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International perspectives on energy prices - gas pricing in a world of \$60/bl crude

IFIEC Europe – Energy Forum 2015
Matthew Monteverde
4 June 2015

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Market Reporting

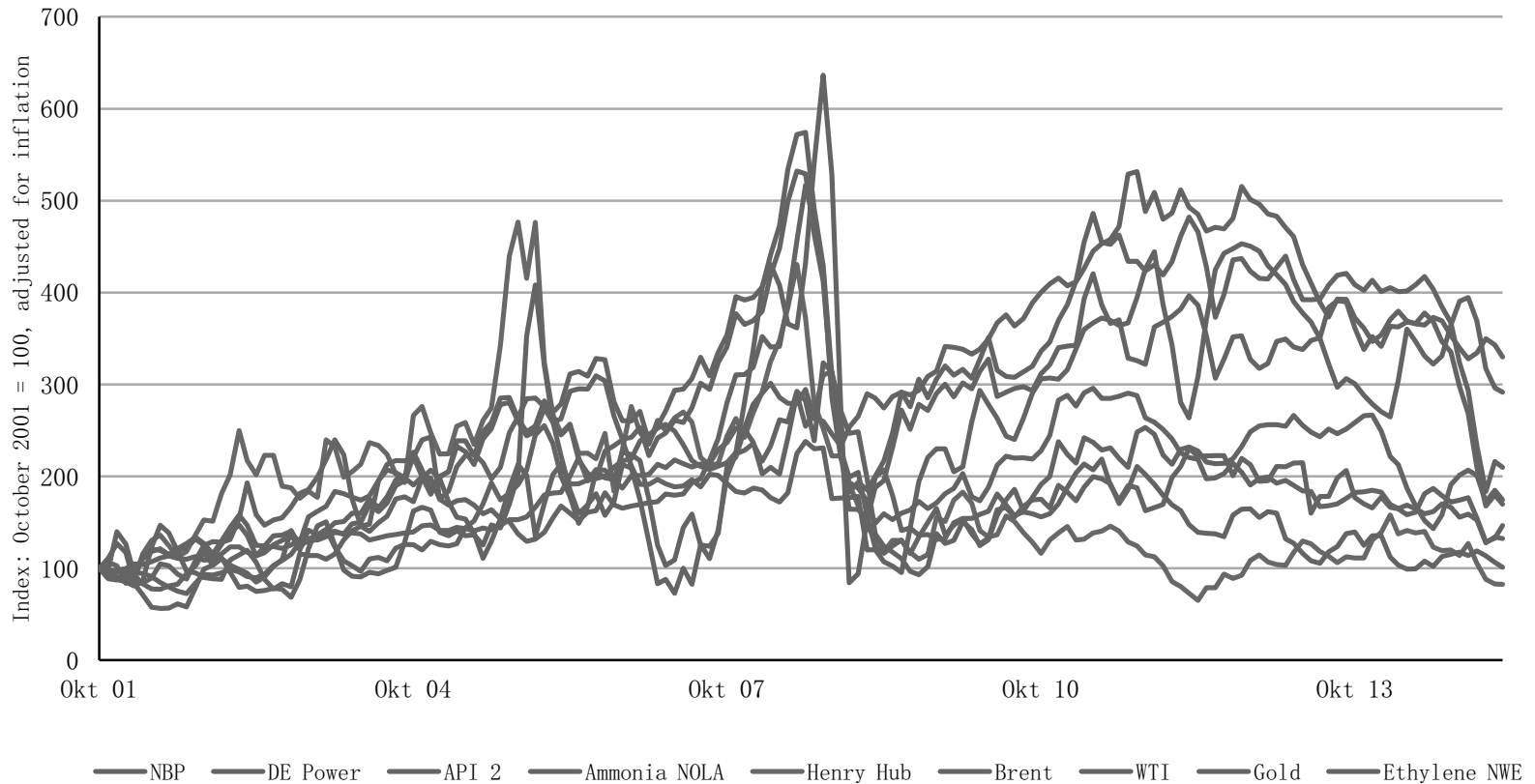
Consulting

Events

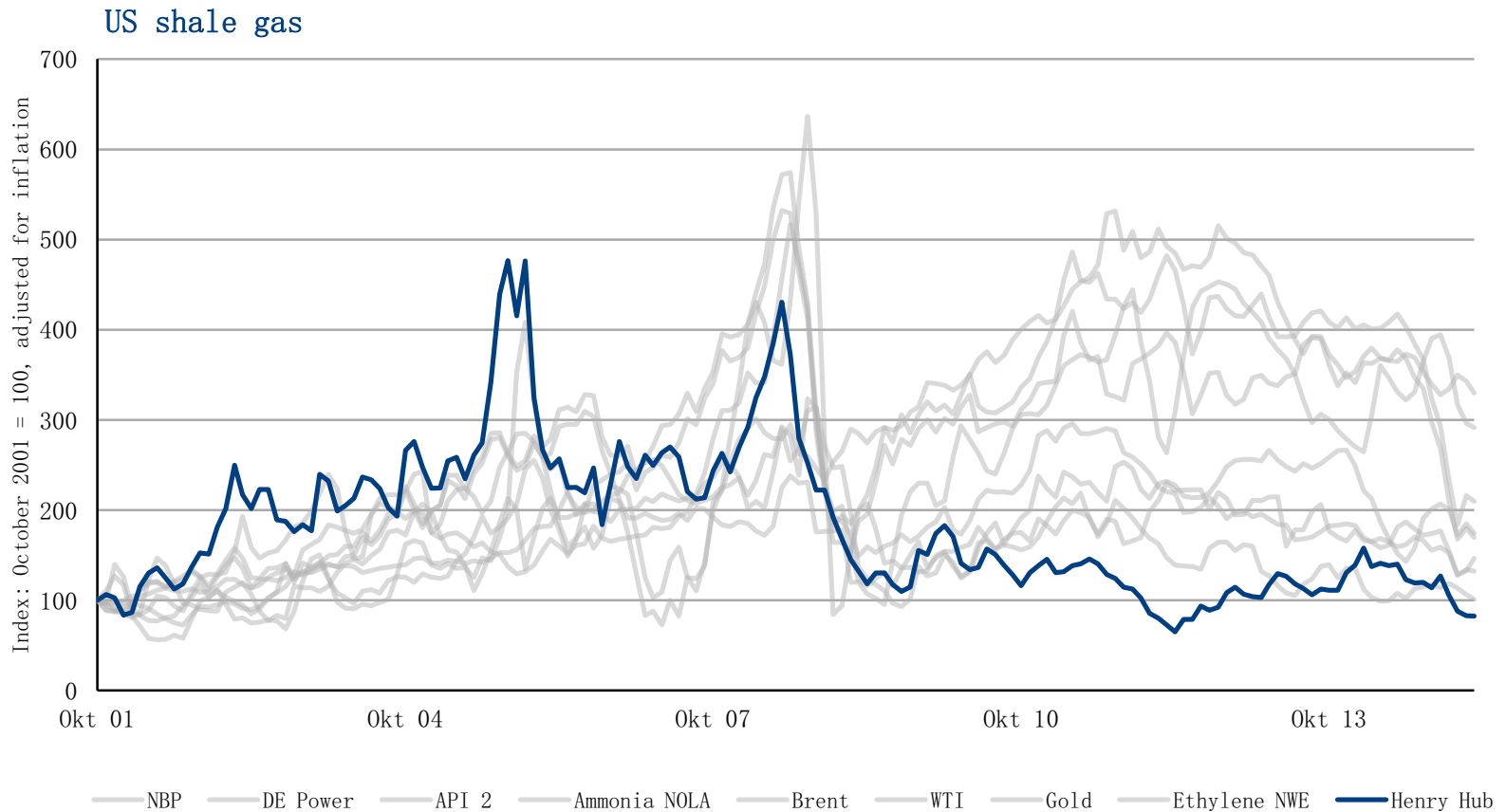
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Commodity prices in abstract

