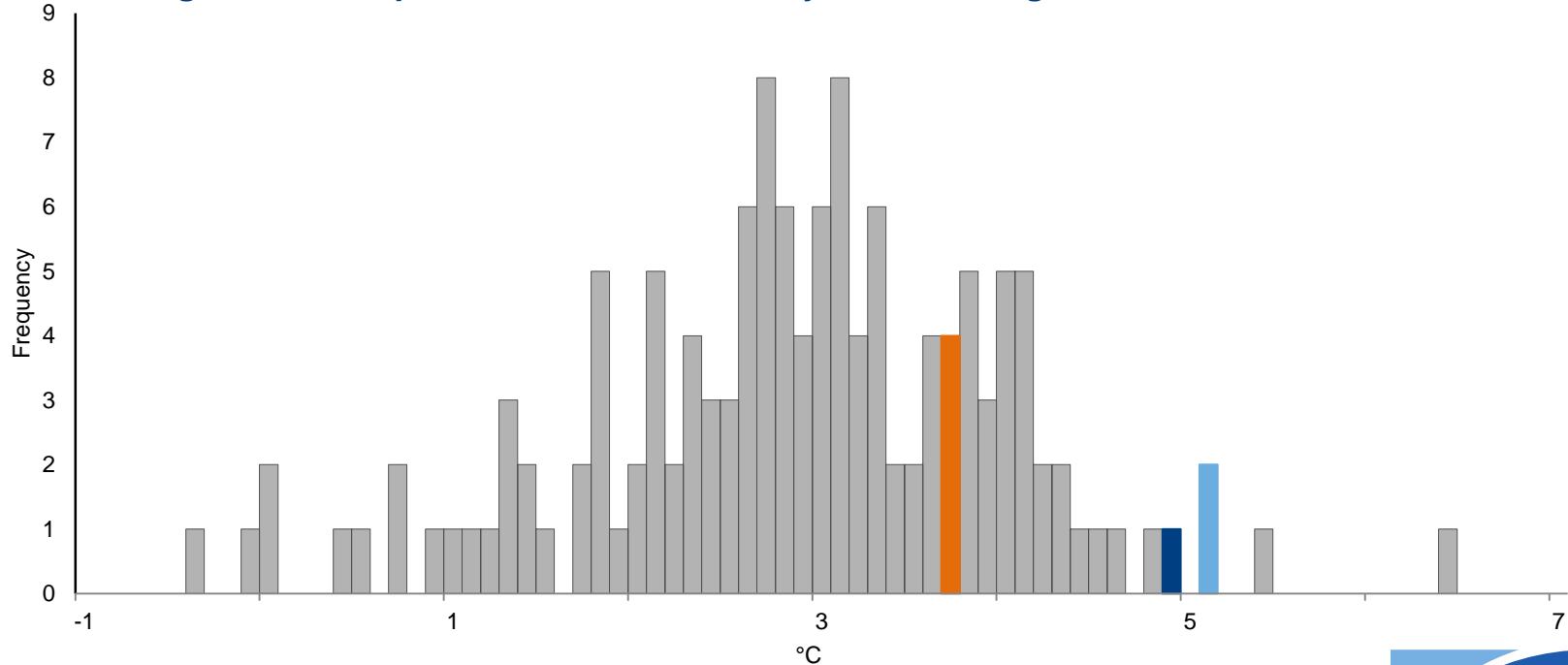


Winter gas demand was higher

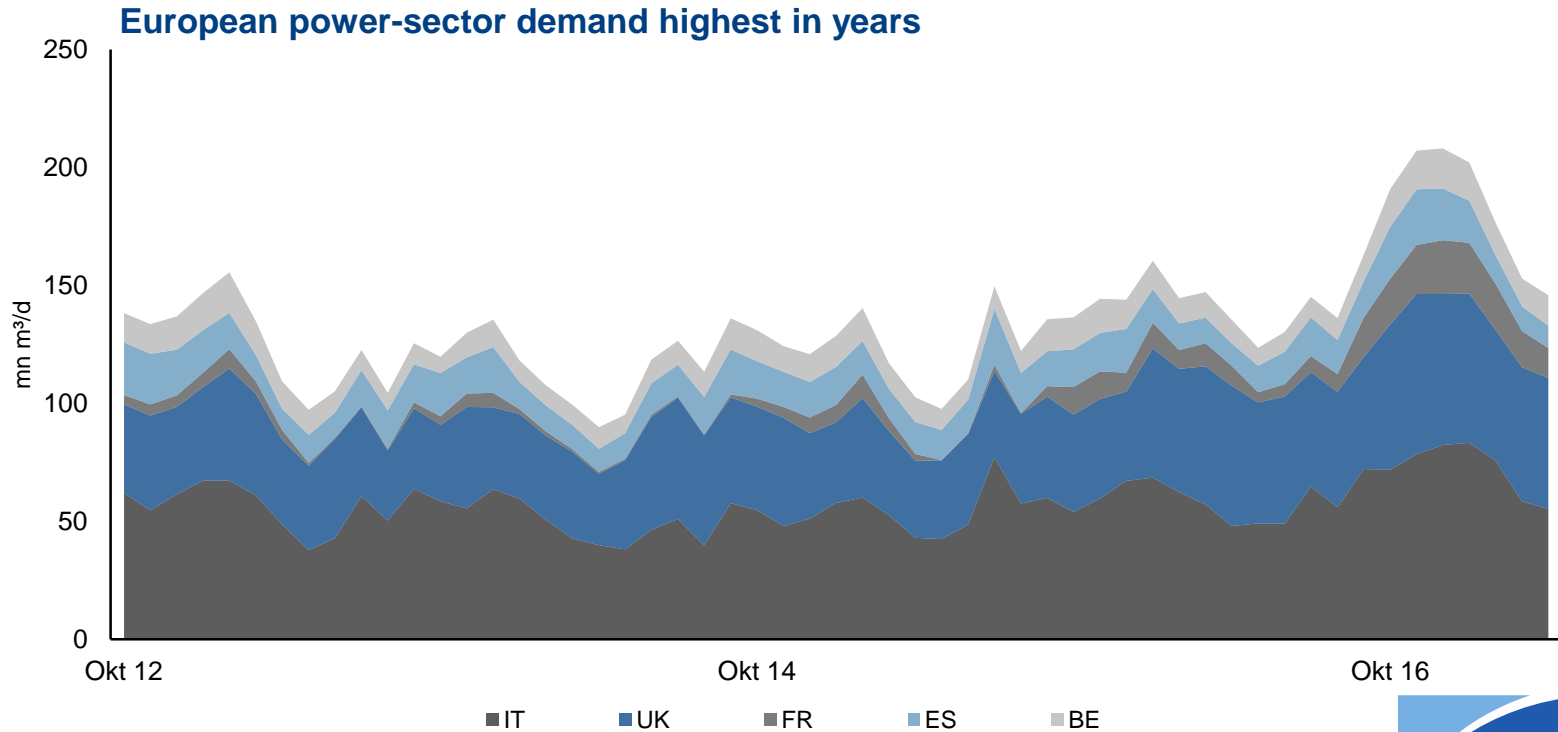


Germany temperatures since 1881

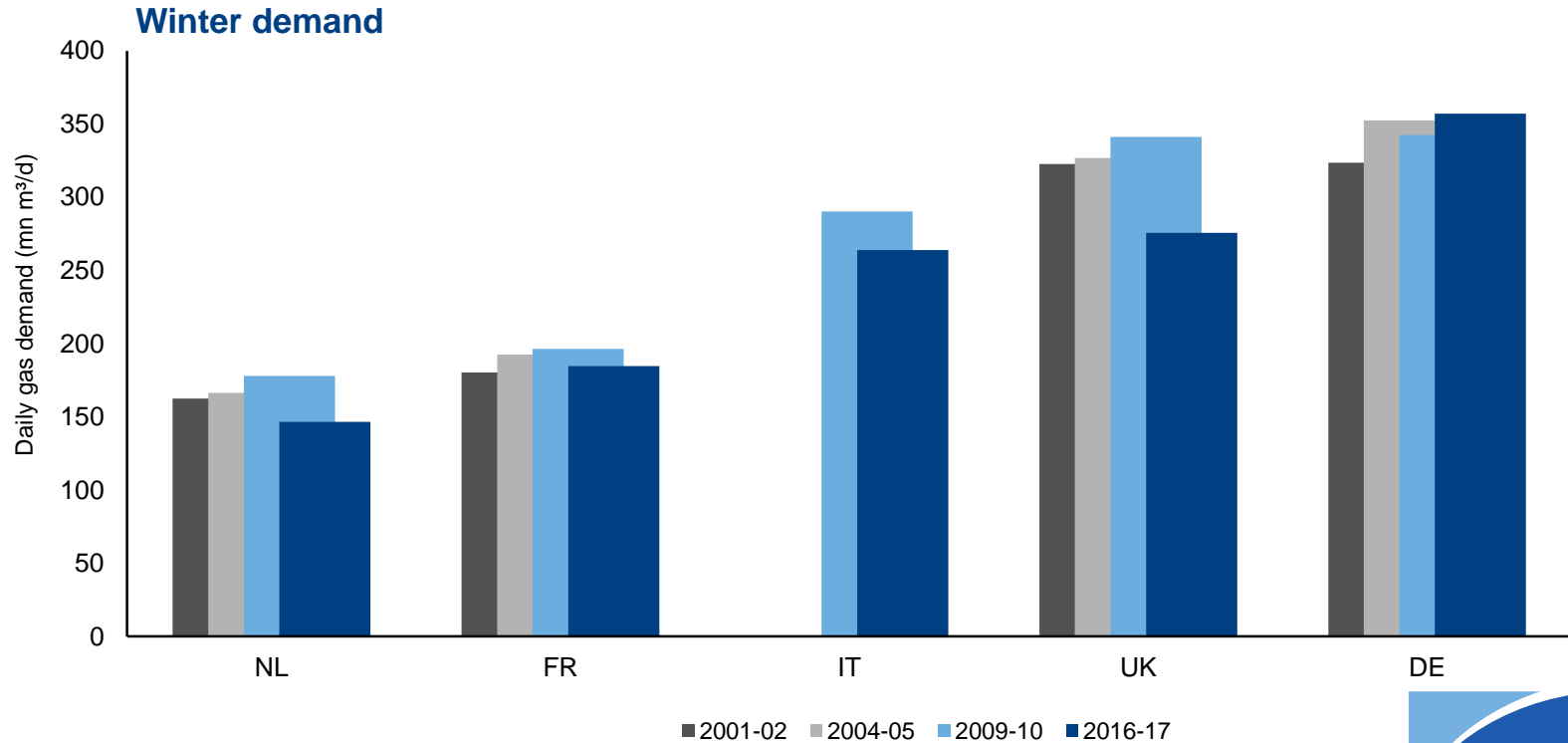
Average winter temperatures were fractionally above average



Power sector demand was relatively strong



Demand was still lower than in similar years



A nighttime cityscape with a glowing blue line. The background shows a city skyline at night, with various buildings illuminated. A prominent feature is a glowing blue line that starts from the bottom left, curves upwards and to the right, and then curves back down and to the left, ending near the center of the image. The line has a soft, ethereal glow. The city lights are reflected in a body of water in the foreground.

Supply

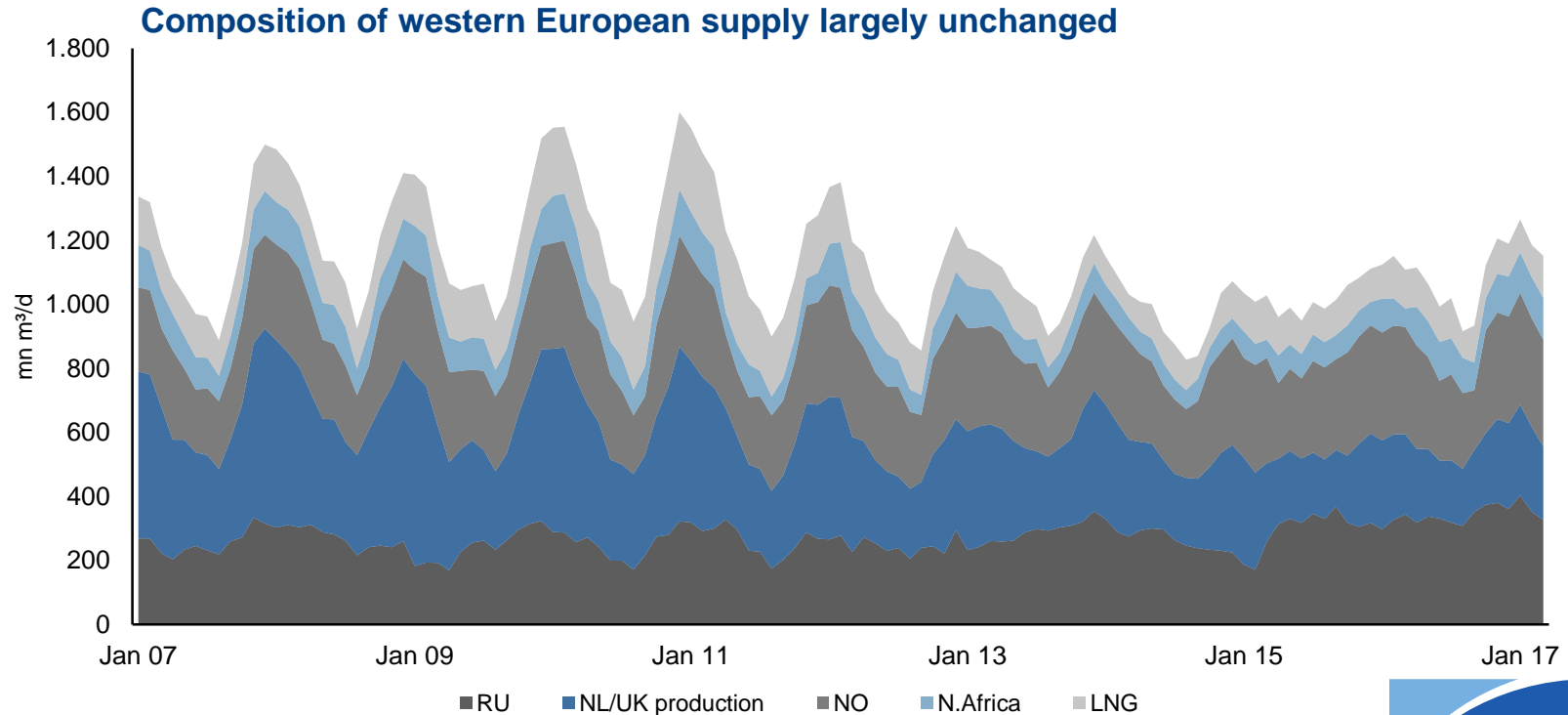
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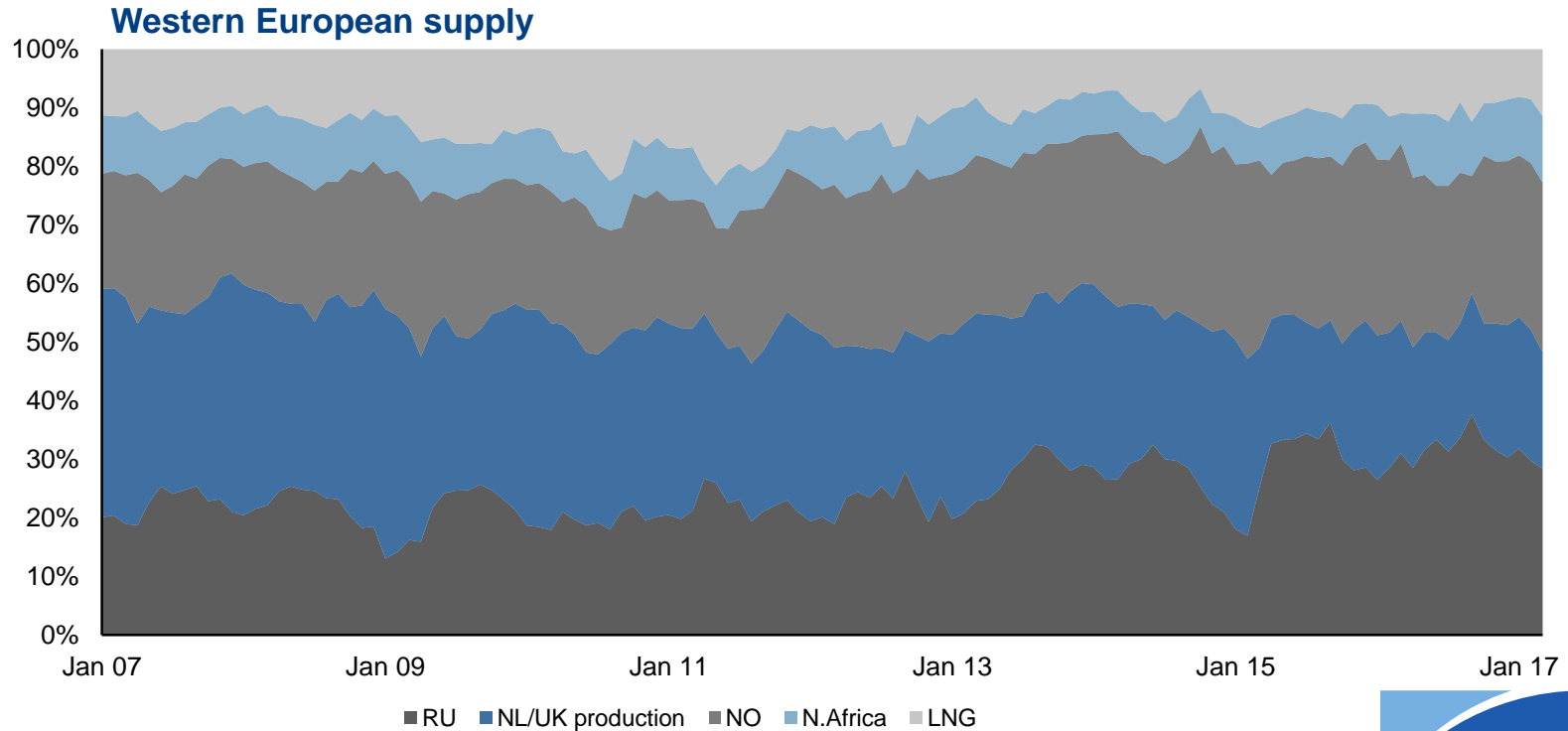
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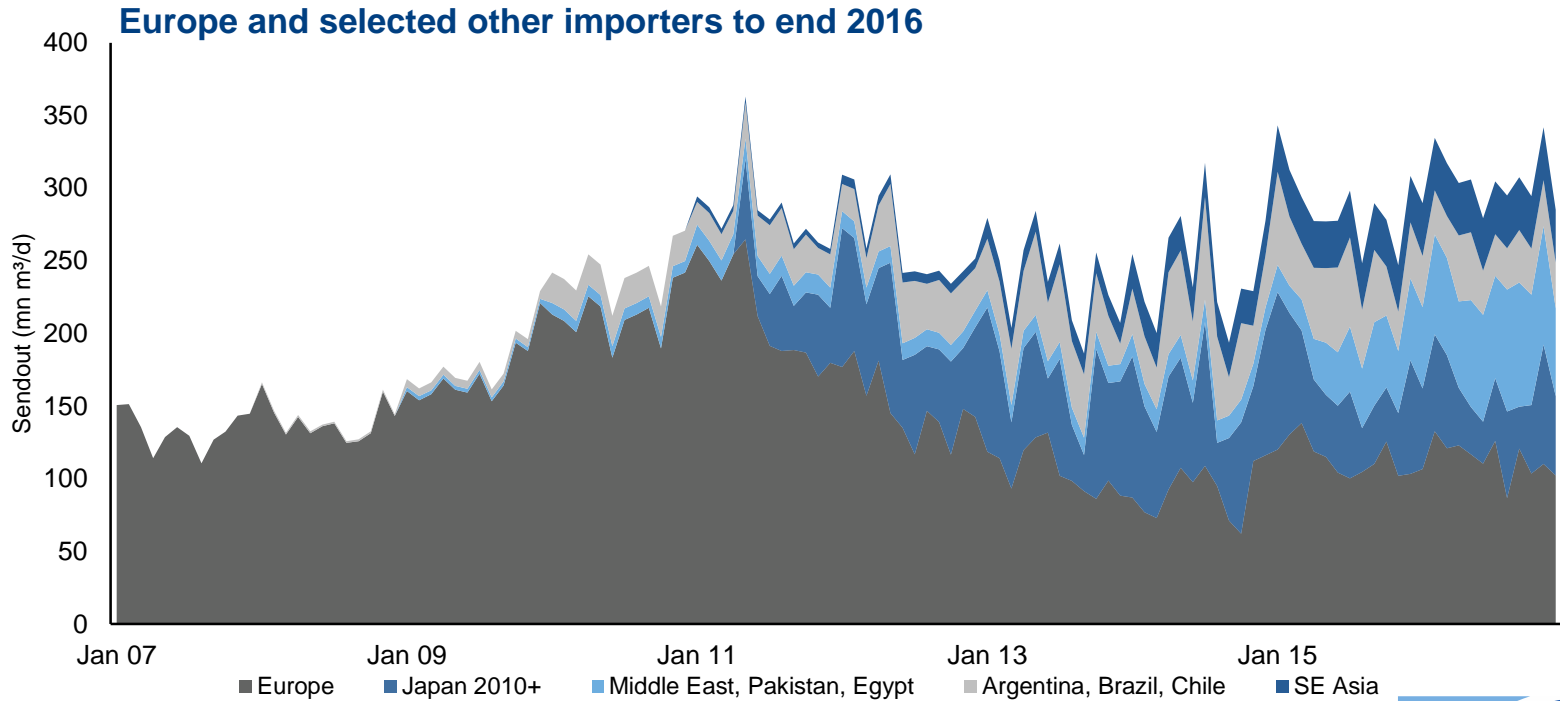
Supply did not change much