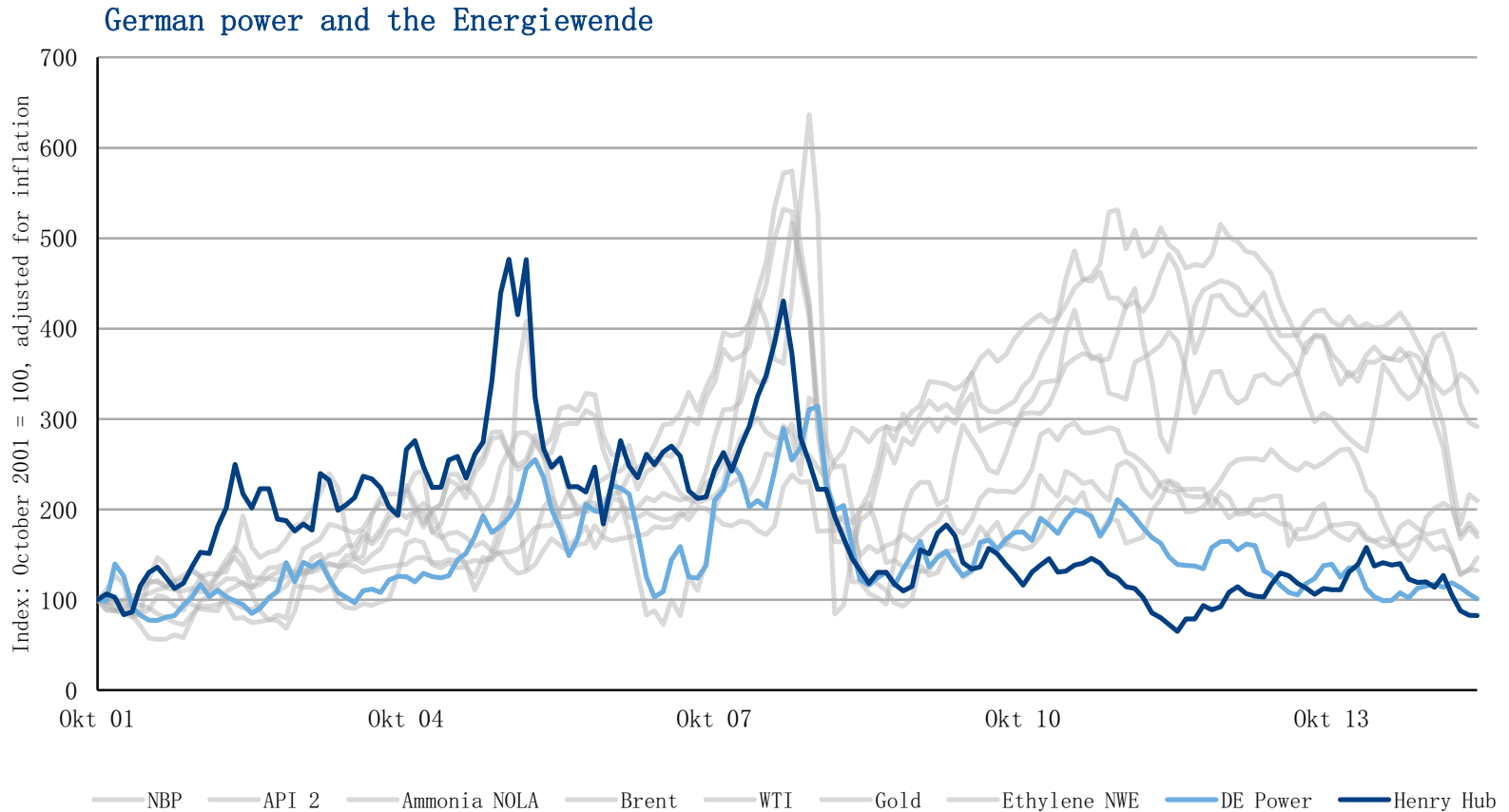
Commodity prices have declined



Commodity prices in abstract

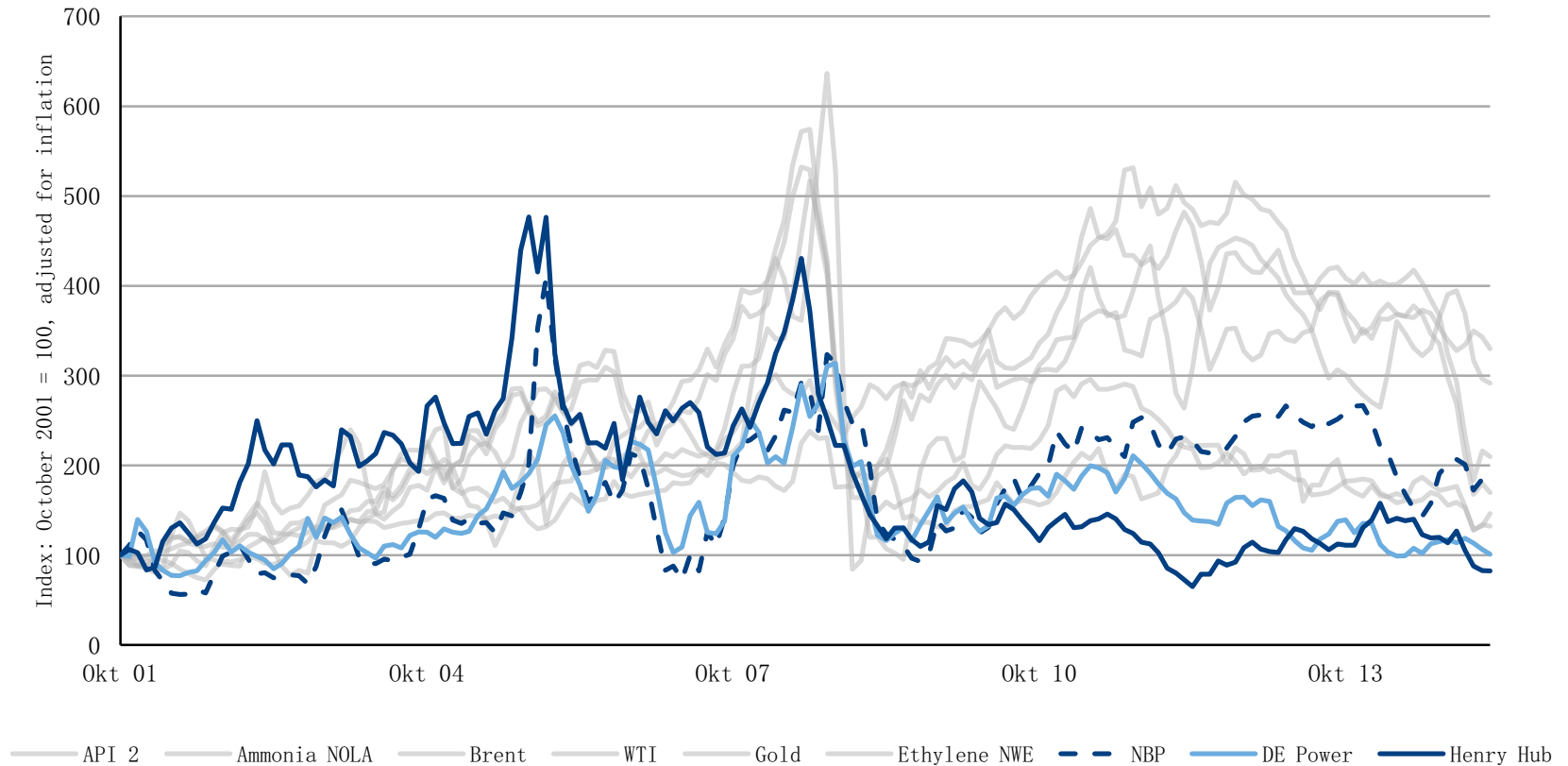


Commodity prices in abstract



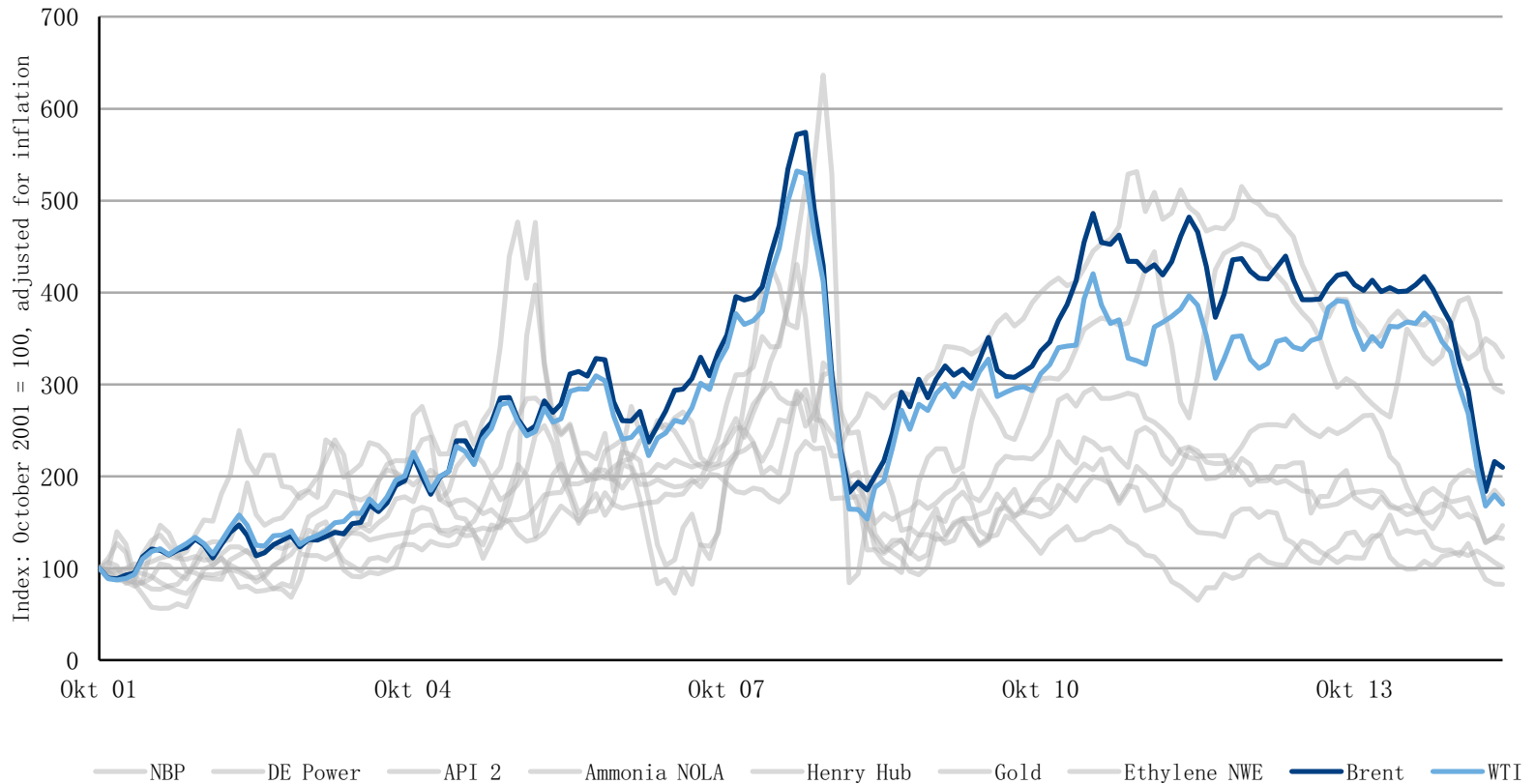
Commodity prices in abstract

UK gas prices exposed to global market conditions



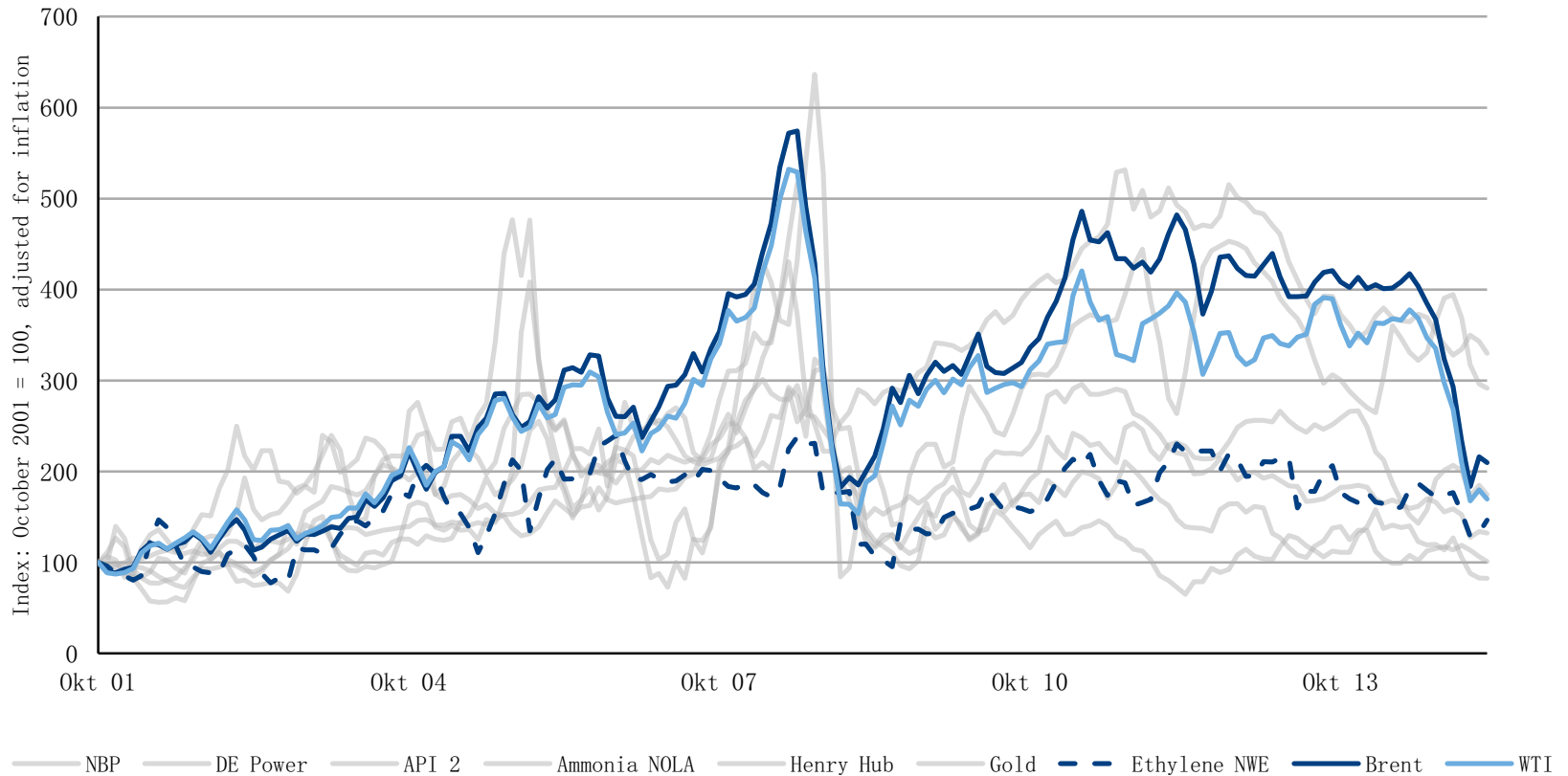
Commodity prices in abstract

Crude prices held firm before collapse

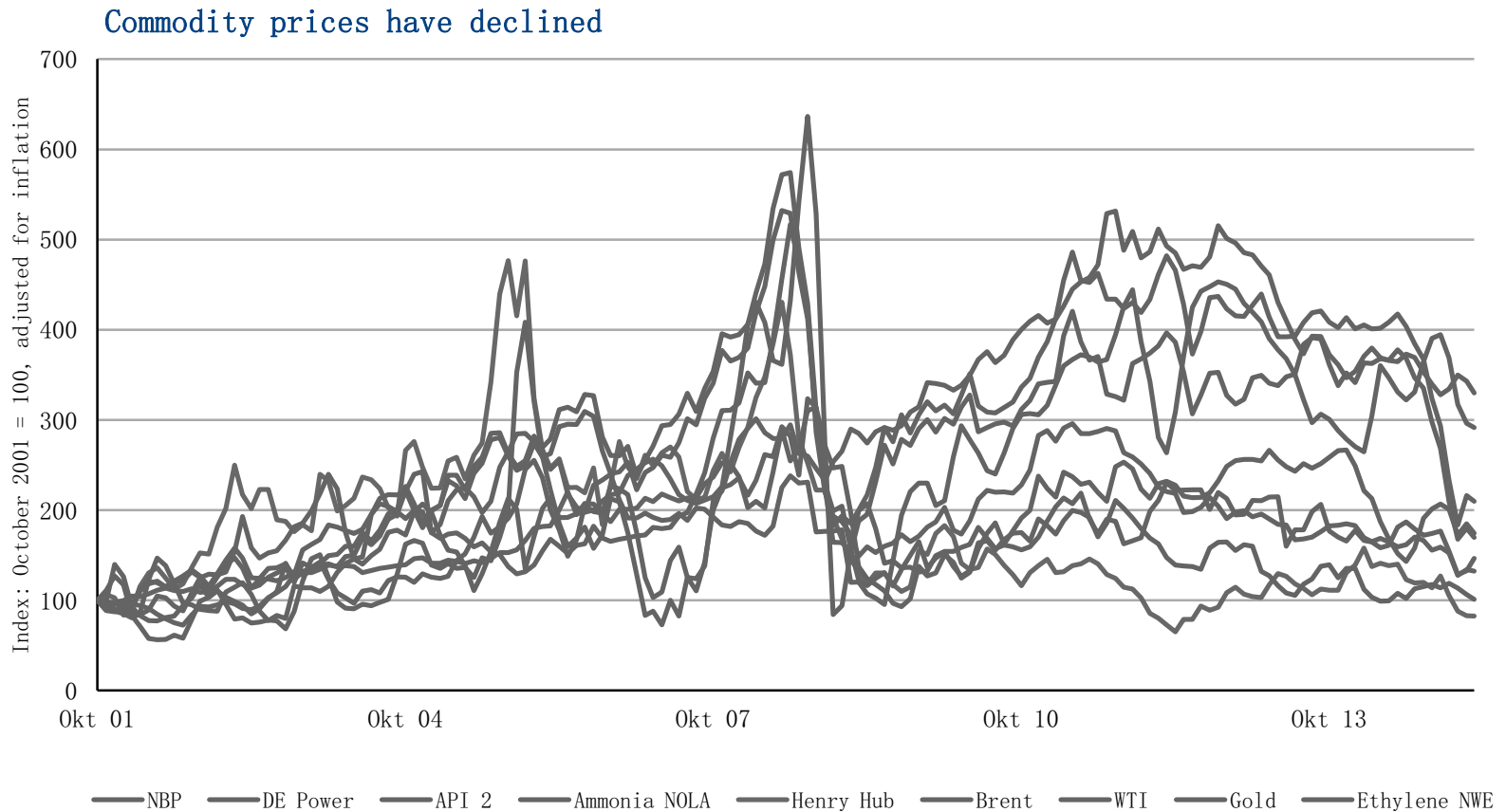