Russia maintaining market share

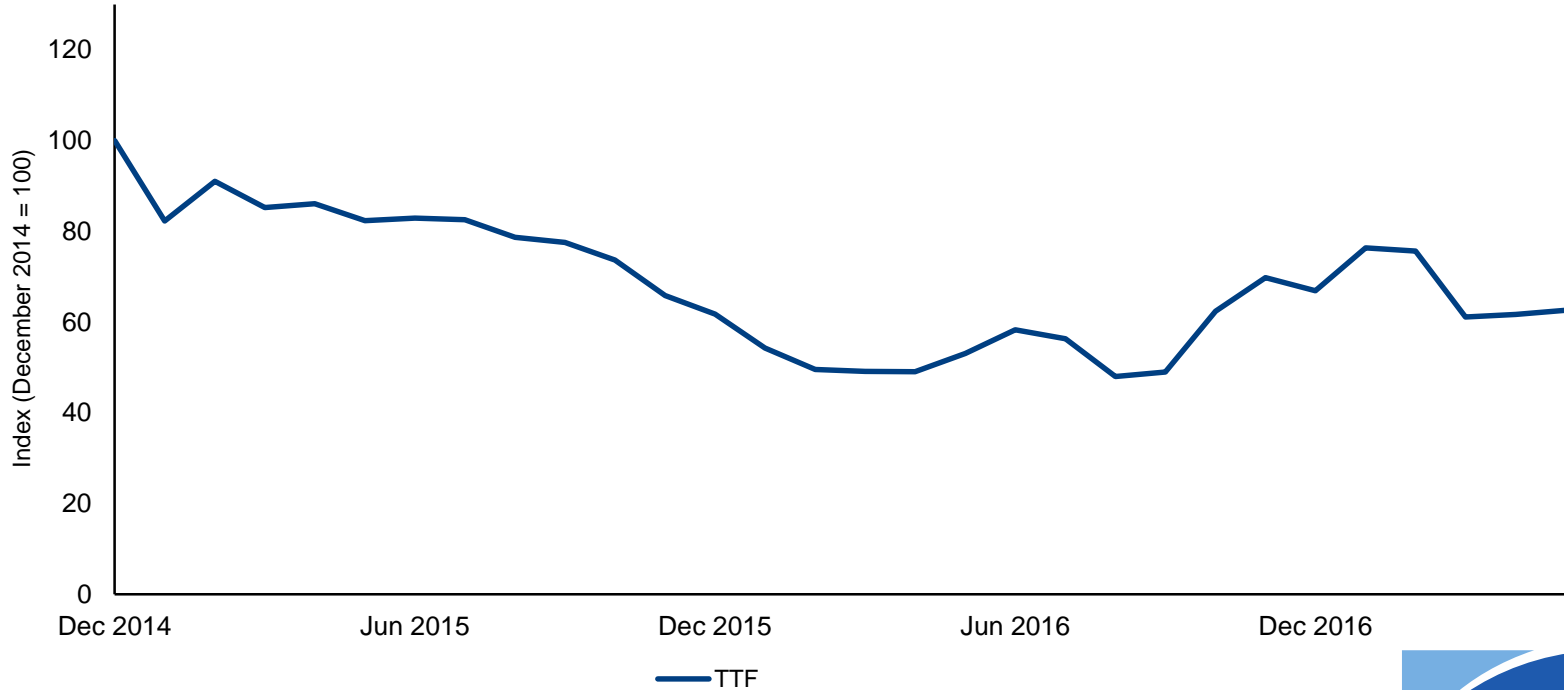


LNG is still finding better places to be

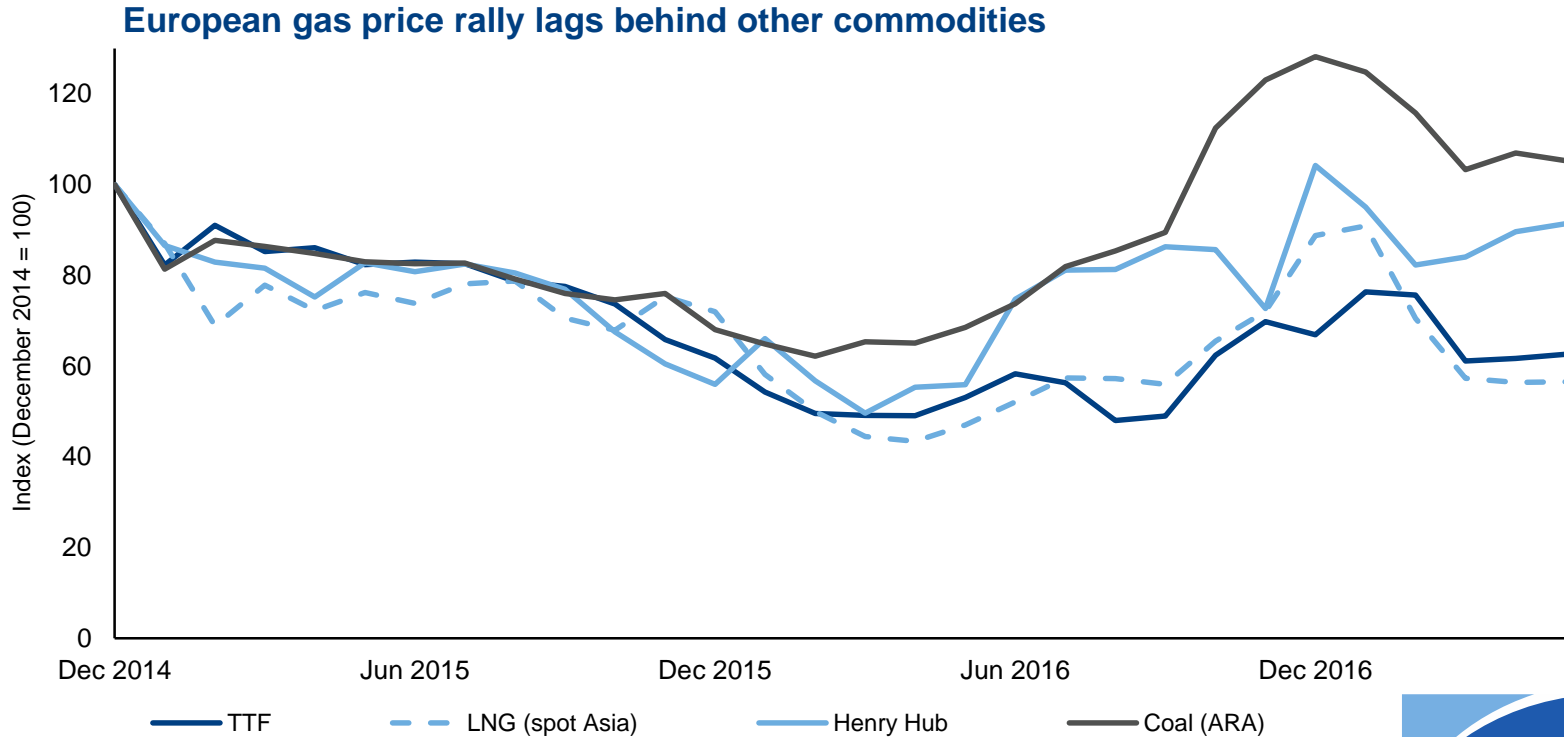


Gas prices were higher

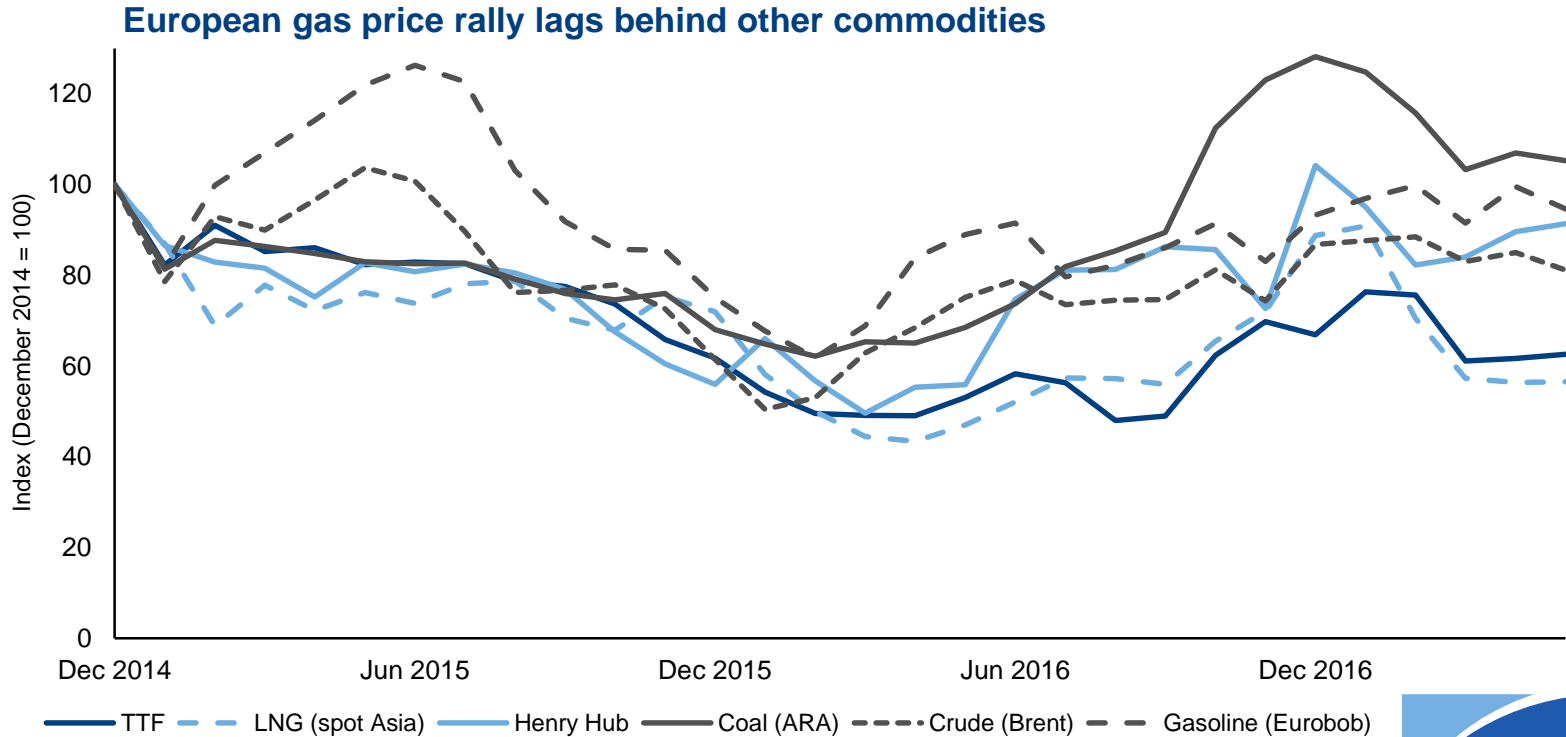
Front-month Dutch prices top €20/MWh during cold winter




But European gas rallied slower than others



But European gas rallied slower than others



A nighttime cityscape with a glowing blue line. The background shows a city skyline at night, with various buildings illuminated. A prominent glowing blue line starts from the bottom left, curves across the water, and ends on the right side. The text "Europe and global gas pricing" is overlaid on the left side of the image.

Europe and global gas pricing

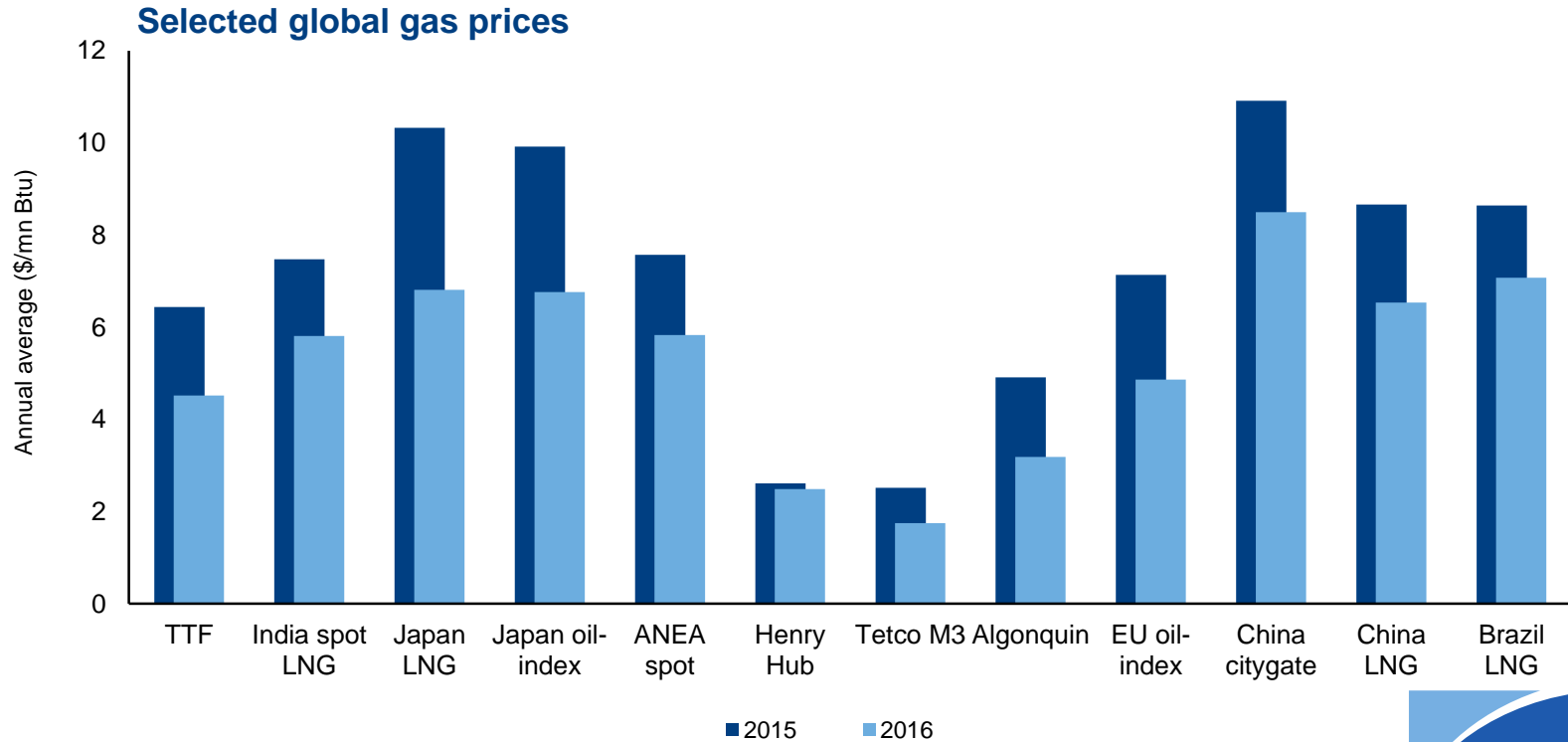
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European wholesale prices middle of the pack



A nighttime photograph of a city skyline, likely New York City, with various skyscrapers illuminated against a dark sky. The city lights are reflected in the water in the foreground. A prominent, glowing blue line, resembling a stylized 'S' or a path, curves across the water from the bottom left towards the right side of the frame. The overall mood is modern and technological.

The LNG market continues to grow

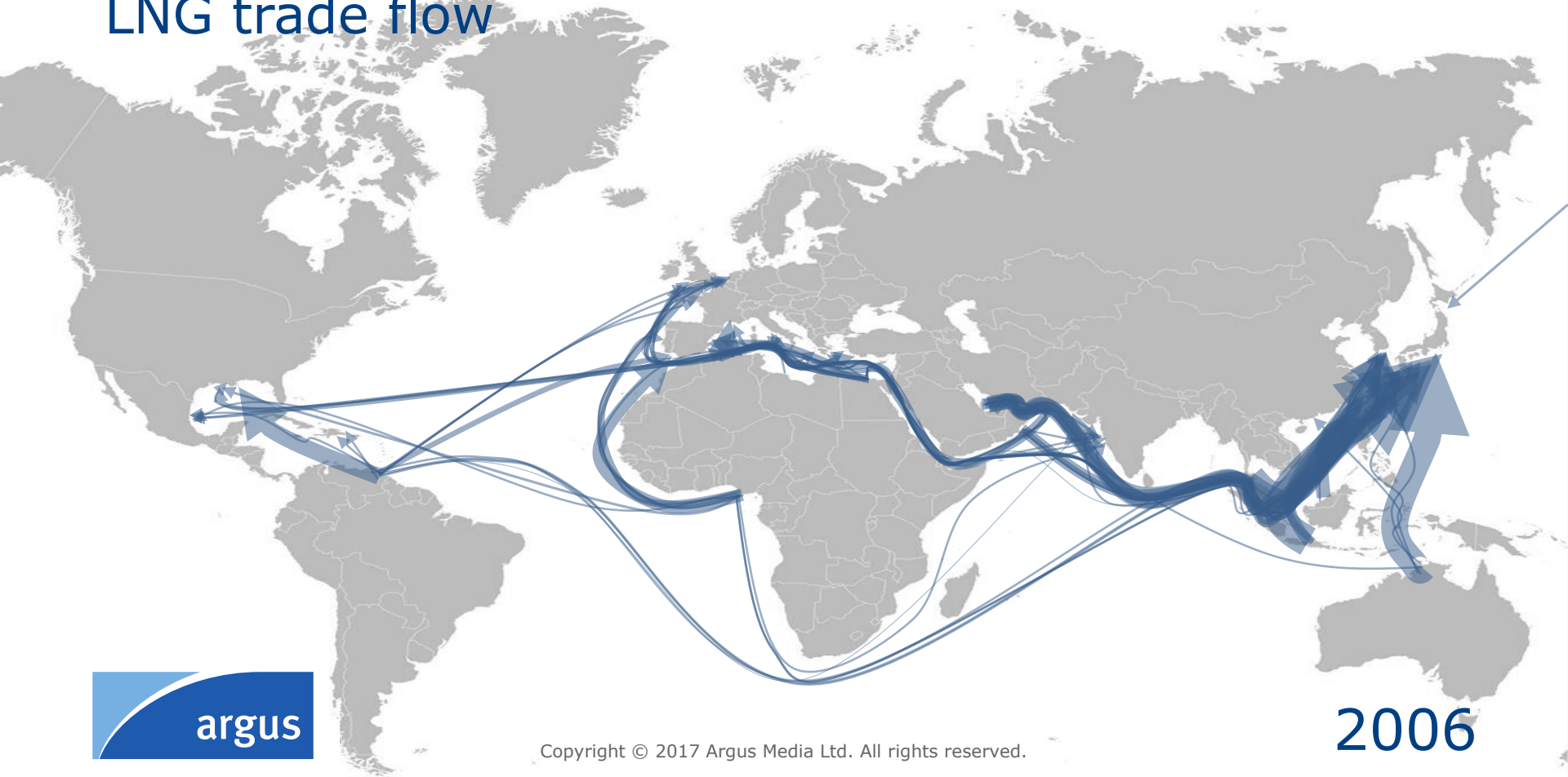
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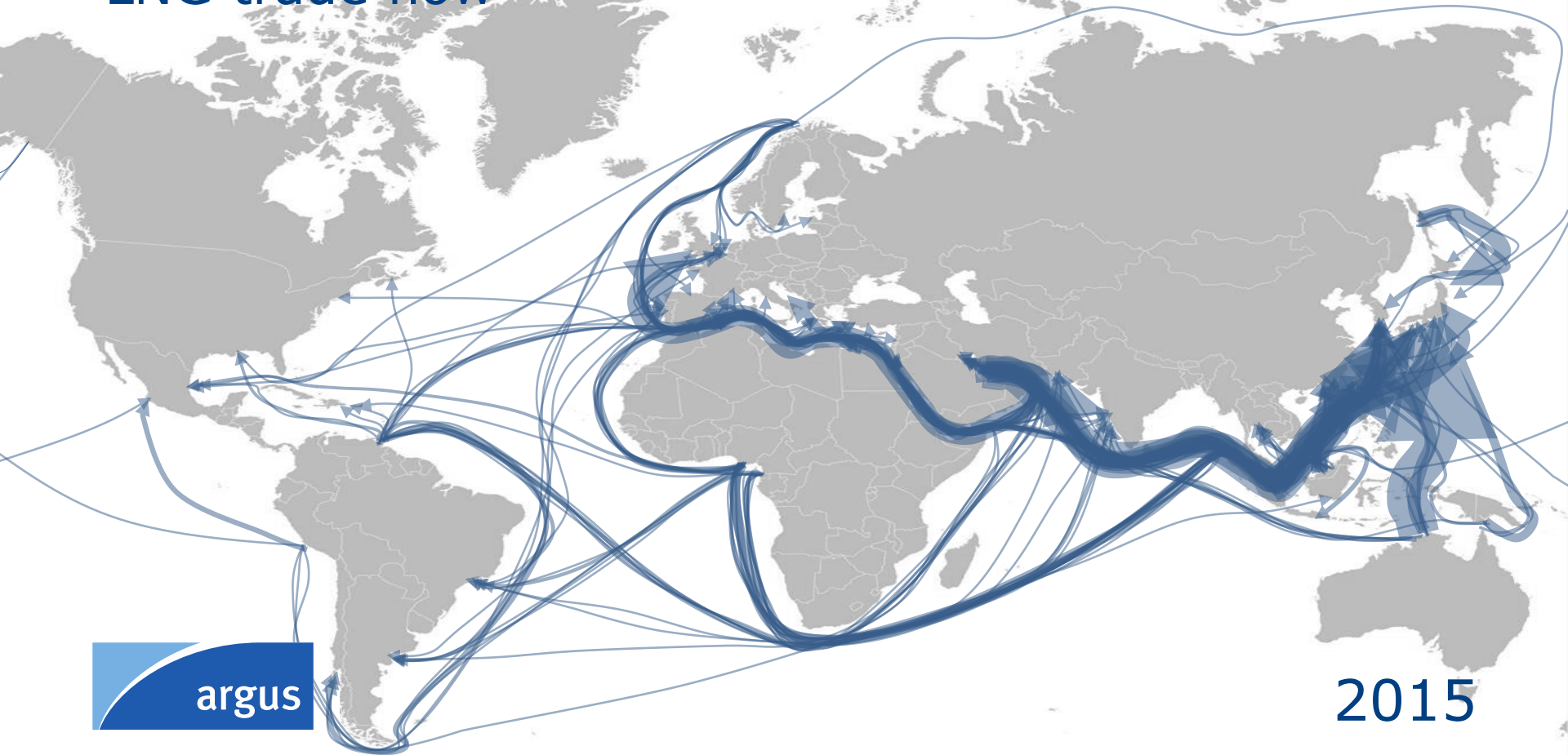
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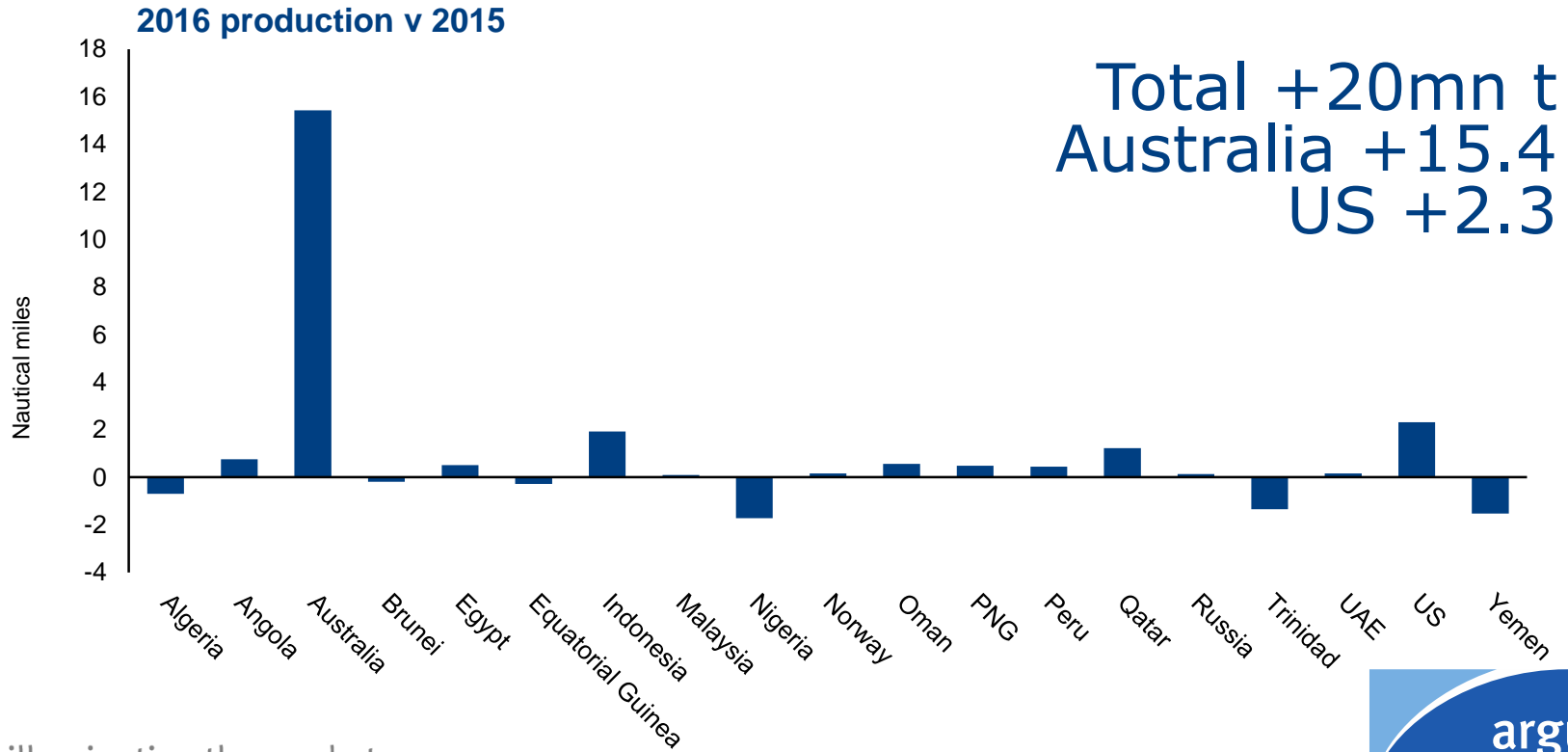
LNG trade flow