Commodity prices in abstract

Crude prices held firm before collapse

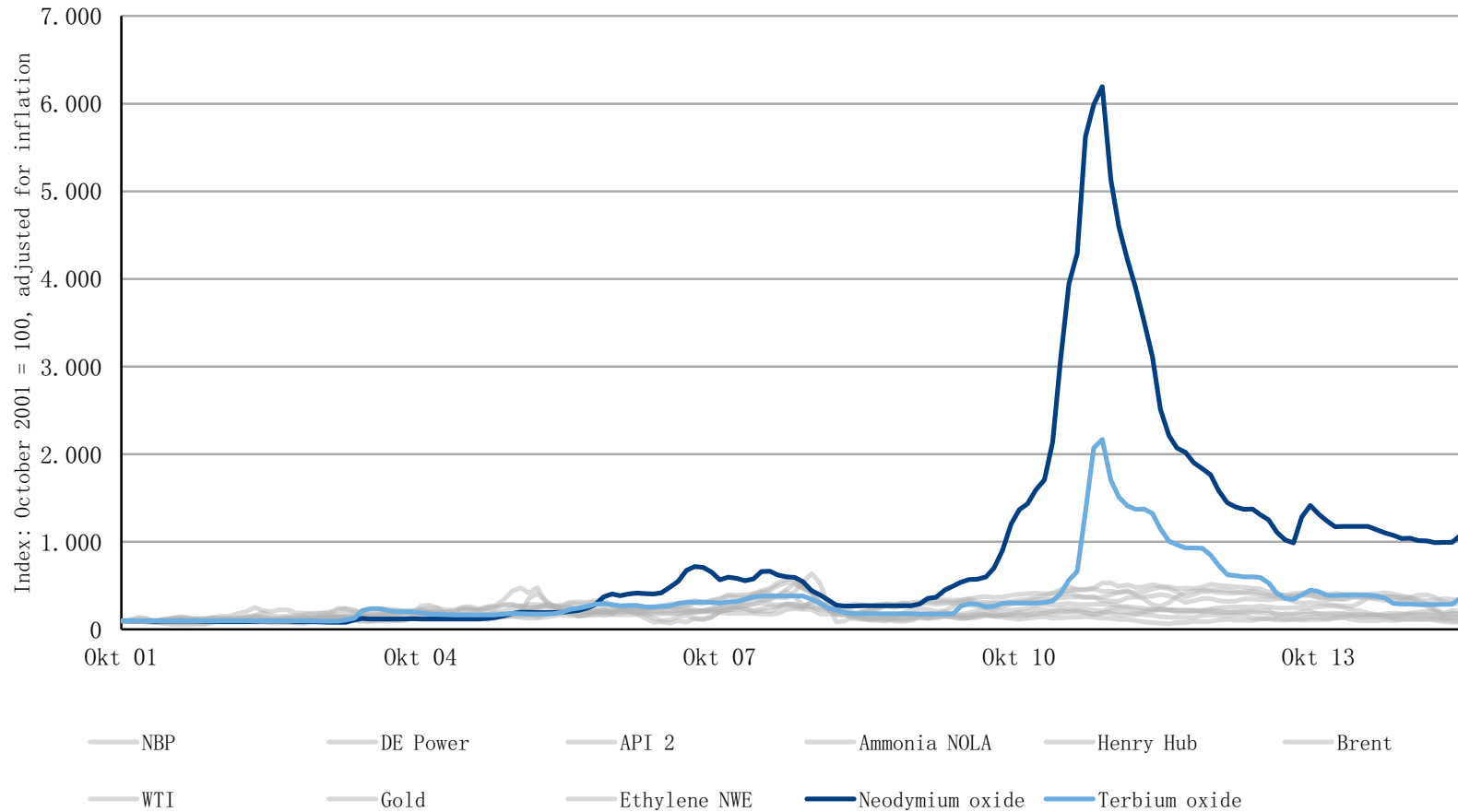


Commodity prices in abstract



Commodity prices in abstract

Rare earths – Chinese law (and law breaking)



Gas prices in a low-oil price world

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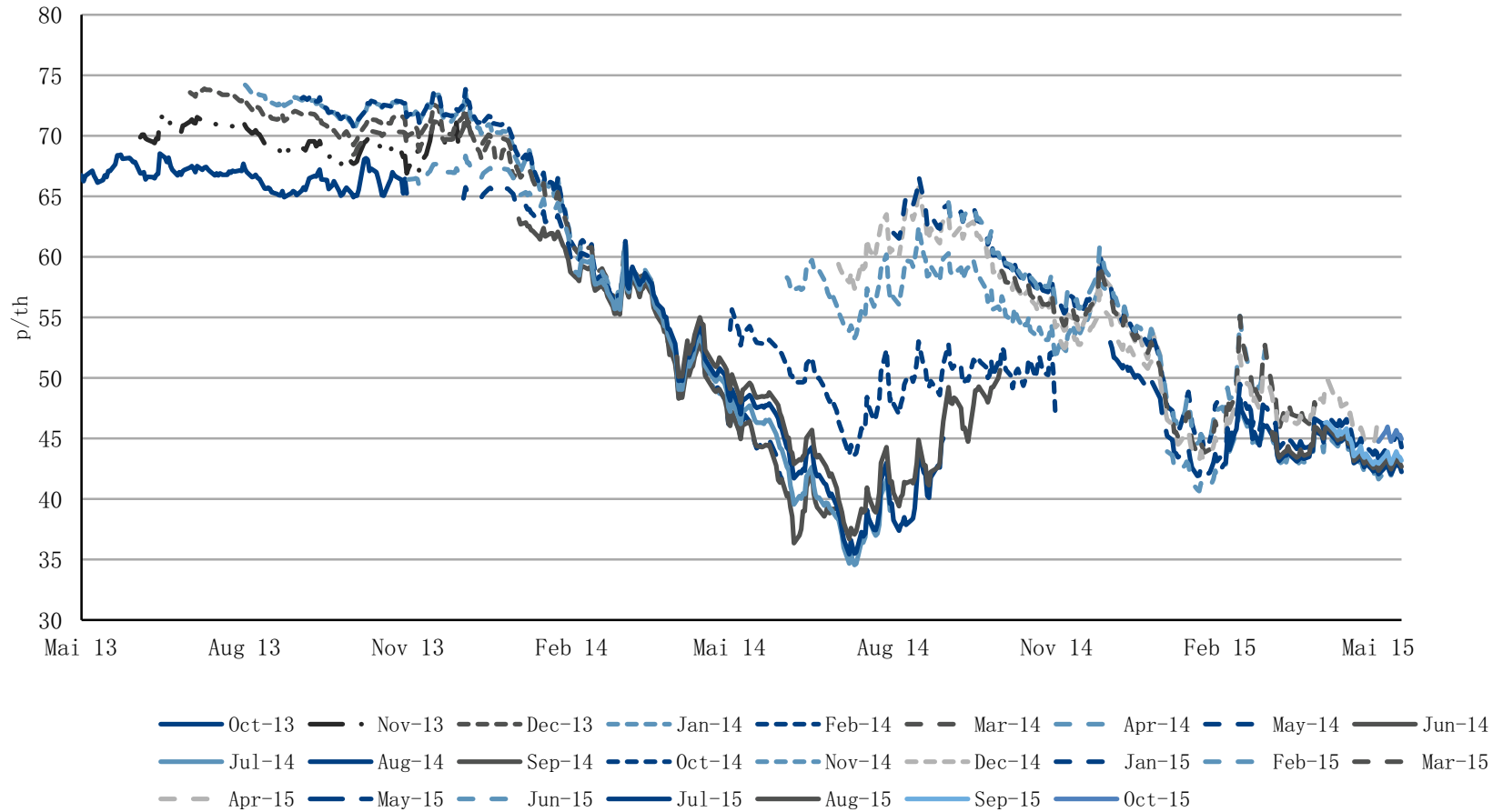
Market Reporting

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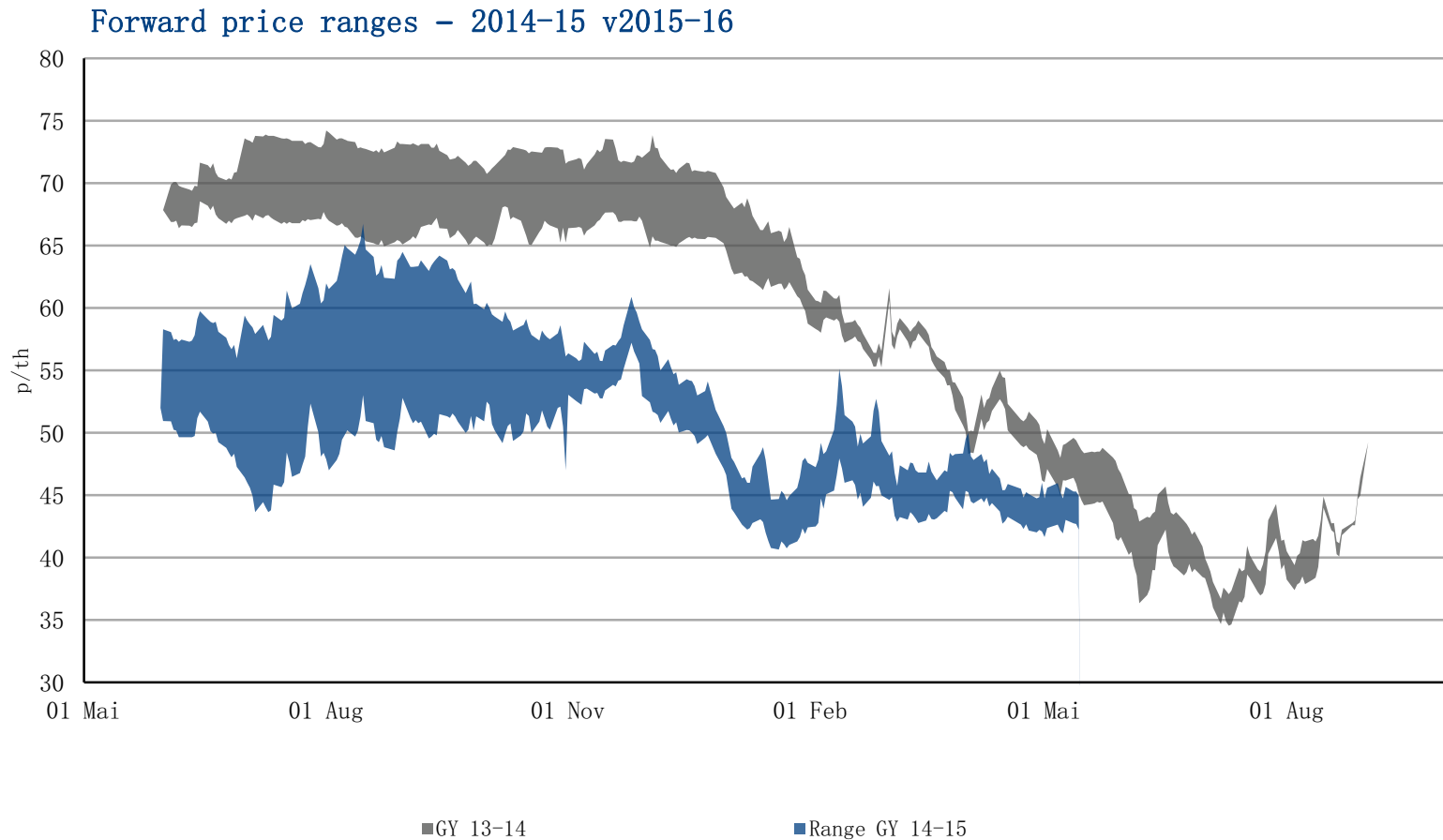
Events