LNG trade flow



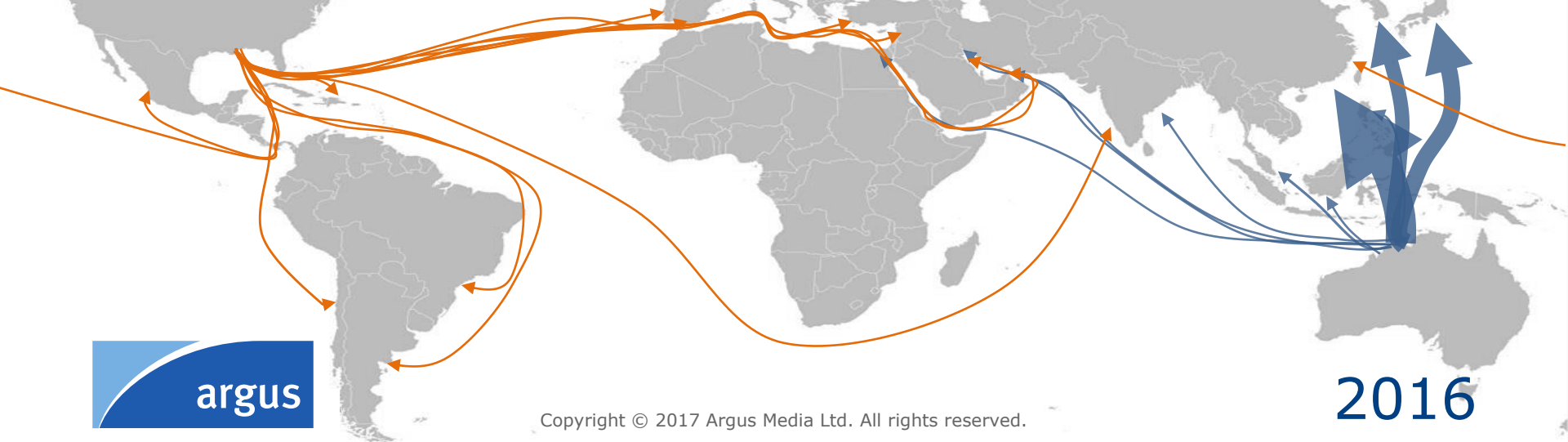
Australia and the US contribute new LNG



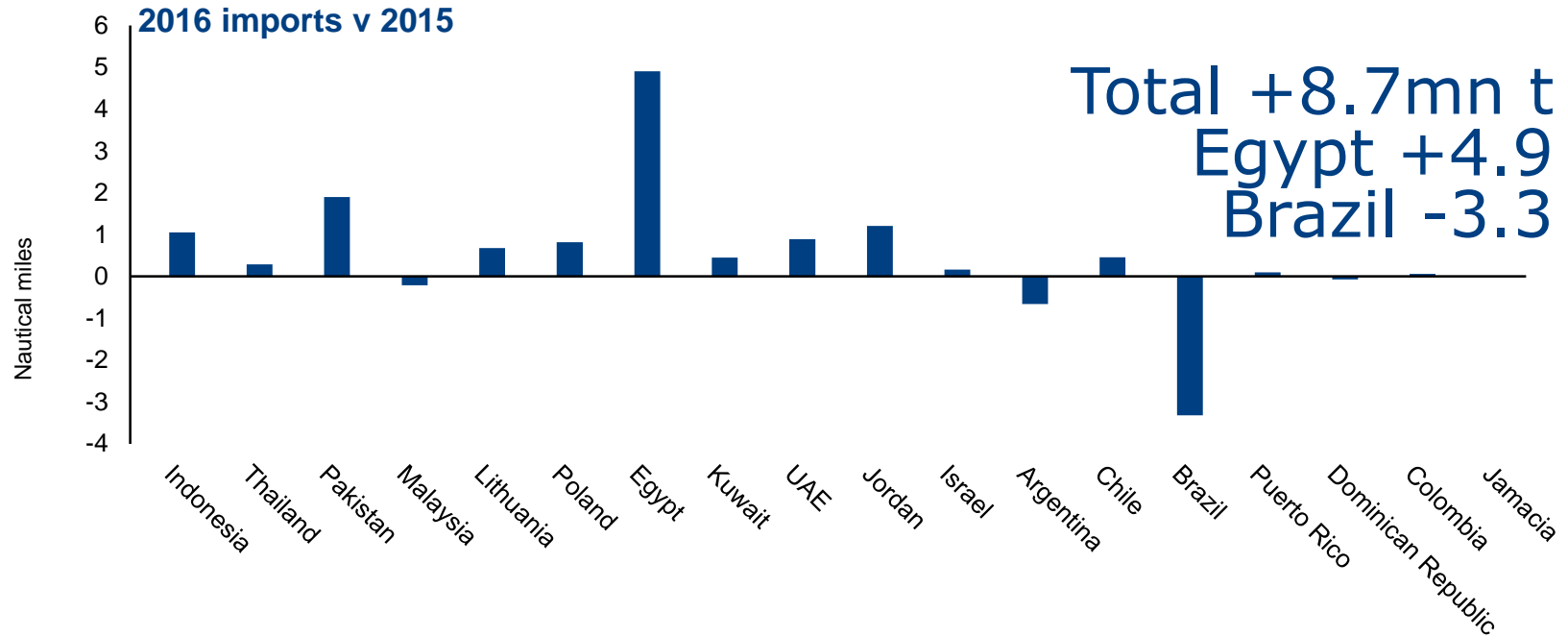
Export growth by destination

US LNG delivered to 13 countries. None received more than 540,000t

94pc of new volumes went to China, Japan and Korea



Demand up from the newest importers



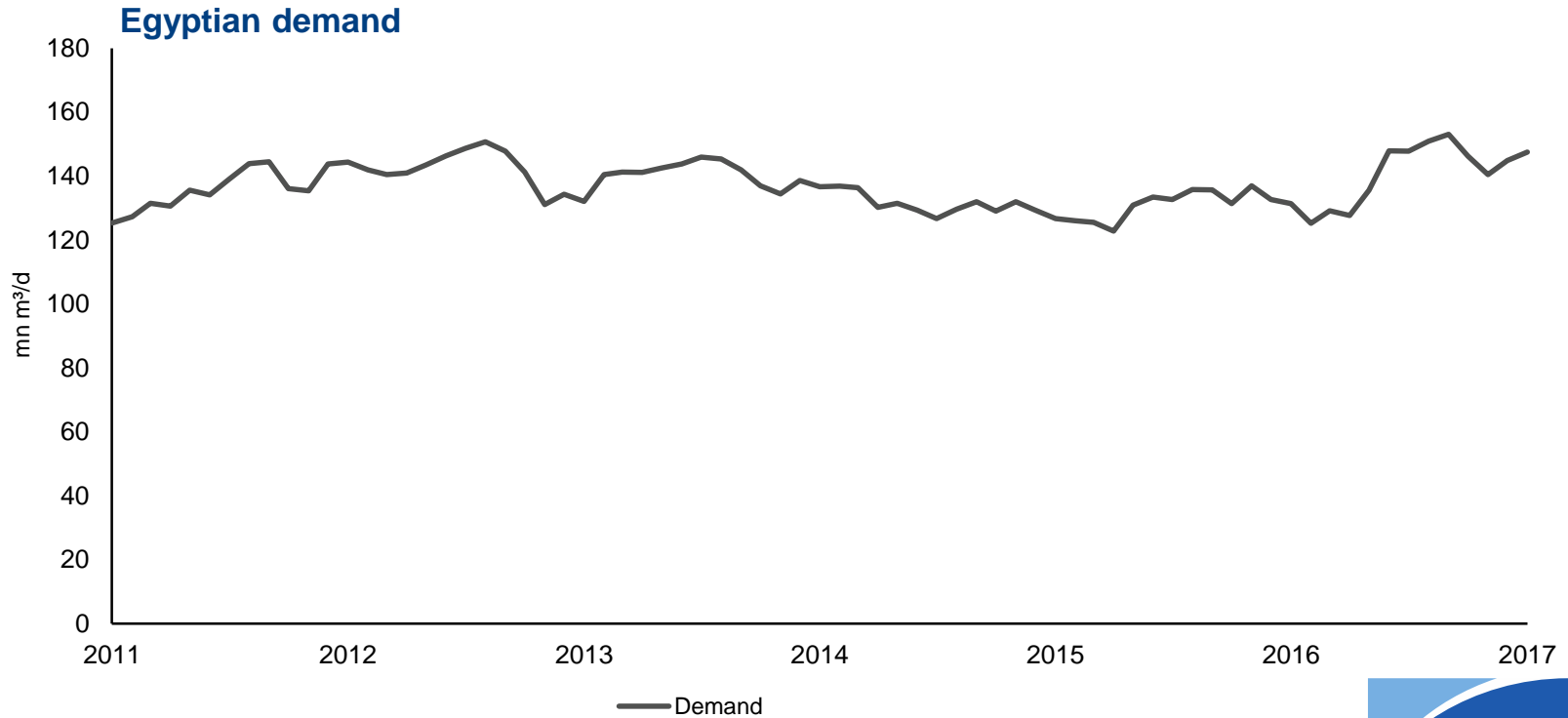
A nighttime photograph of the Cairo skyline, Egypt, viewed from across the Nile River. The city lights are reflected in the water. A prominent glowing blue line, resembling a stylized 'S' or a path, runs across the lower half of the image, starting from the bottom left and curving towards the right. The word 'Egypt' is written in white text on the left side.