European price update

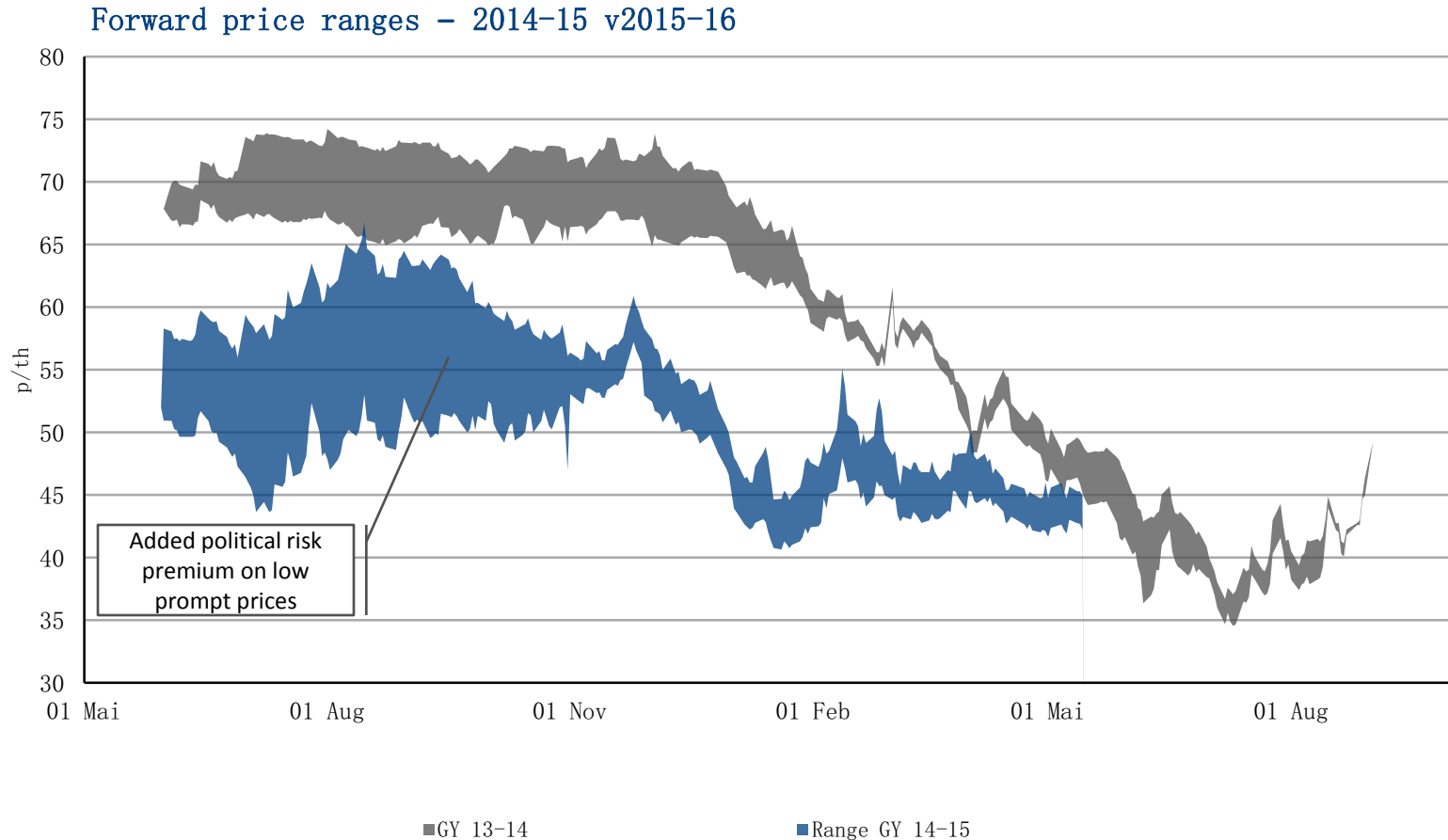
NBP forward month prices collapse – twice