Egypt

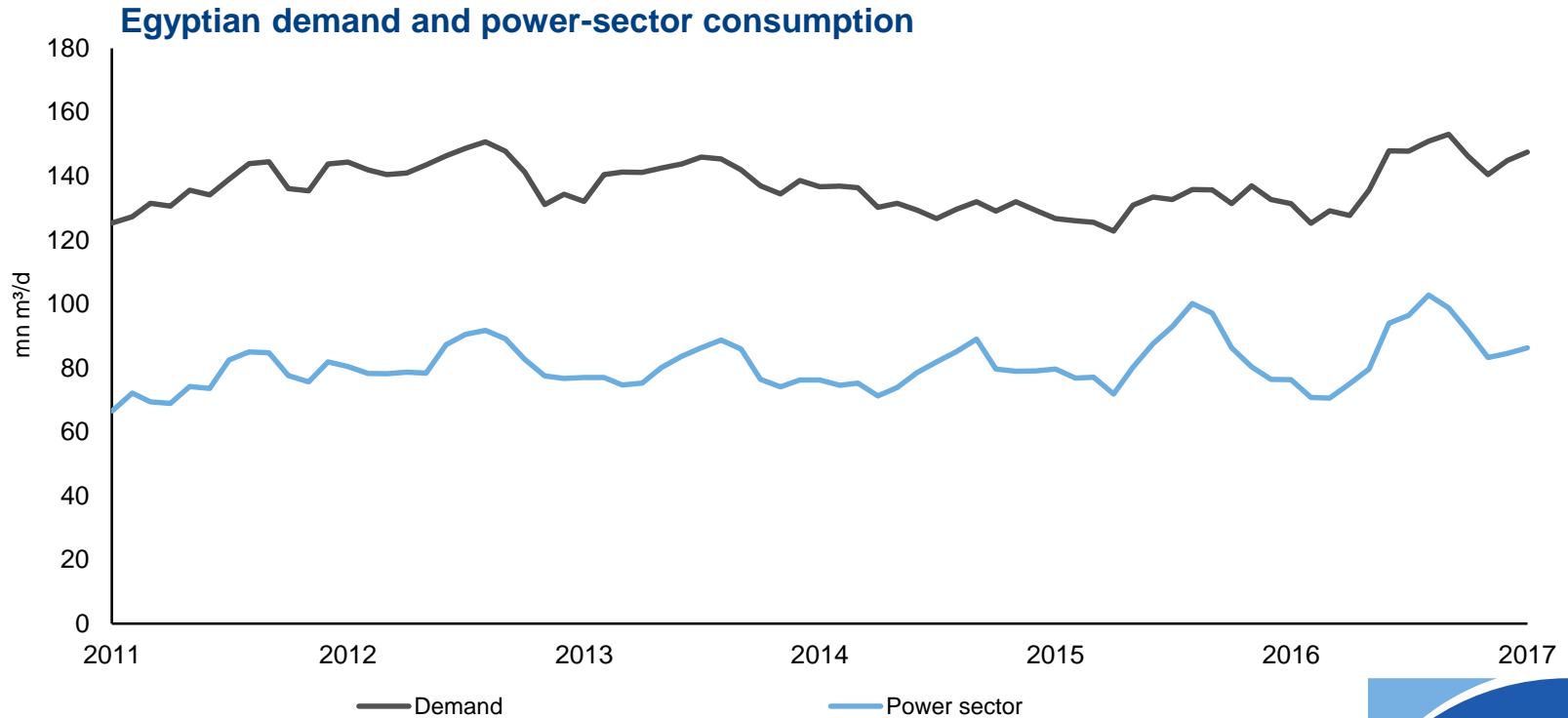
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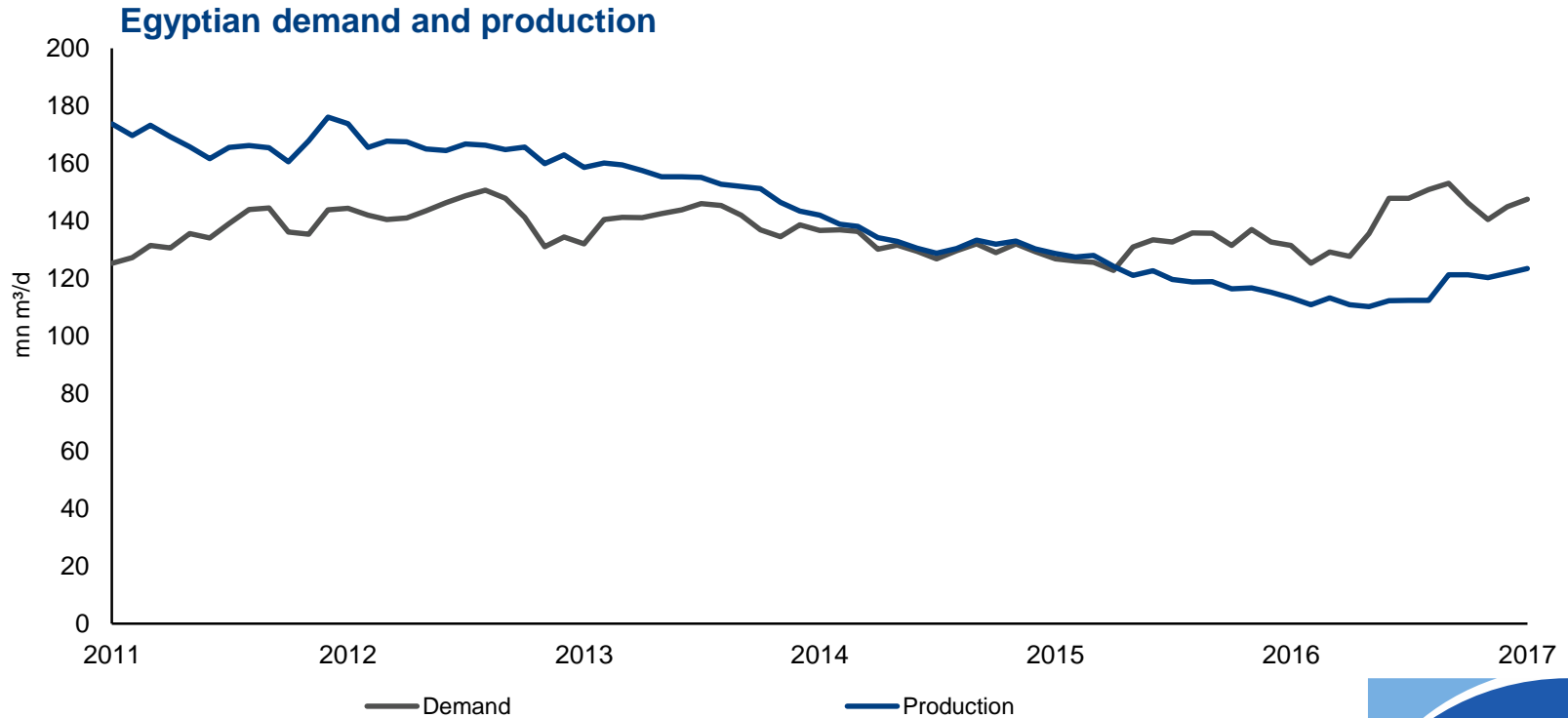
Egypt entering a second swing



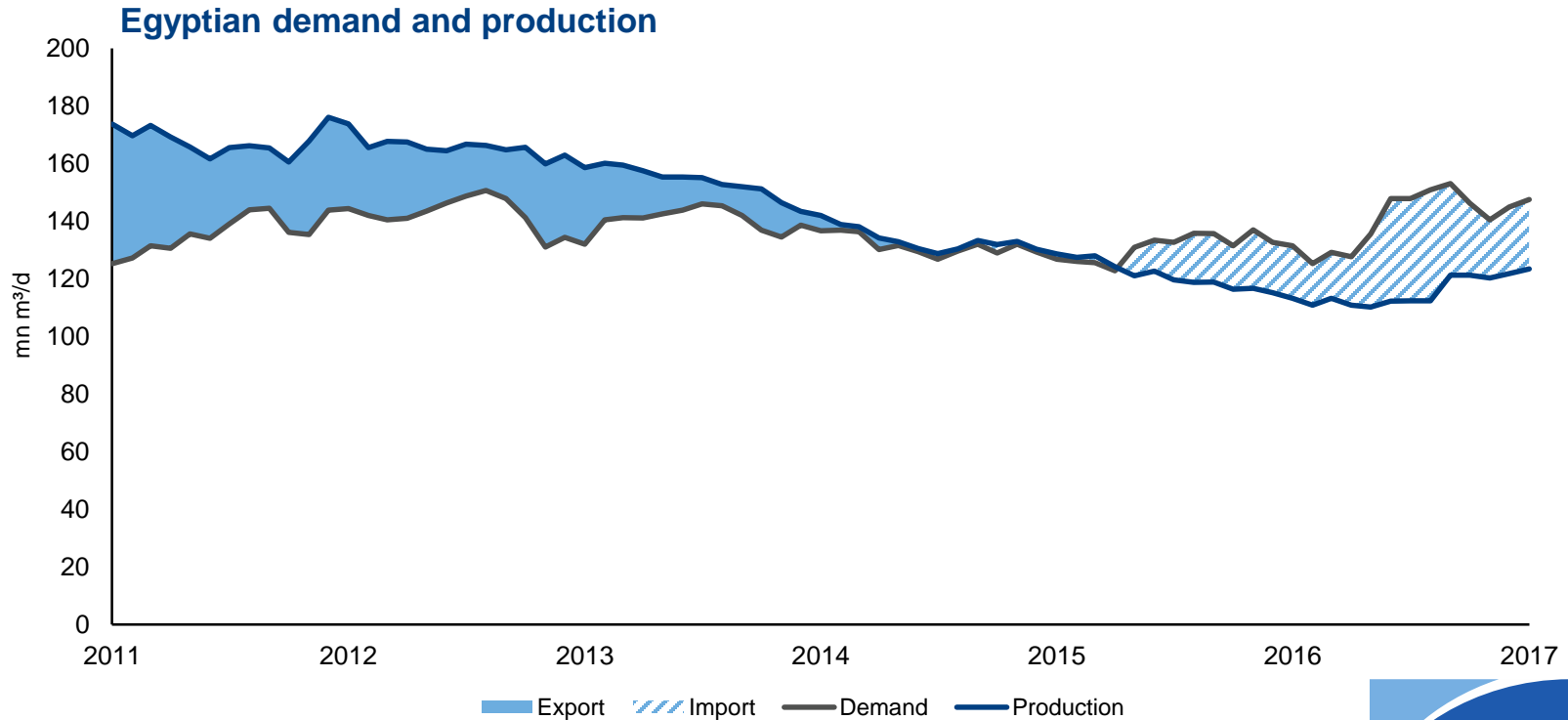
Egypt entering a second swing



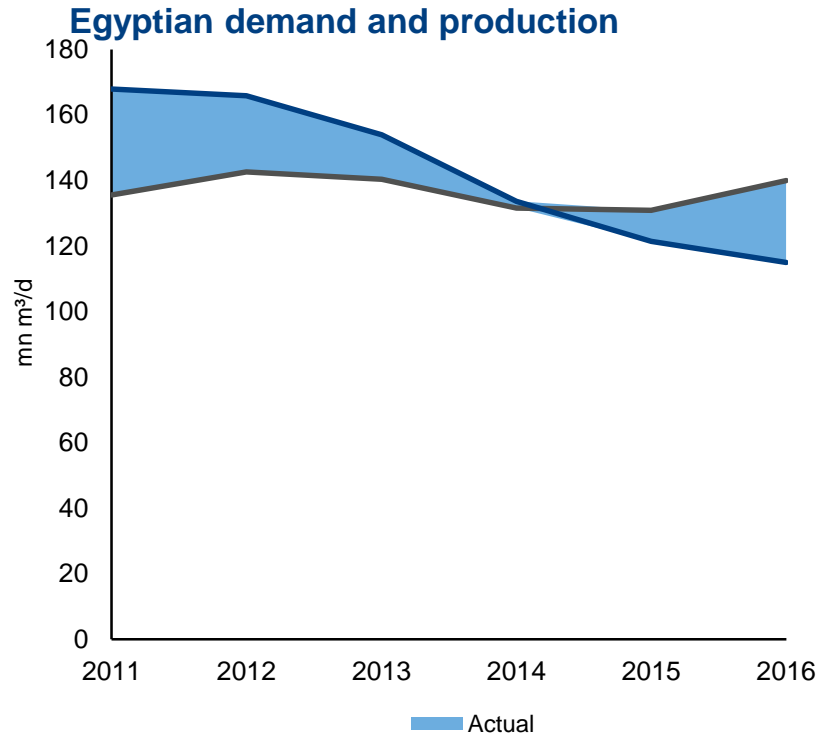
Egypt entering a second swing



Egypt entering a second swing



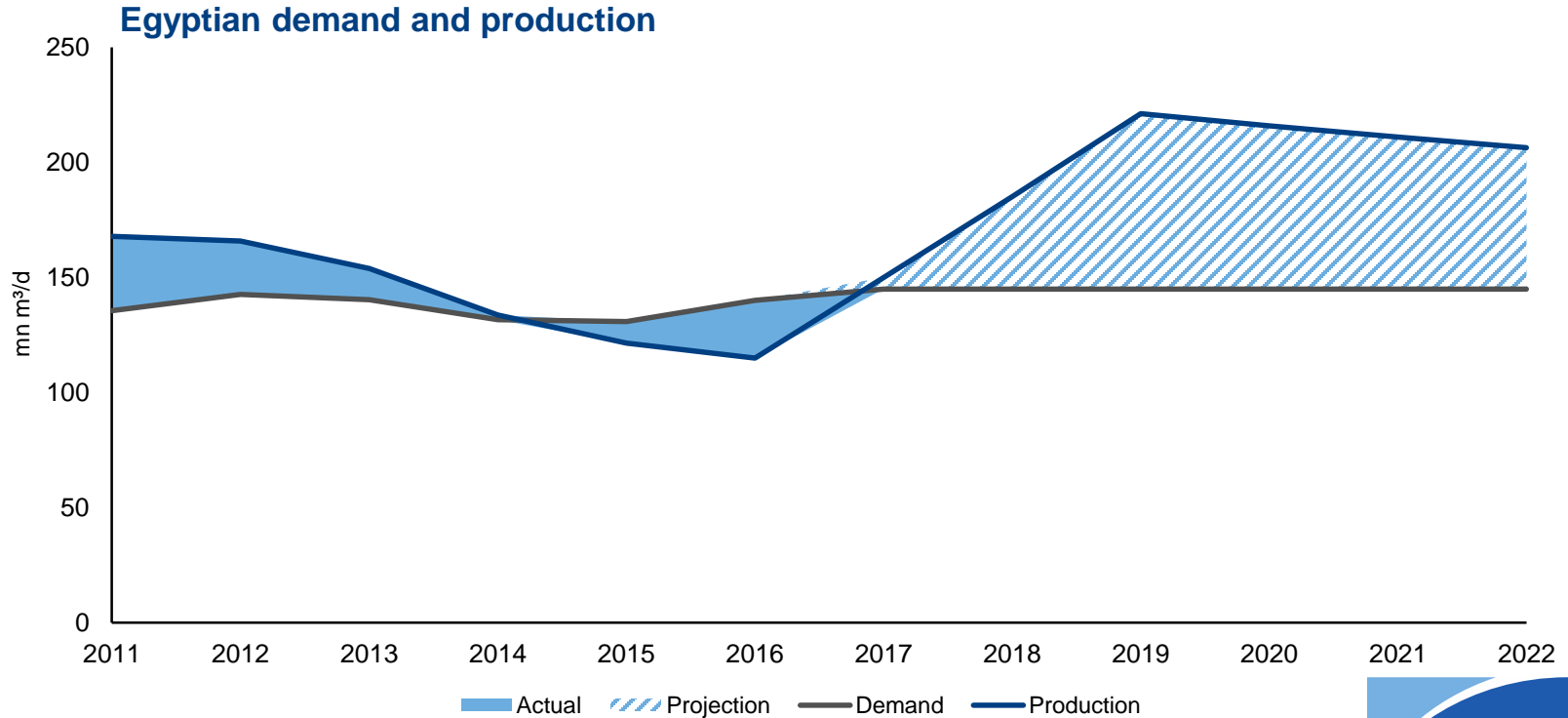
Egypt entering a second swing




New fields on the way

- West Nile Delta – commissioning March 2017 – plateau 34mn m³/d
- Zohr – scheduled end 2017 – 34mn m³/d in 4-5 months, 81mn m³/d by end 2018
- Atoll 1 – first-half 2018 - 8.5mn m³/d

Egypt entering a second swing



A nighttime photograph of a city skyline reflected in a body of water. The buildings are illuminated, and their lights are reflected on the water's surface. A glowing blue line, resembling a light trail or a stylized path, curves across the water from the bottom left towards the right side of the frame. The overall scene is dark, with the city lights providing the primary illumination.