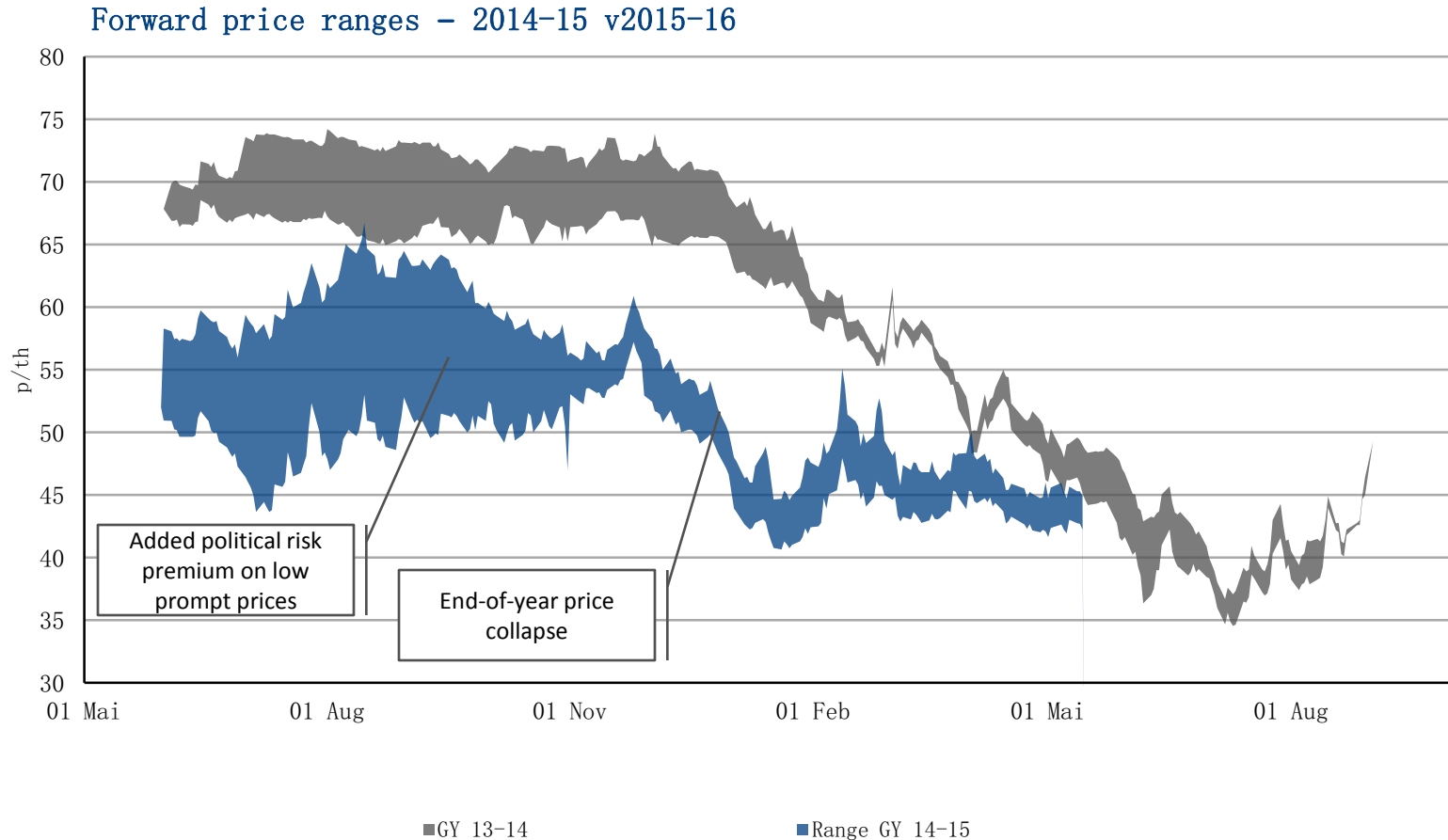
European gas price update



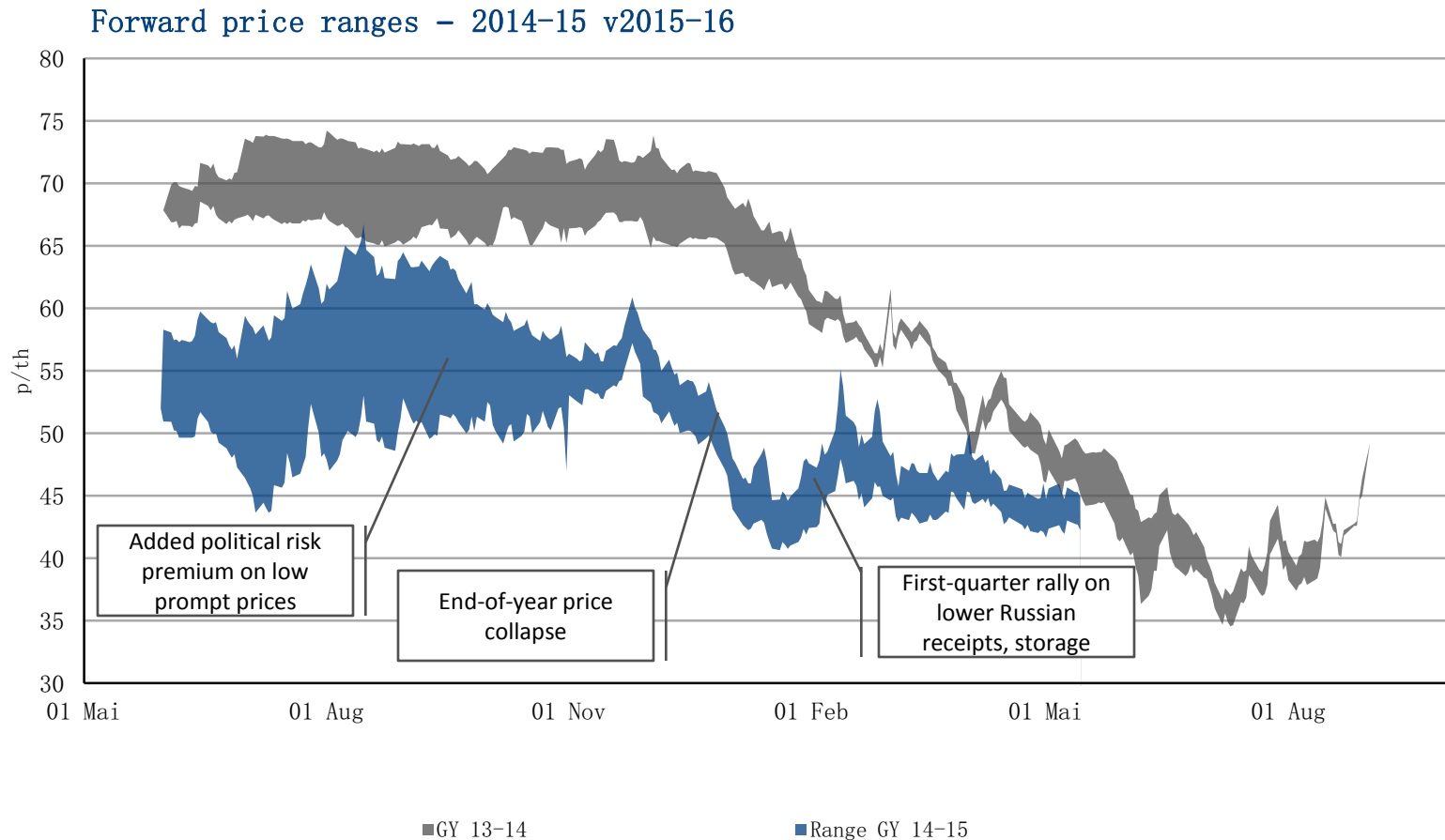
European gas price update



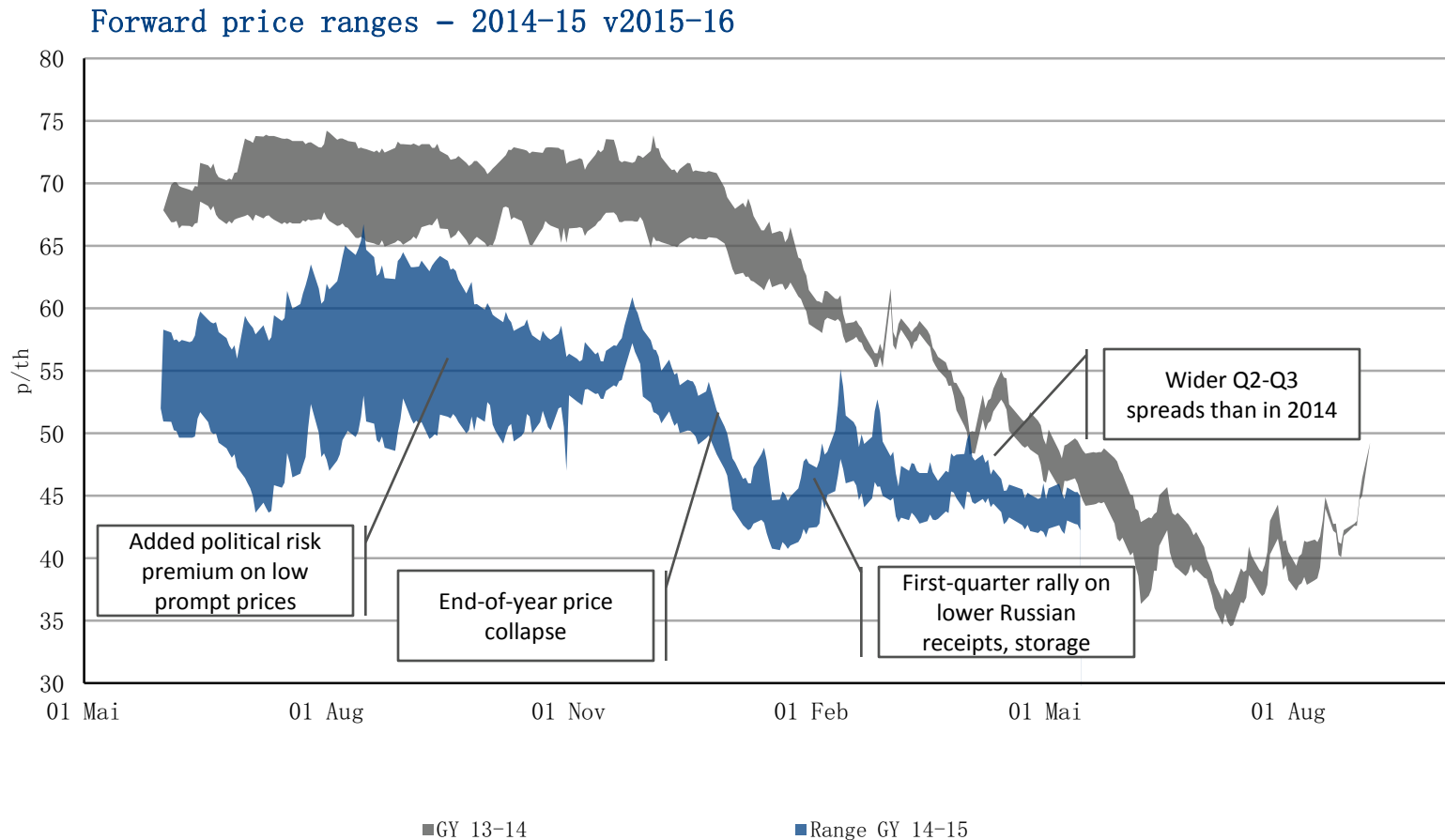
European gas price update



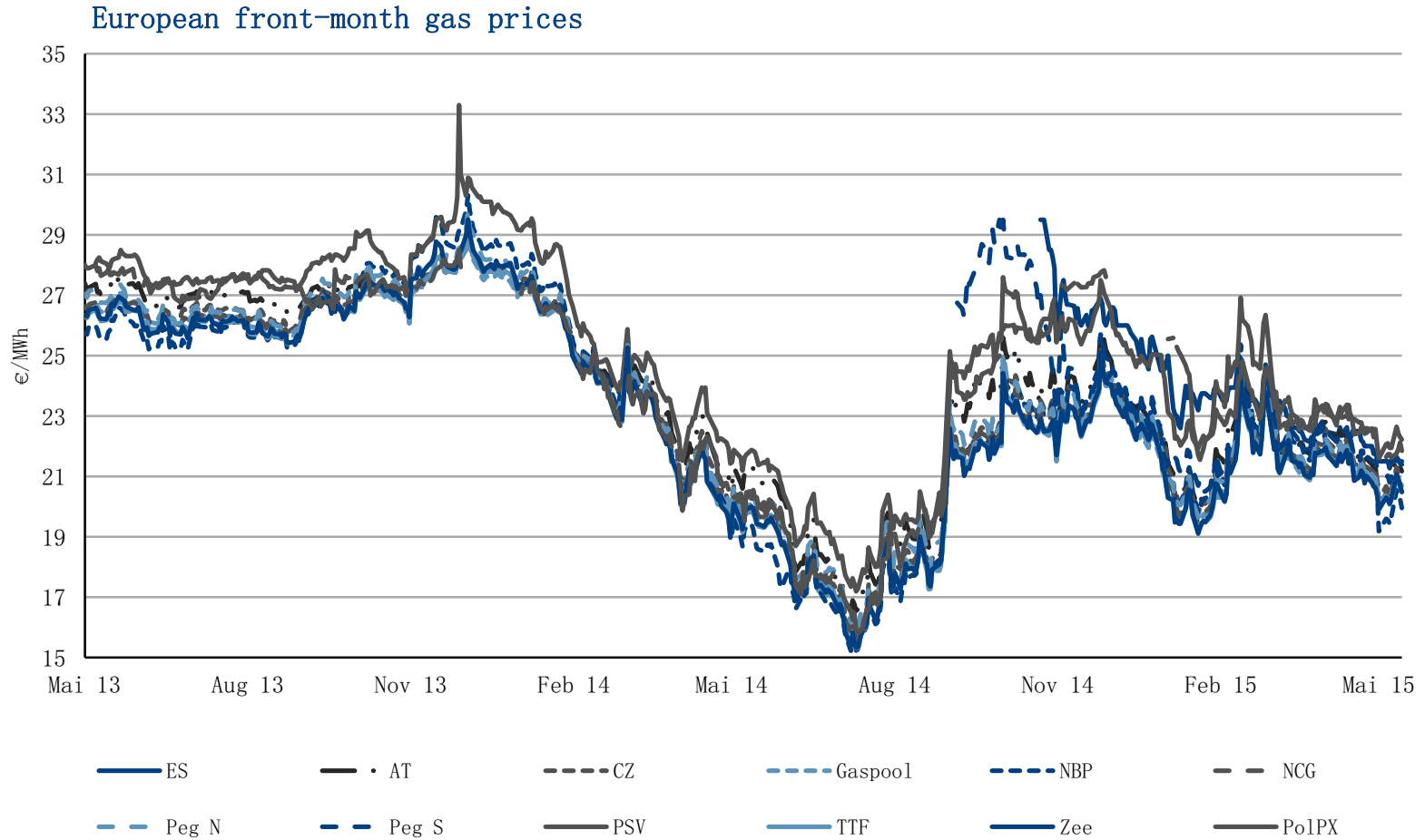
European gas price update



European gas price update



European price update



European gas supply

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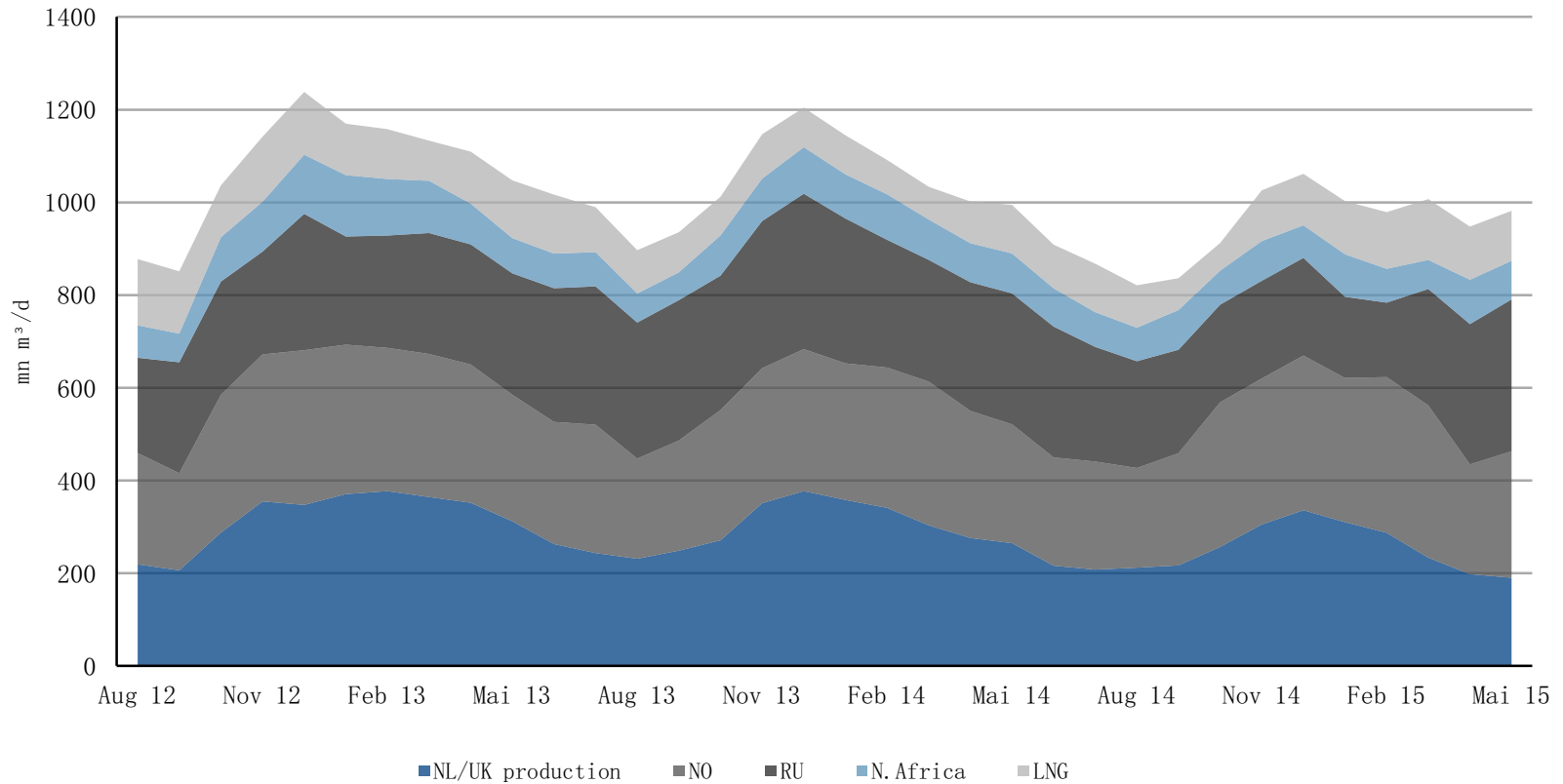
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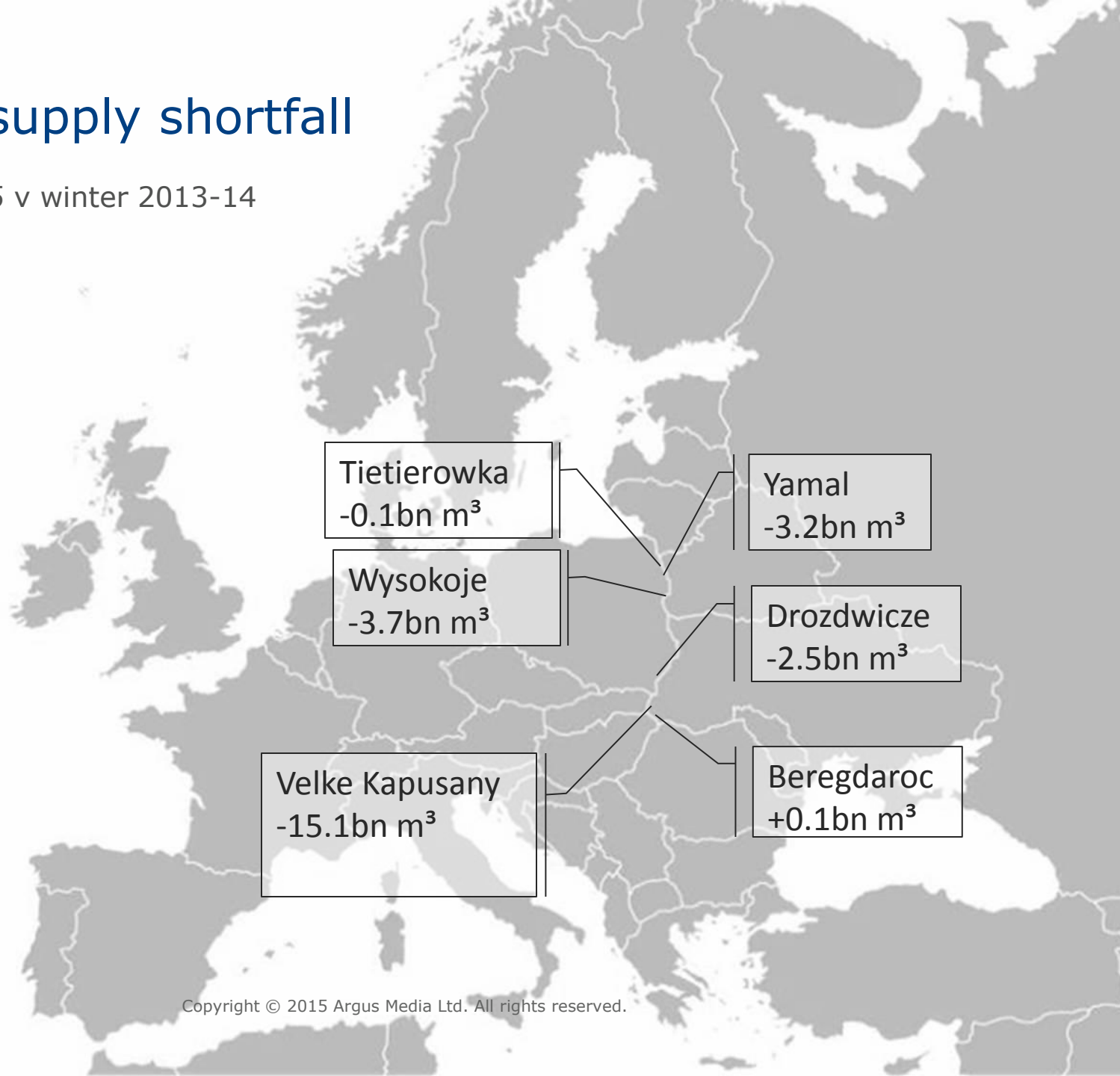
European supply sources

Western European supply – monthly through mid-May 2015

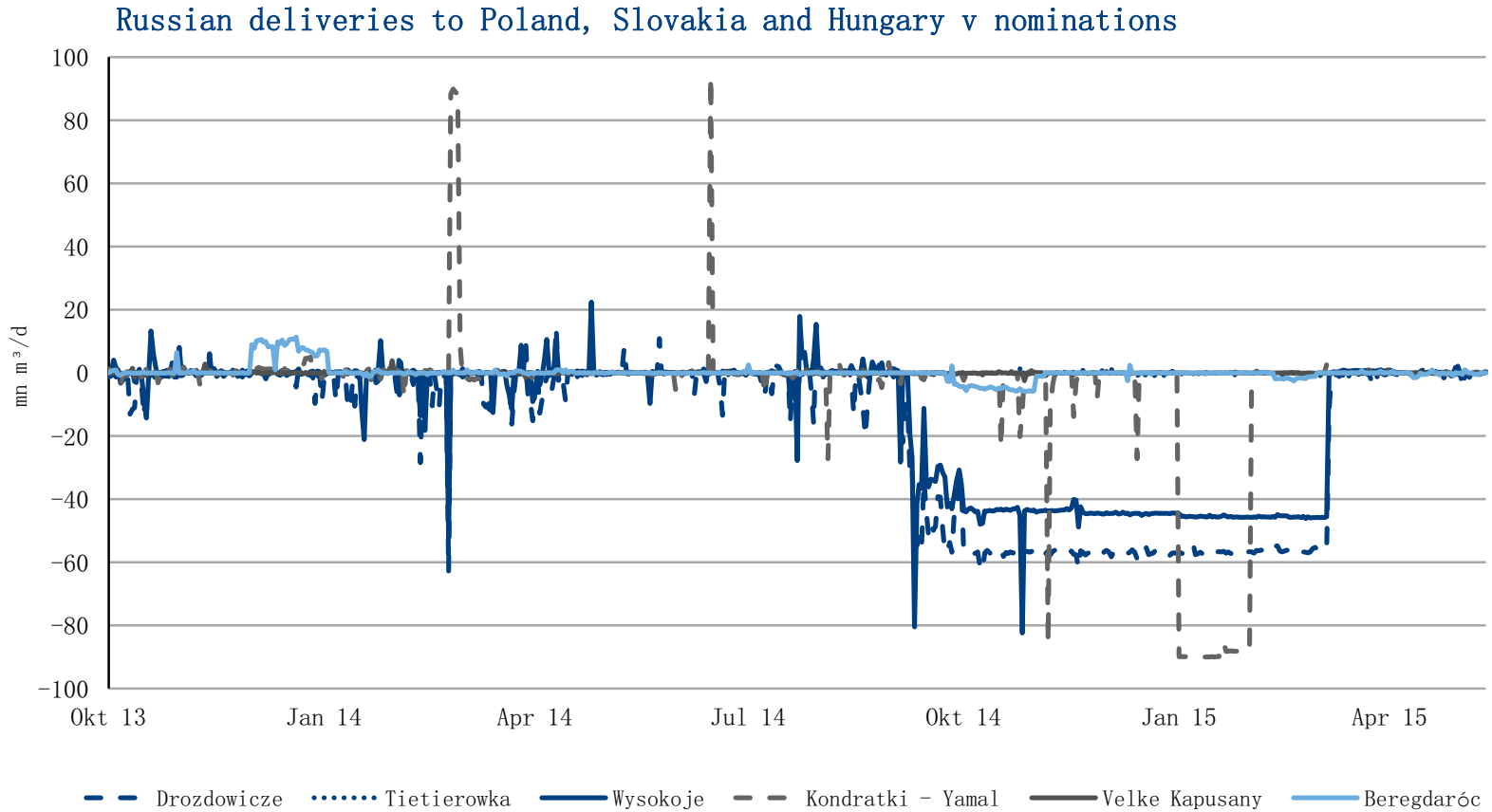


Russian supply shortfall

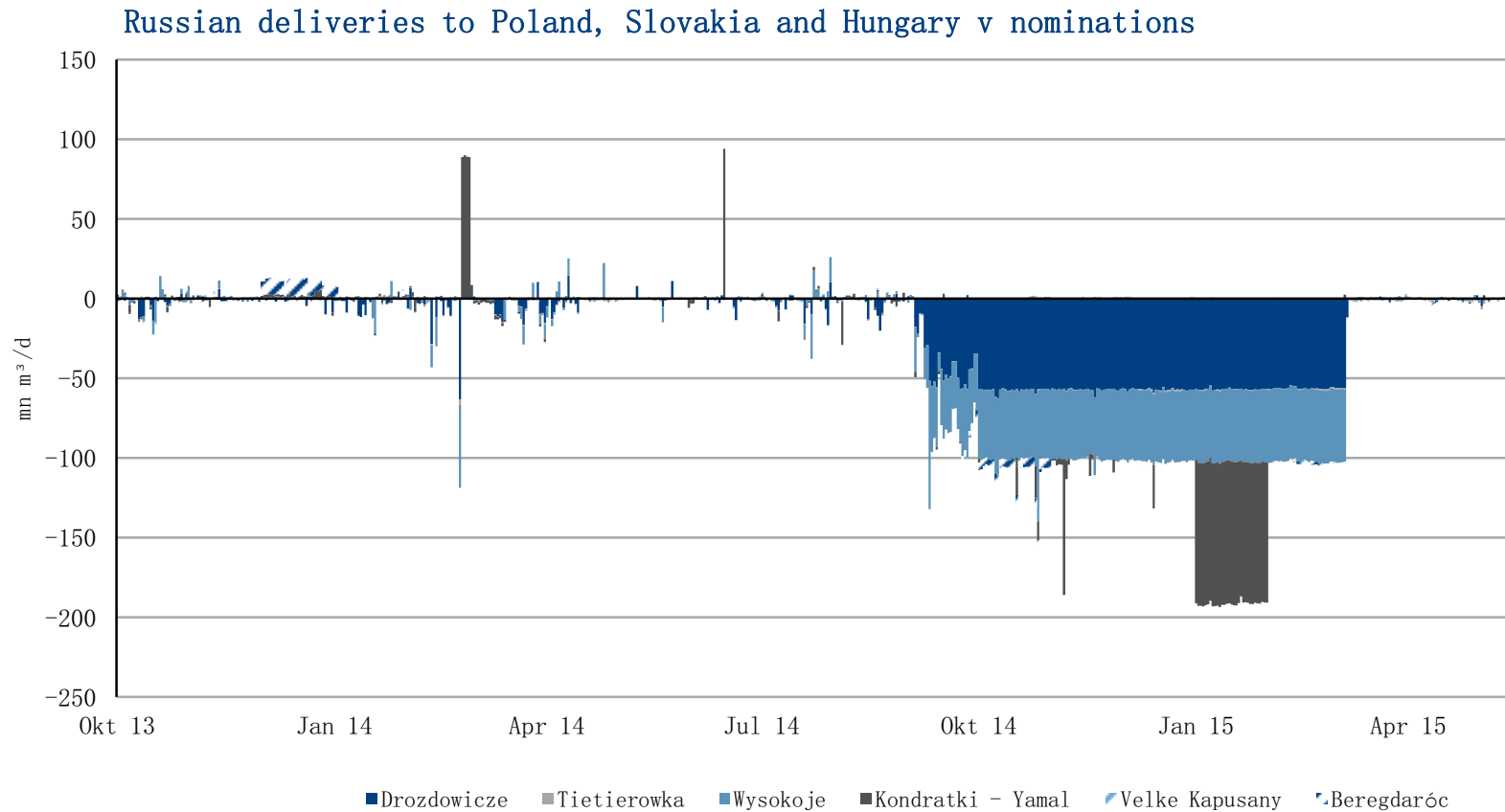
Winter 2014-15 v winter 2013-14



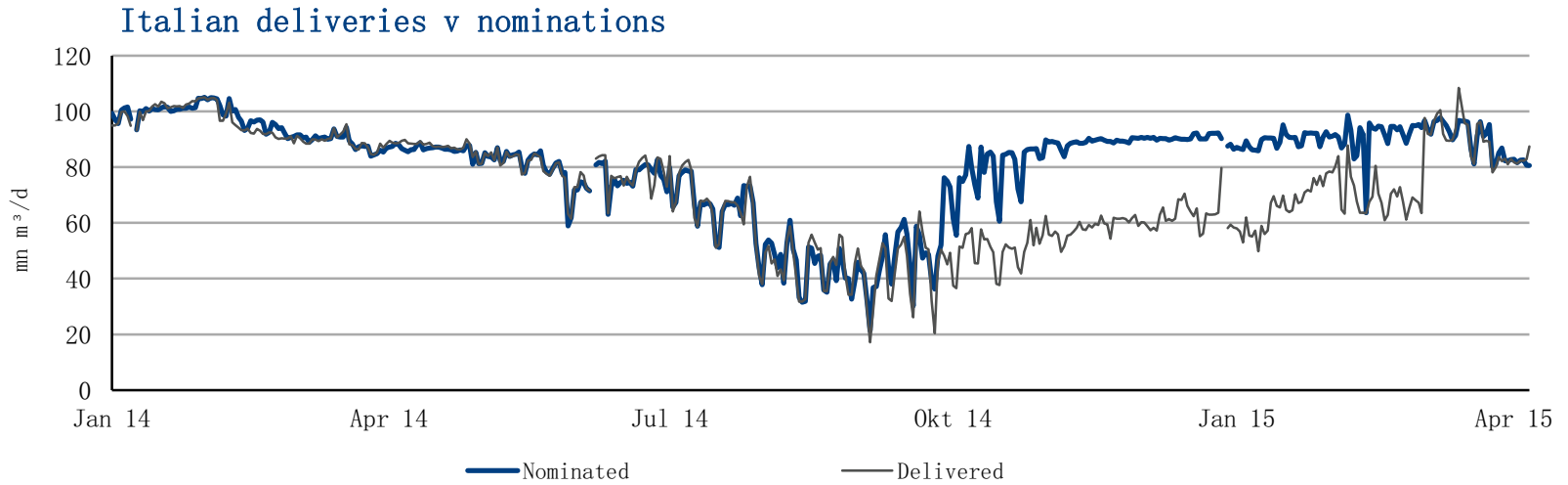
Russian supply shortfall



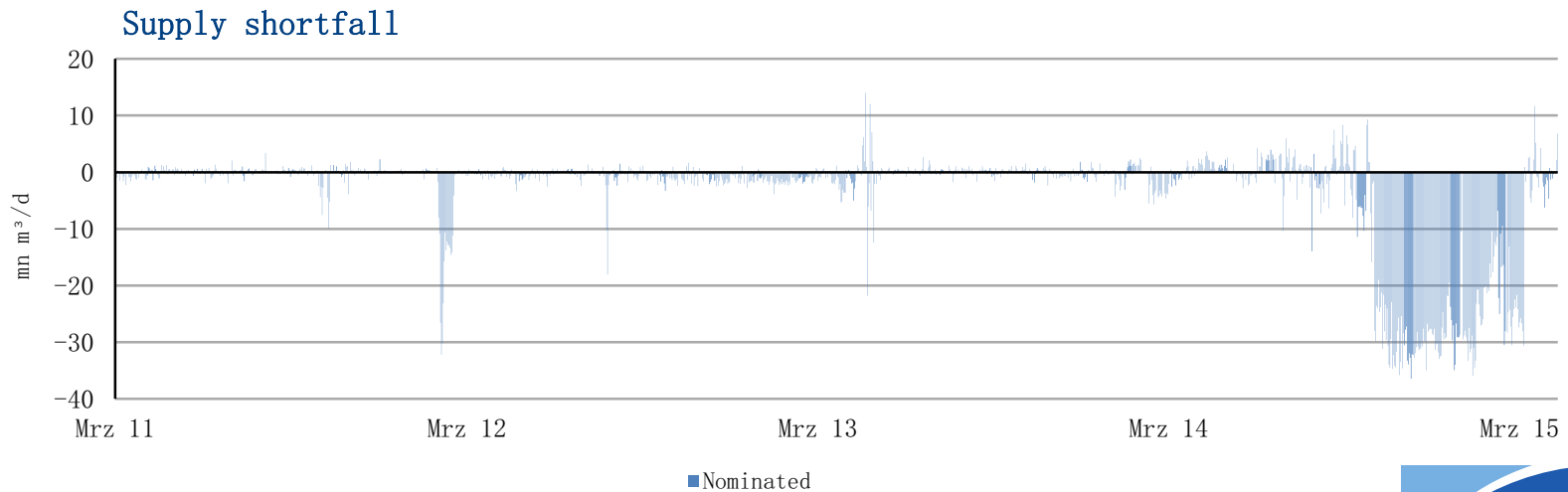
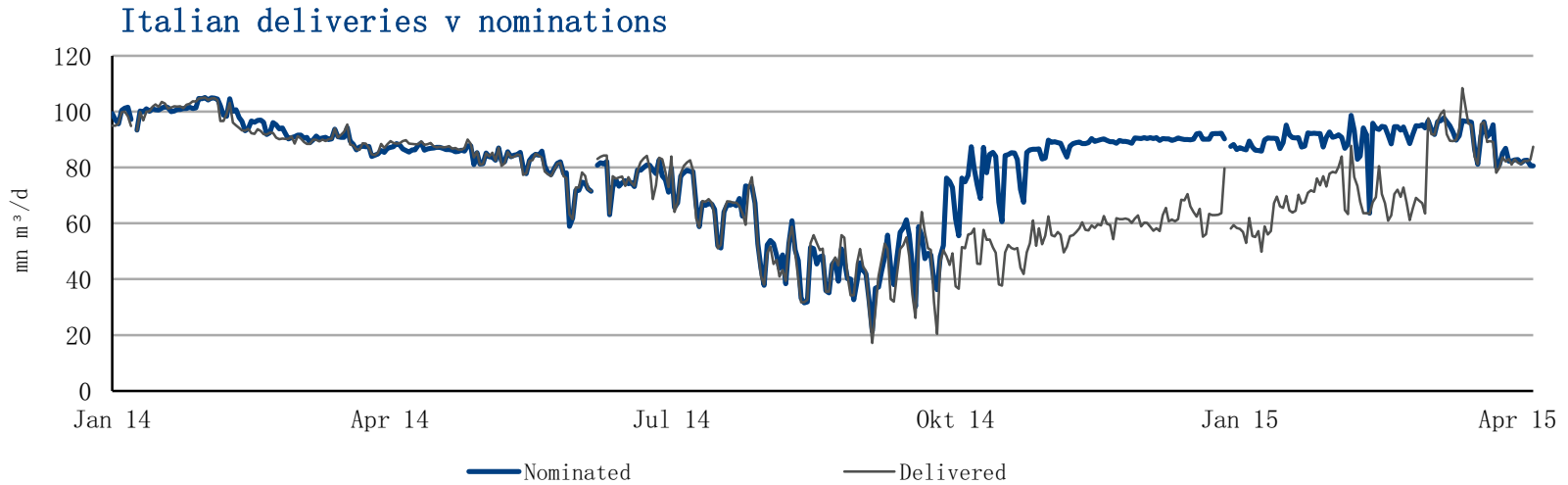
Russian supply shortfall



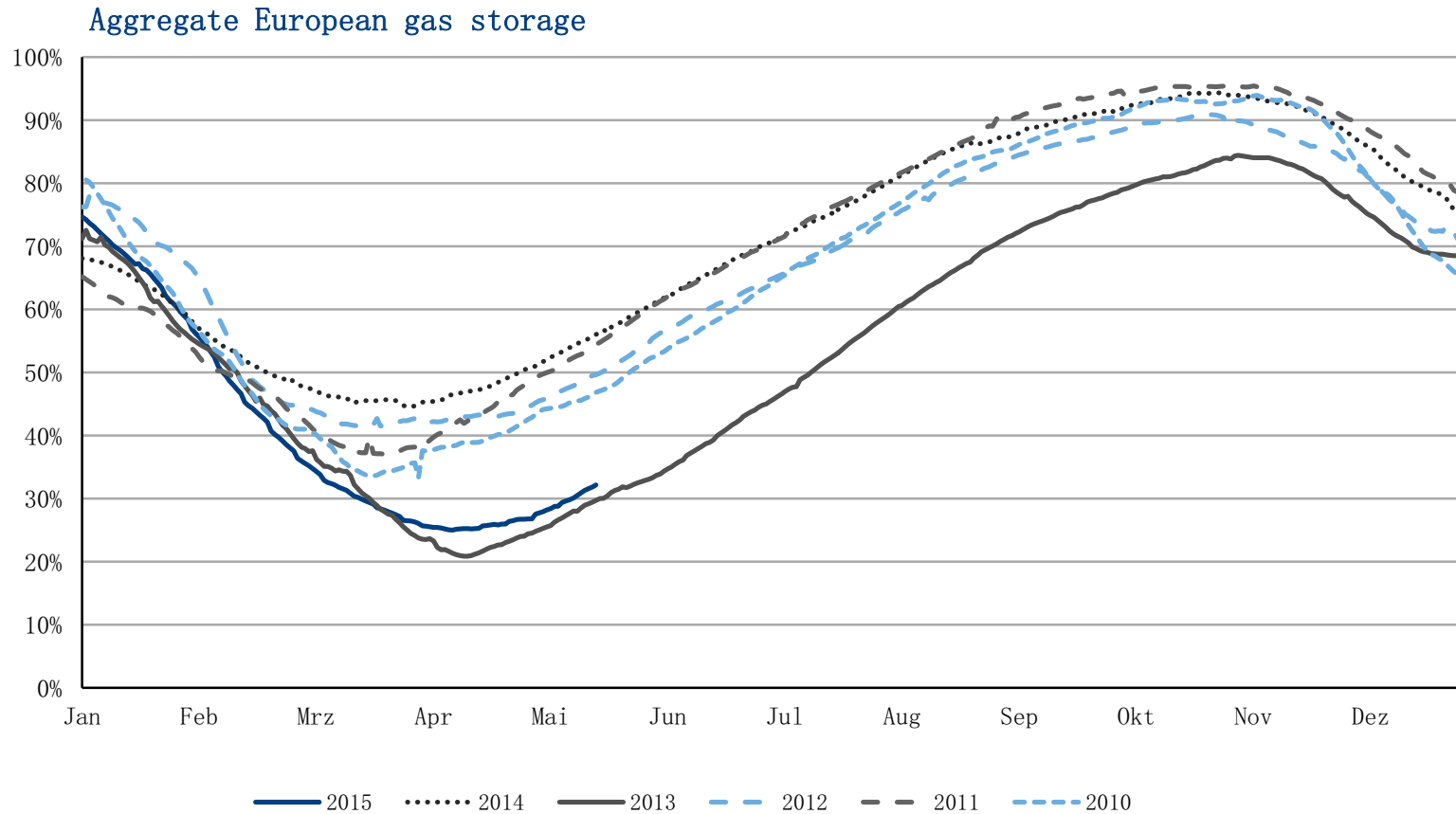
Russian under-deliveries to Italy



Russian under-deliveries to Italy



Larger European stockbuild required