Global reserves and domestic production

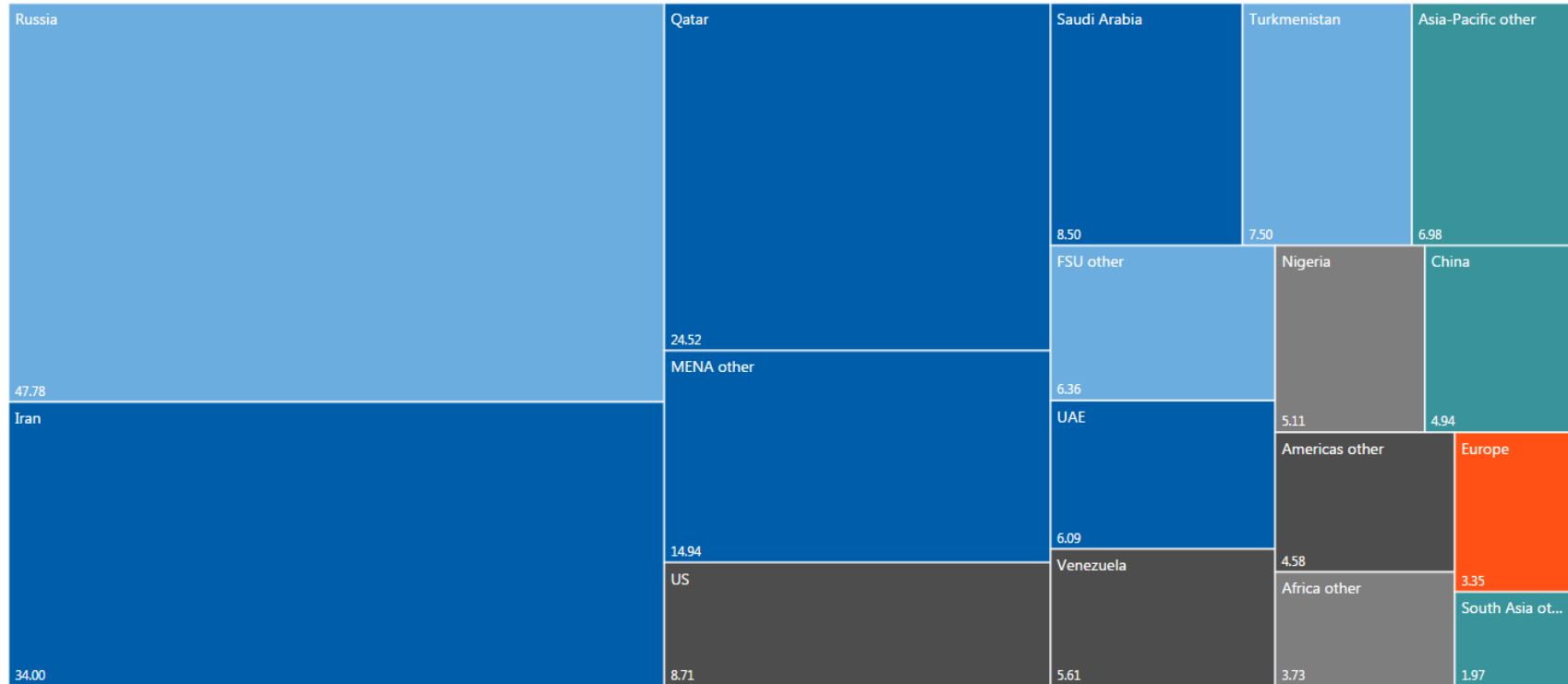
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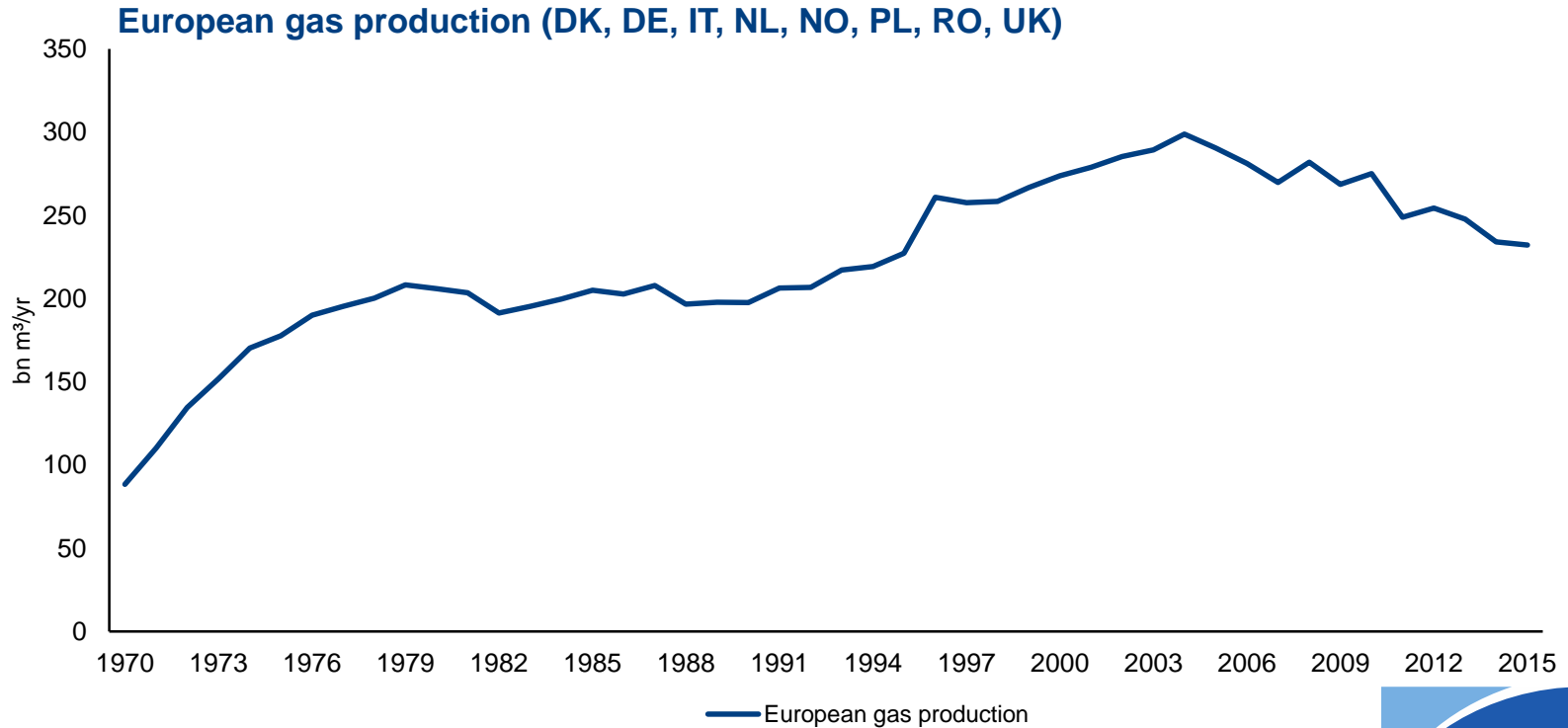
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Europe the second-lowest reserve region



European gas production in decline



A nighttime photograph of a city skyline, likely New York City, with various skyscrapers illuminated. A prominent glowing blue line curves across the lower half of the image, starting from the bottom left and moving towards the right. The text "The power sector in transition" is overlaid in white on the left side.

The power sector in transition

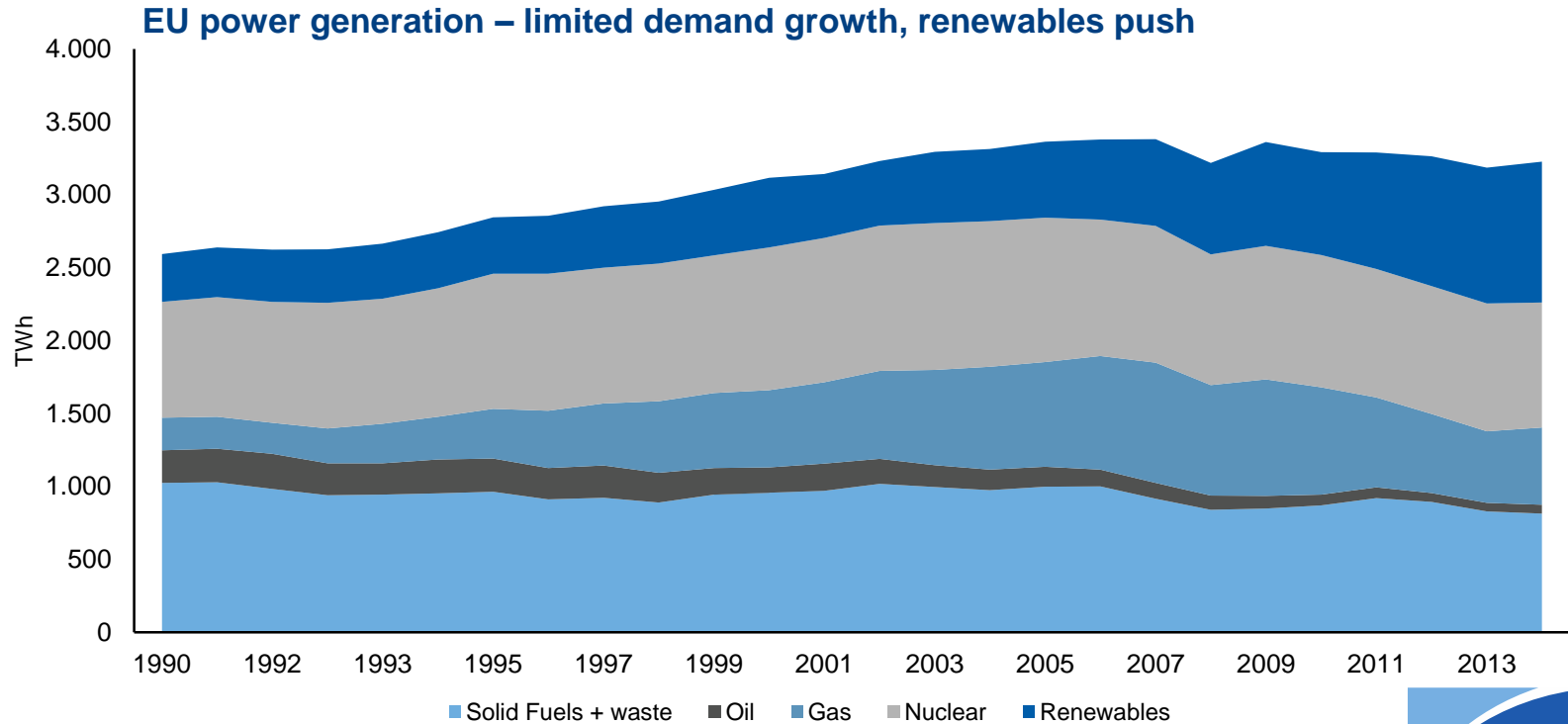
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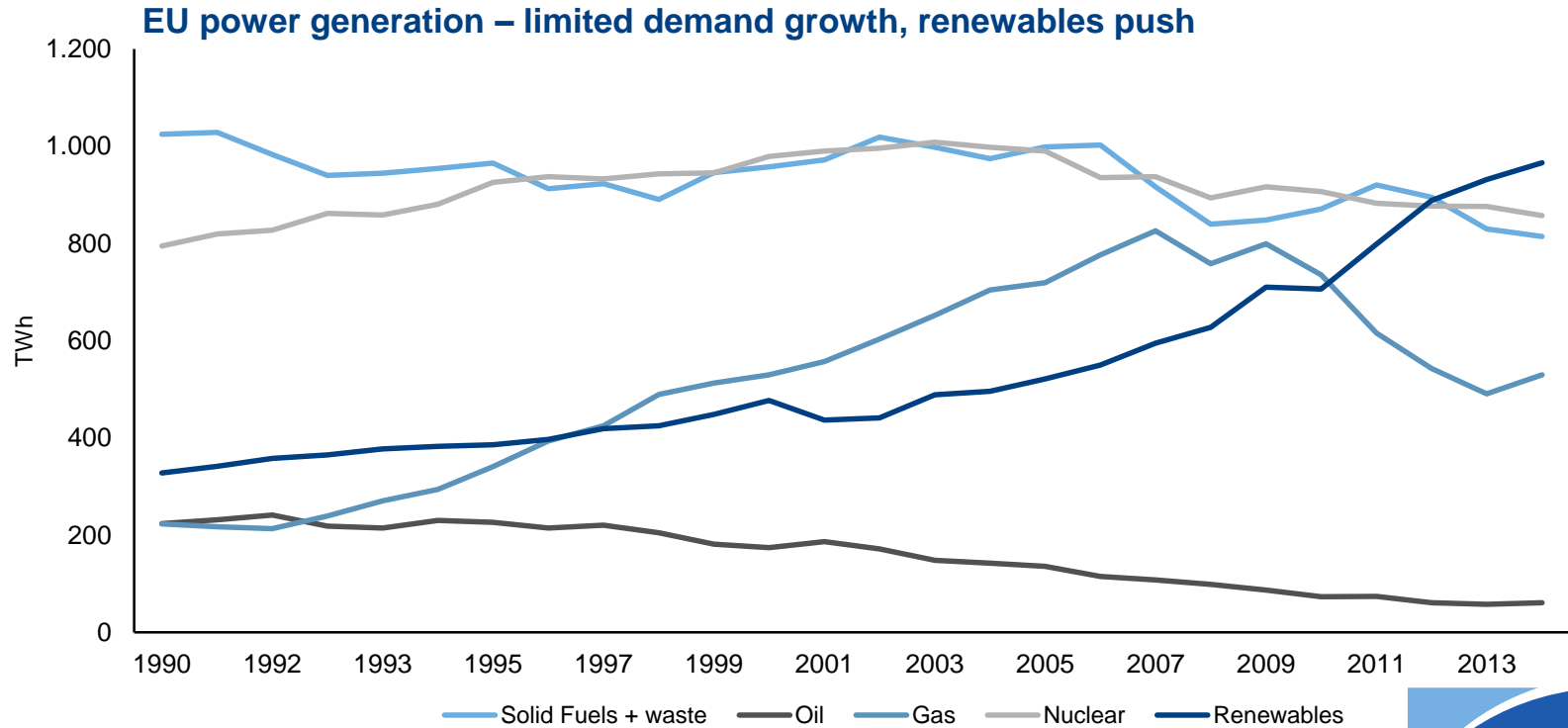
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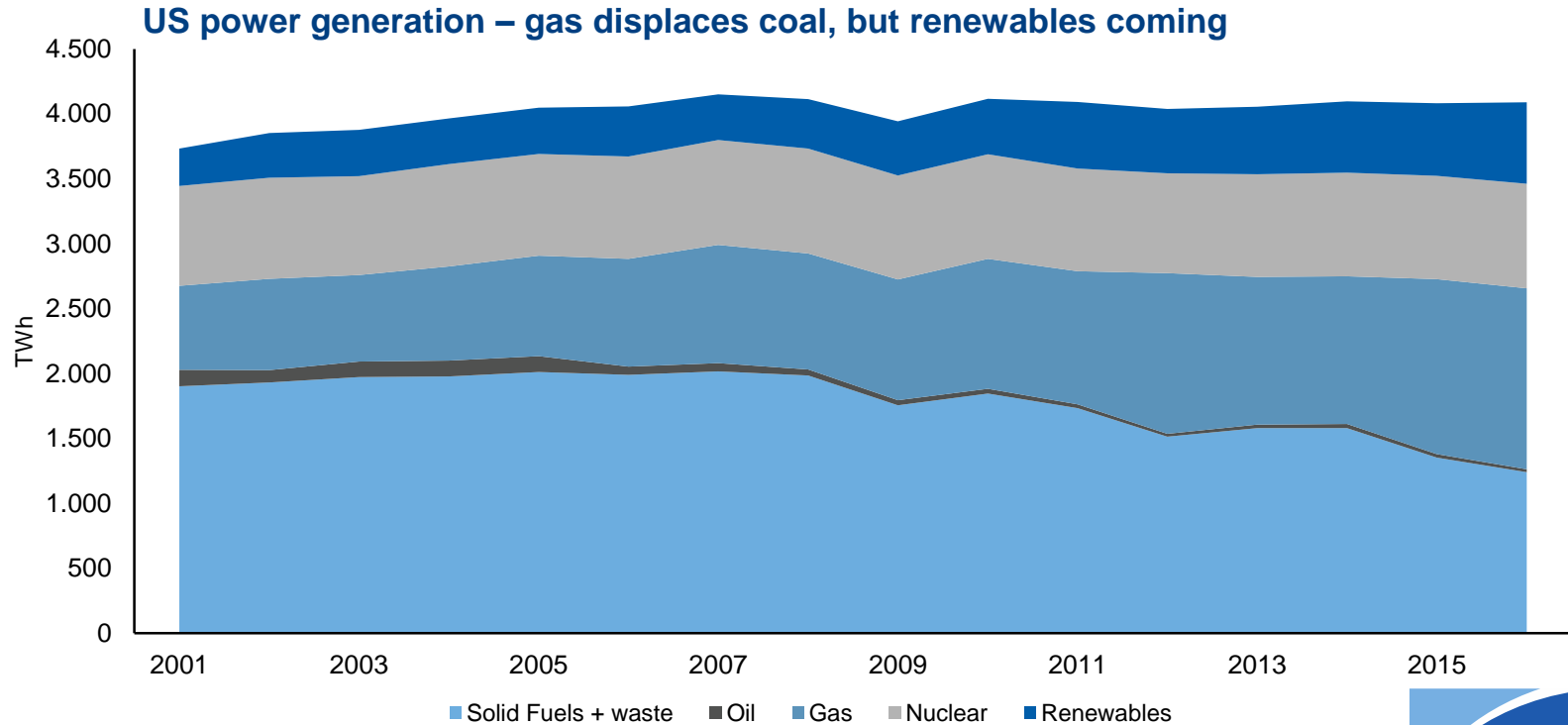
EU power generation