Oil indexed contract prices

A night view of a city skyline reflected in water, with a glowing blue line curving across the foreground. The skyline includes various skyscrapers and a prominent dome-shaped building. The water reflects the lights from the buildings and the sky. A glowing blue line starts from the bottom left and curves towards the right side of the image.

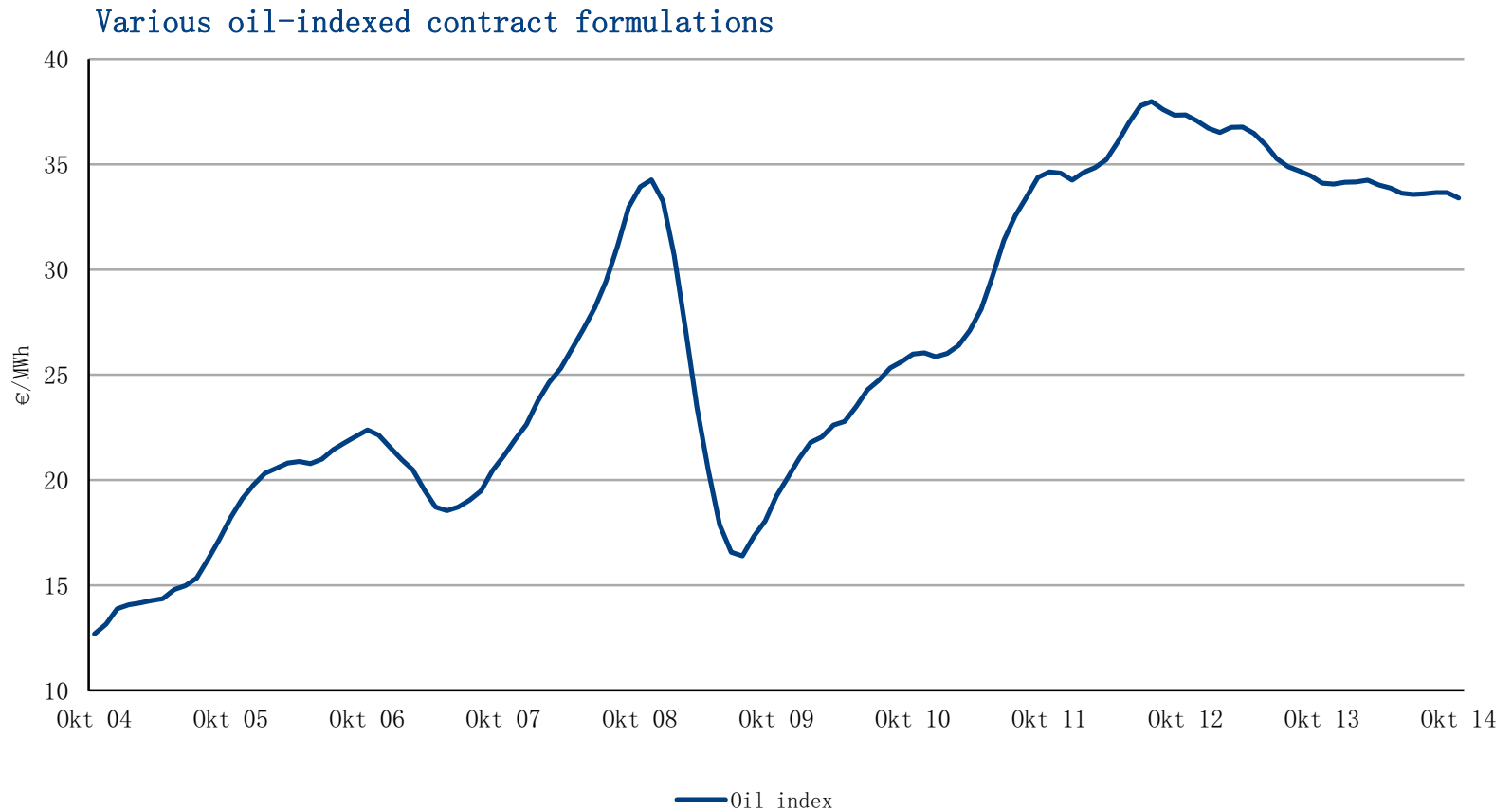
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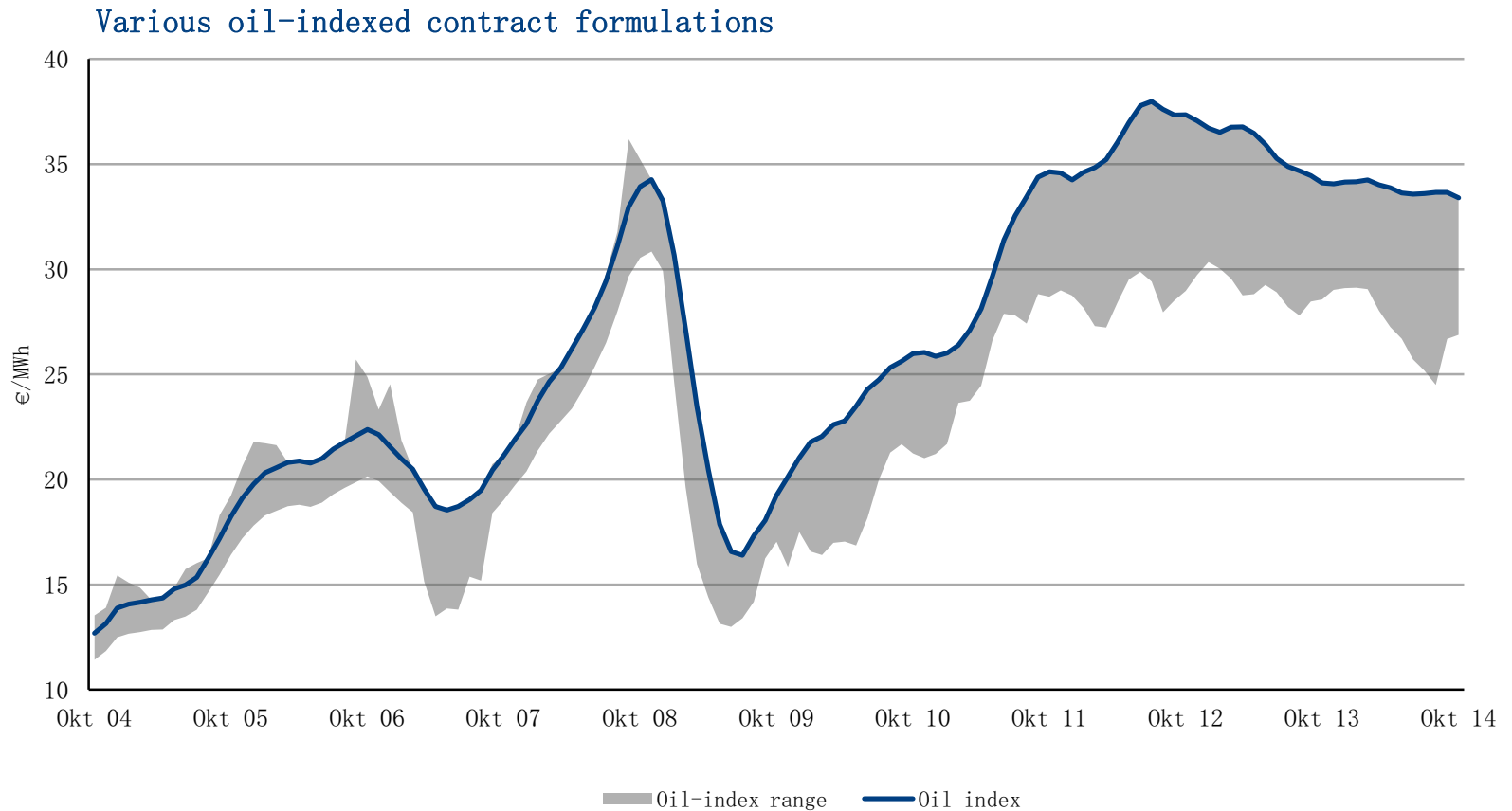
Consulting