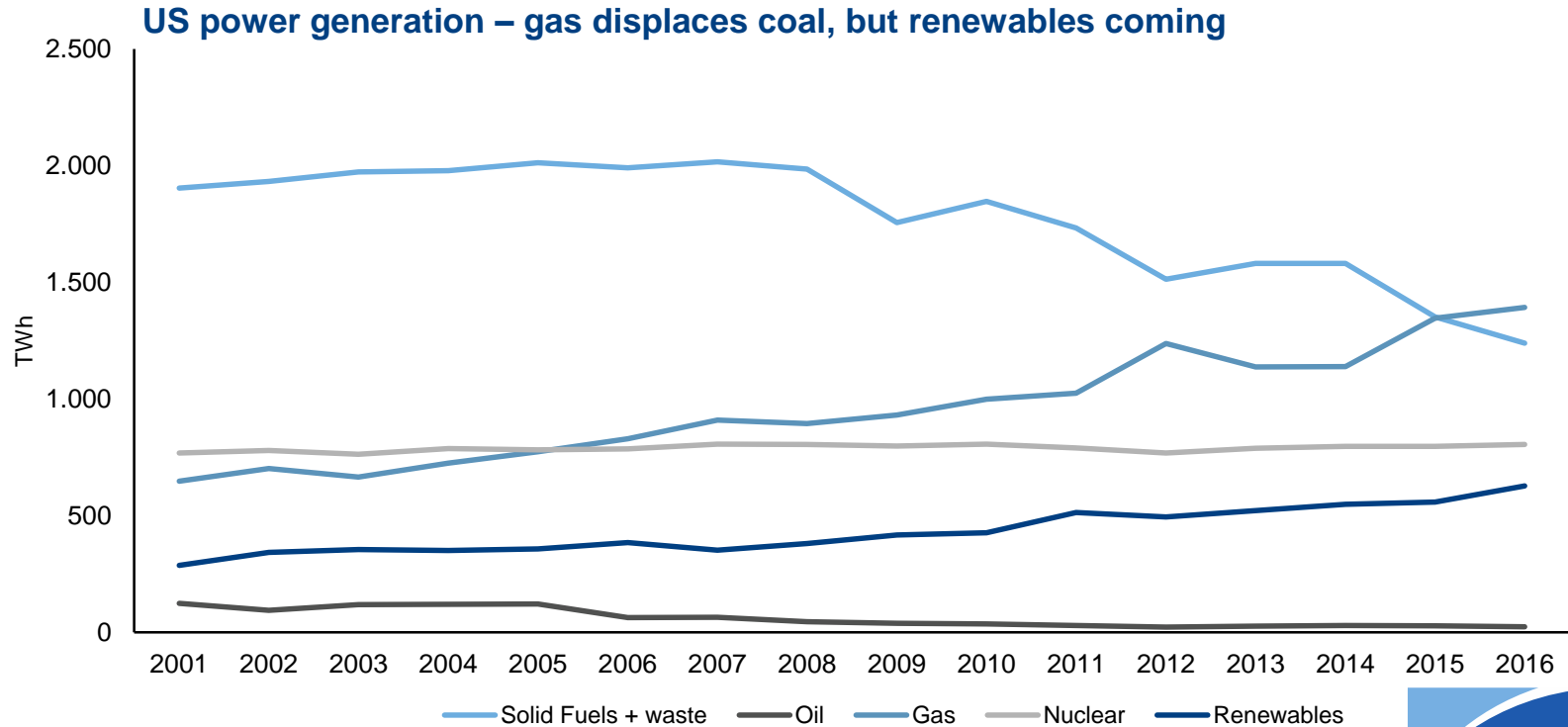
EU power generation



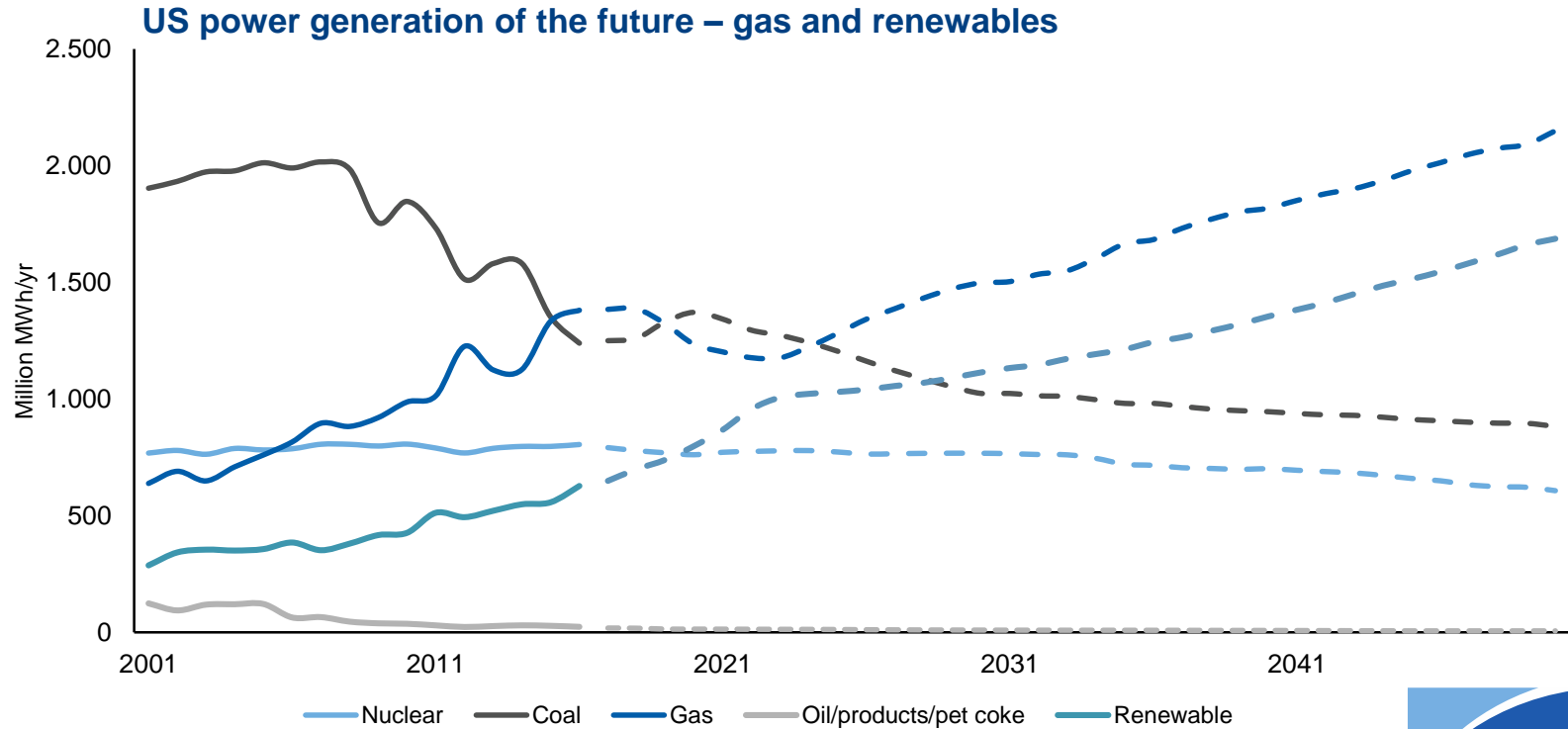
US power generation




US power generation



US net power generation outlook



A nighttime city skyline is reflected in a body of water. A glowing blue line curves across the water's surface. The city lights are visible in the background.

Retail renewables

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Google Project Sunroof

Google Project Sunroof

Savings estimator

Data explorer ^{BETA}

Solar 101

FAQ

x Q

✓ Analysis complete. Your roof has:

- ☀️ 1,487 hours of usable sunlight per year
Based on day-to-day analysis of weather patterns
- 🏠 1,075 sq feet available for solar panels
Based on 3D modeling of your roof and nearby trees

\$4,000 savings
Estimated net savings for your roof with a 20-year lease

FINE-TUNE ESTIMATE [SEE SOLAR PROVIDERS](#)

Wrong roof? Drag the marker to the right one.

Shade Sun

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Google Project Sunroof

Lease / PPA

Loan

Buy

Instant savings, zero down. You will make monthly payments to a solar leasing company who owns and maintains your system. You will have small upfront costs and you may have the option to purchase your system outright in the future.

\$0

UPFRONT COST AFTER INCENTIVES

\$200

AVERAGE ANNUAL SAVINGS

\$4,000

TOTAL 20-YEAR SAVINGS

[SHOW DETAILED ESTIMATE](#)

Lease / PPA

Loan

Buy

Own your system, pay over time. A loan is a great way to take advantage of the incentives and long-term savings of a solar system without providing all of the cash up front. Every month, you will make payments to re-pay your loan principal and interest.

\$0

UPFRONT COST AFTER INCENTIVES

\$400

AVERAGE ANNUAL SAVINGS

\$8,000

TOTAL 20-YEAR SAVINGS

Lease / PPA

Loan

Buy

[IMATES](#) ▾

Pay up front, largest lifetime savings. You pay the full cost up front and own the solar system without any additional payments over time. As the outright owner, you may claim any local, state, or federal incentives.

\$9,000

UPFRONT COST AFTER INCENTIVES

\$21,000

20-YEAR BENEFITS

\$12,000

TOTAL 20-YEAR SAVINGS

10

YEARS UNTIL PAYBACK

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A nighttime photograph of a city skyline reflected in a body of water. The skyline includes several prominent skyscrapers, some with lights on. A glowing blue line, resembling a stylized path or river, curves across the water in the foreground. The overall scene is dark with some ambient light from the city.

Trump and coal

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Trump and coal

Executive order rolls back policy

- Lifts moratorium on leasing federal lands for coal mining – potentially for more than 1bn short tonnes
- EPA order to re-evaluate CO2 rules
- Rescinds guidance on the use of the social cost of carbon estimate to help measure the effect of greenhouse gas emissions

Reactions have been mixed, even in the industry

- US interior secretary: coal development “is going to be market driven”
- “At the end of the day, coal will still have to compete with a host of other fuels,” Cloud Peak Energy (NYT)

A nighttime city skyline is reflected in a body of water. A glowing blue line curves across the water's surface. The text 'The struggling European utility sector' is overlaid in white.

The struggling European utility sector

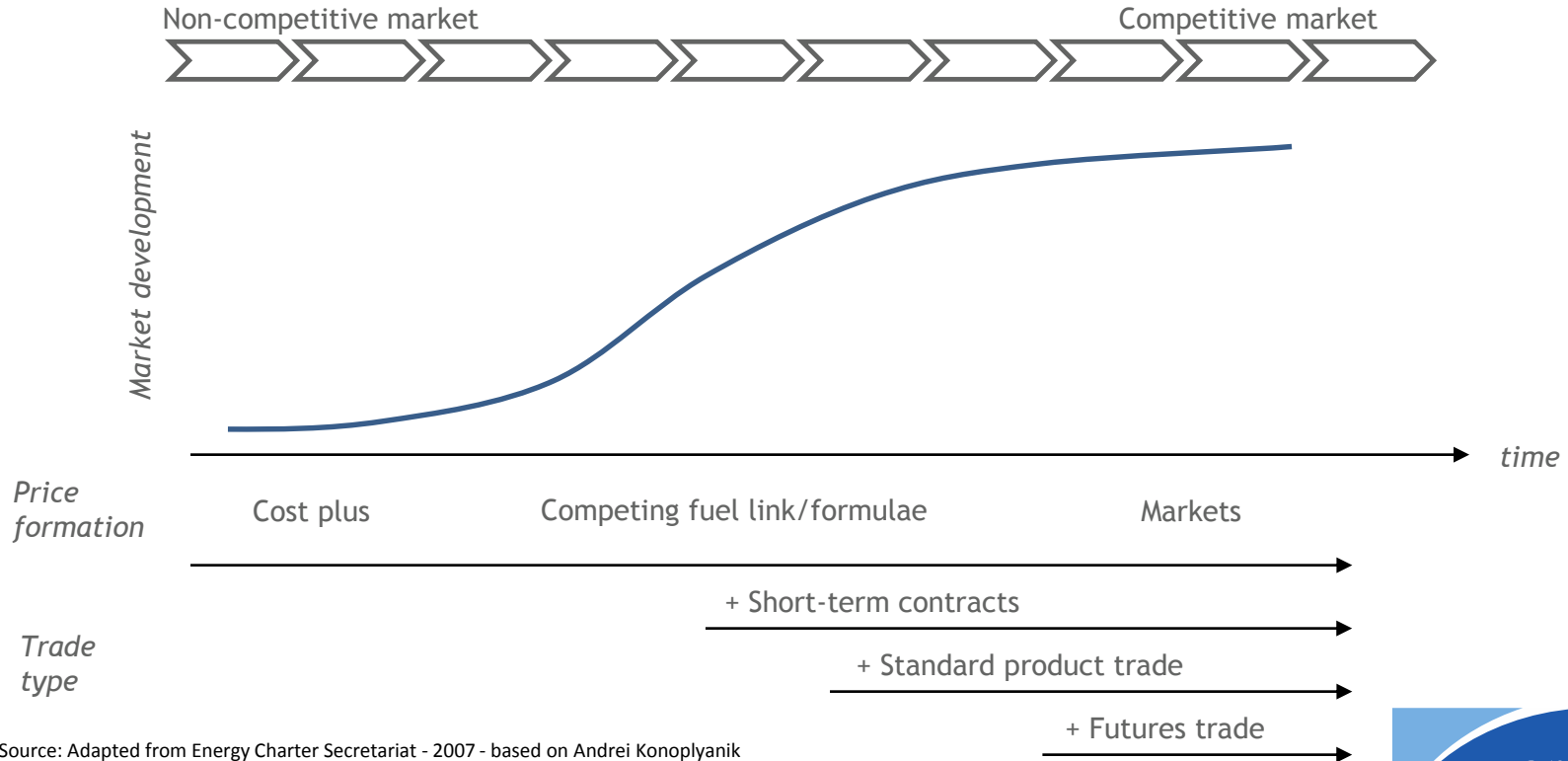
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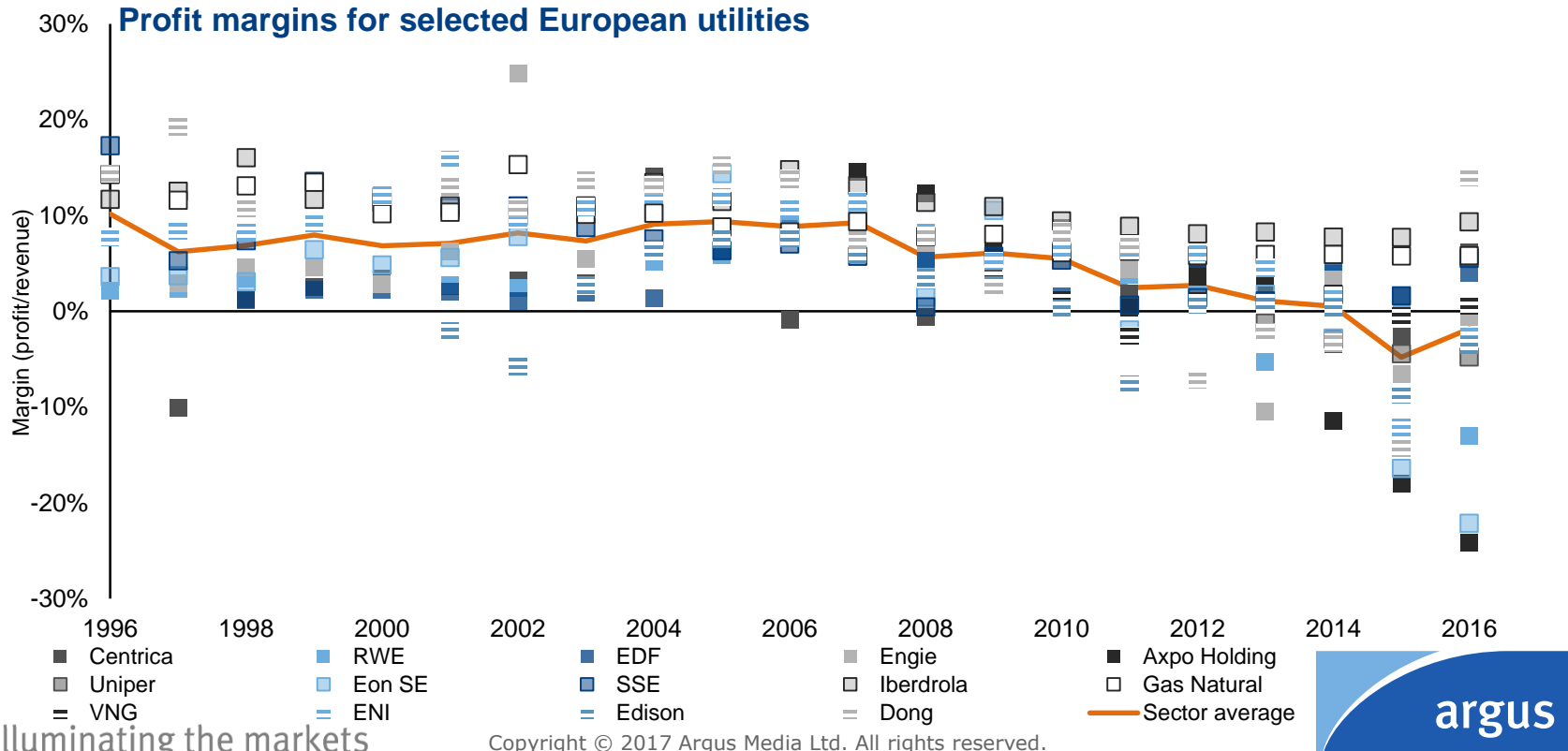
Events

Market development: late-stage commoditization



Source: Adapted from Energy Charter Secretariat - 2007 - based on Andrei Konoplyanik

How to lose 30 billion euros

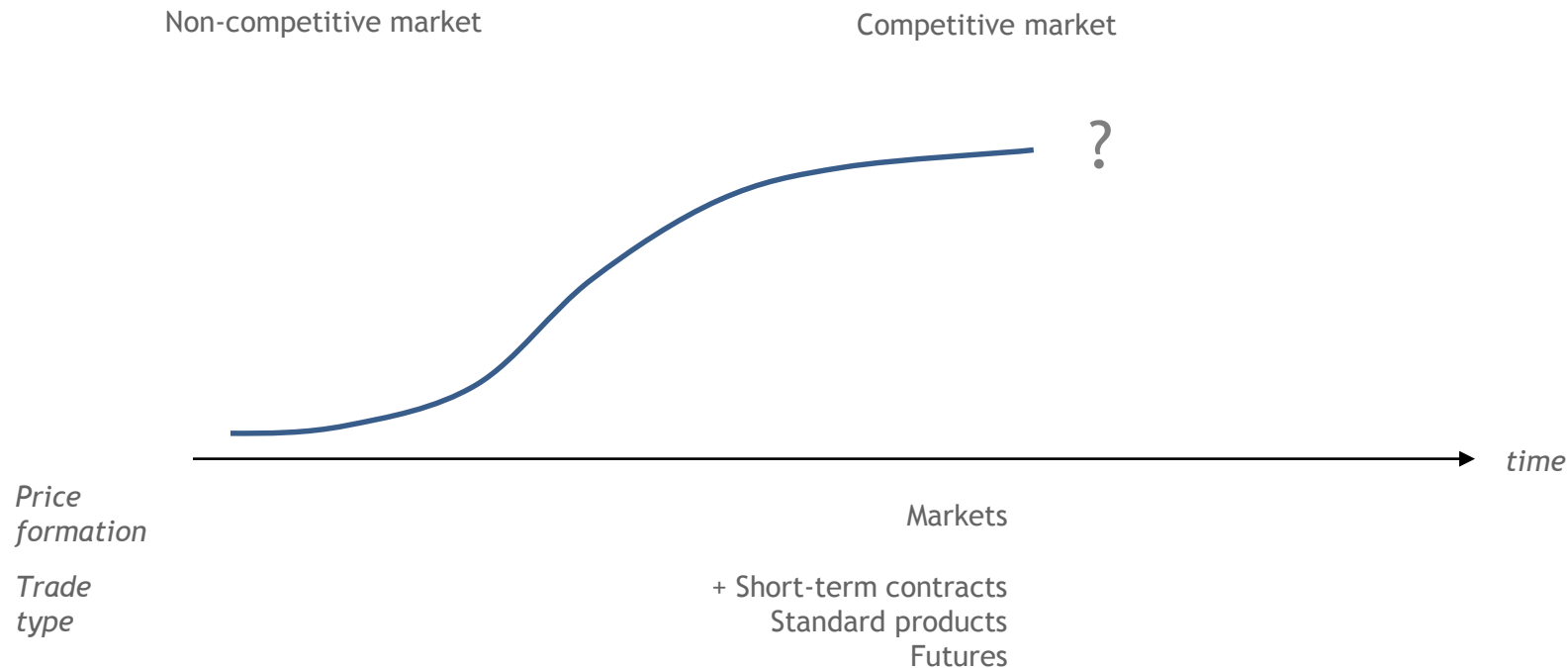


Conclusions

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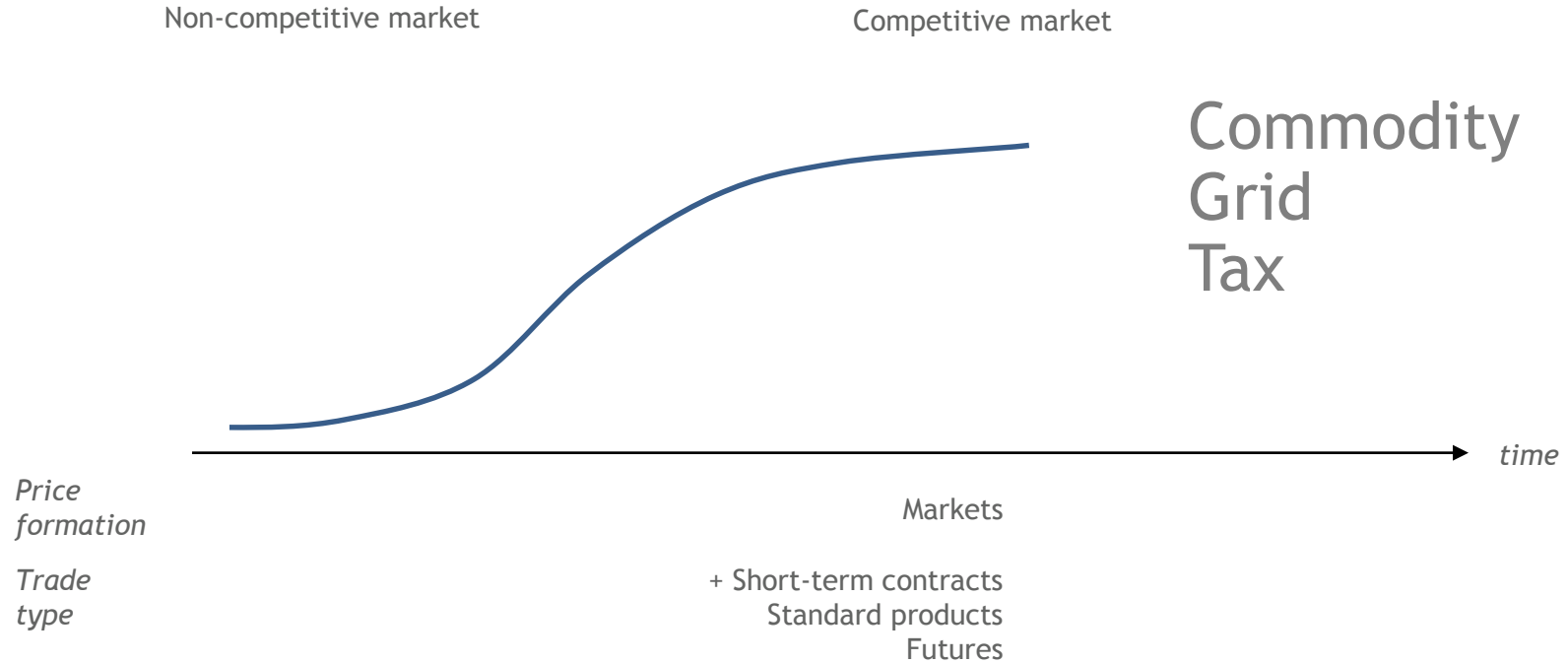
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Market development: late-stage commoditization



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Matthew Monteverde


Vice President – Commodities Markets

matthew.monteverde@argusmedia.com


+44 20 7780 4225

skype: matthew_monteverde

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