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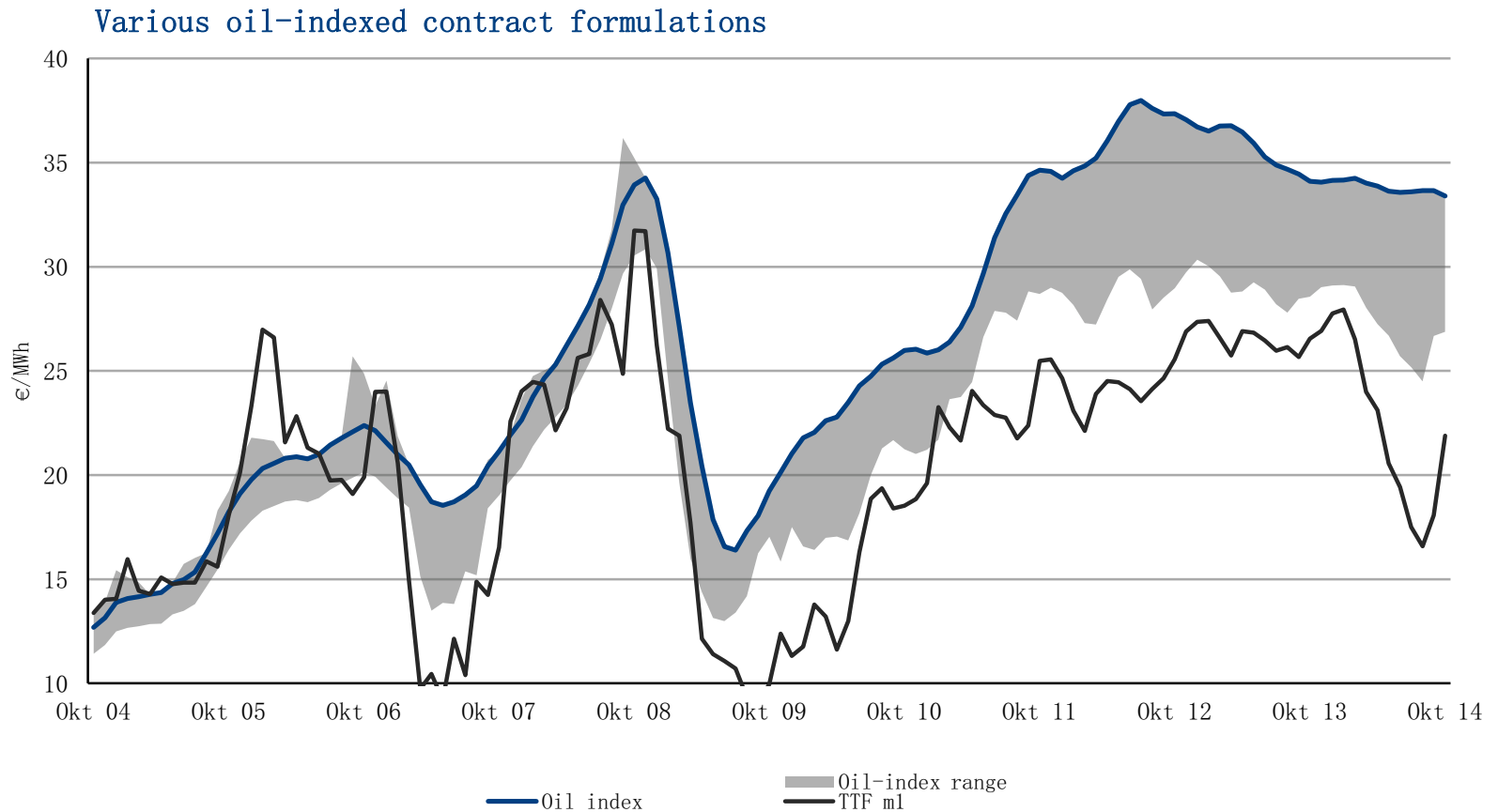
Oil indexed price evolution



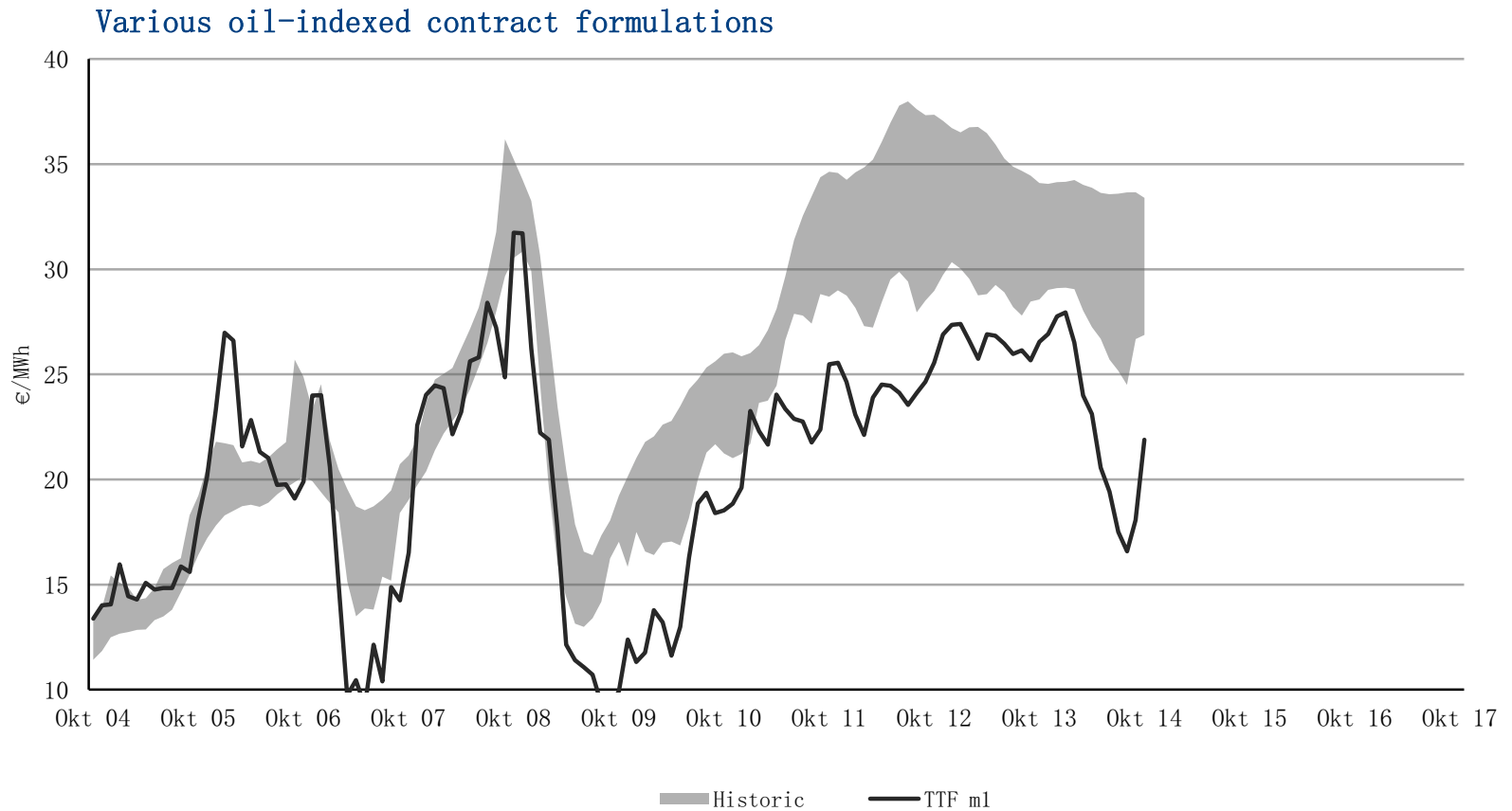
Oil indexed price evolution



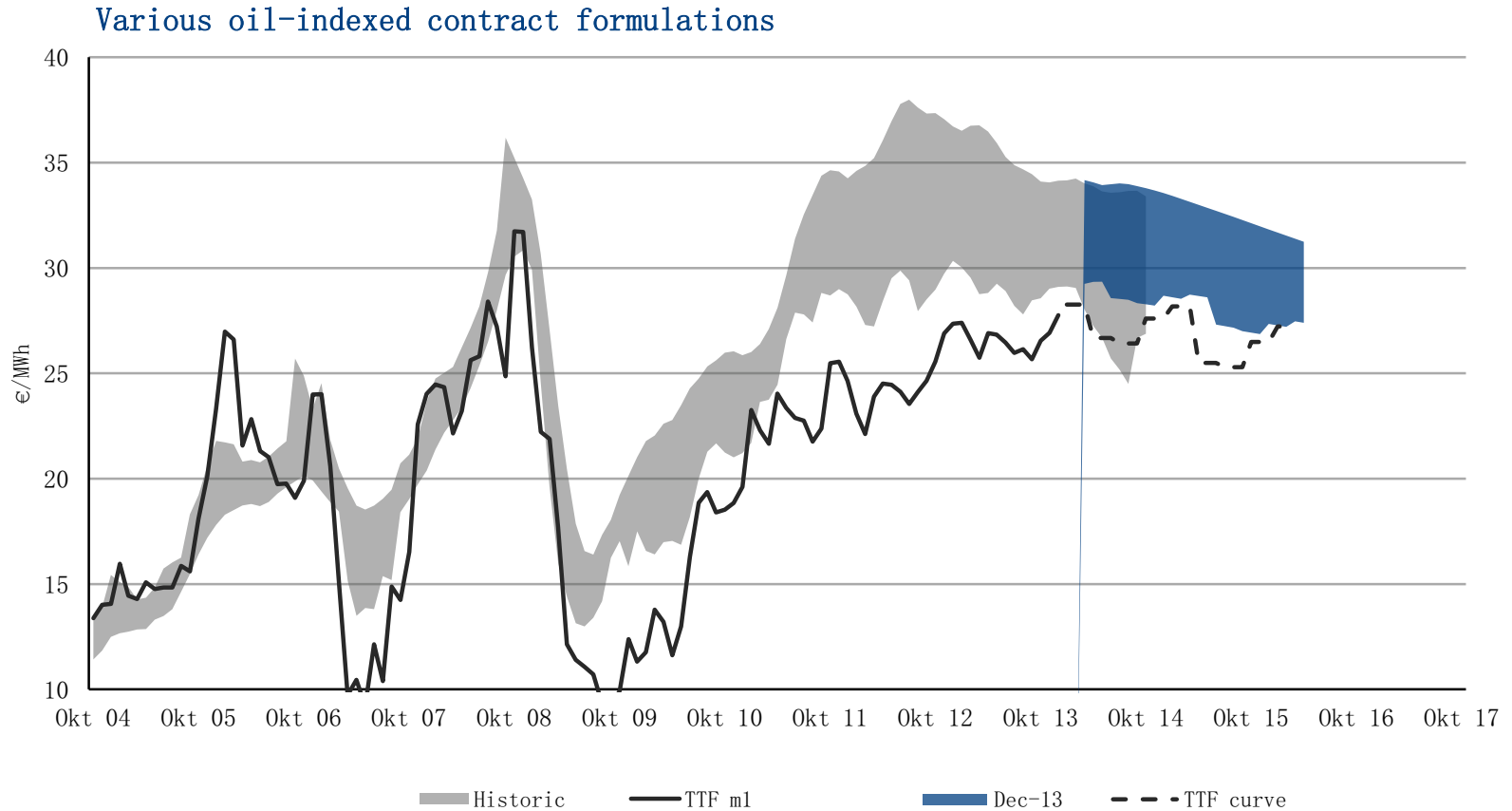
Oil indexed price evolution



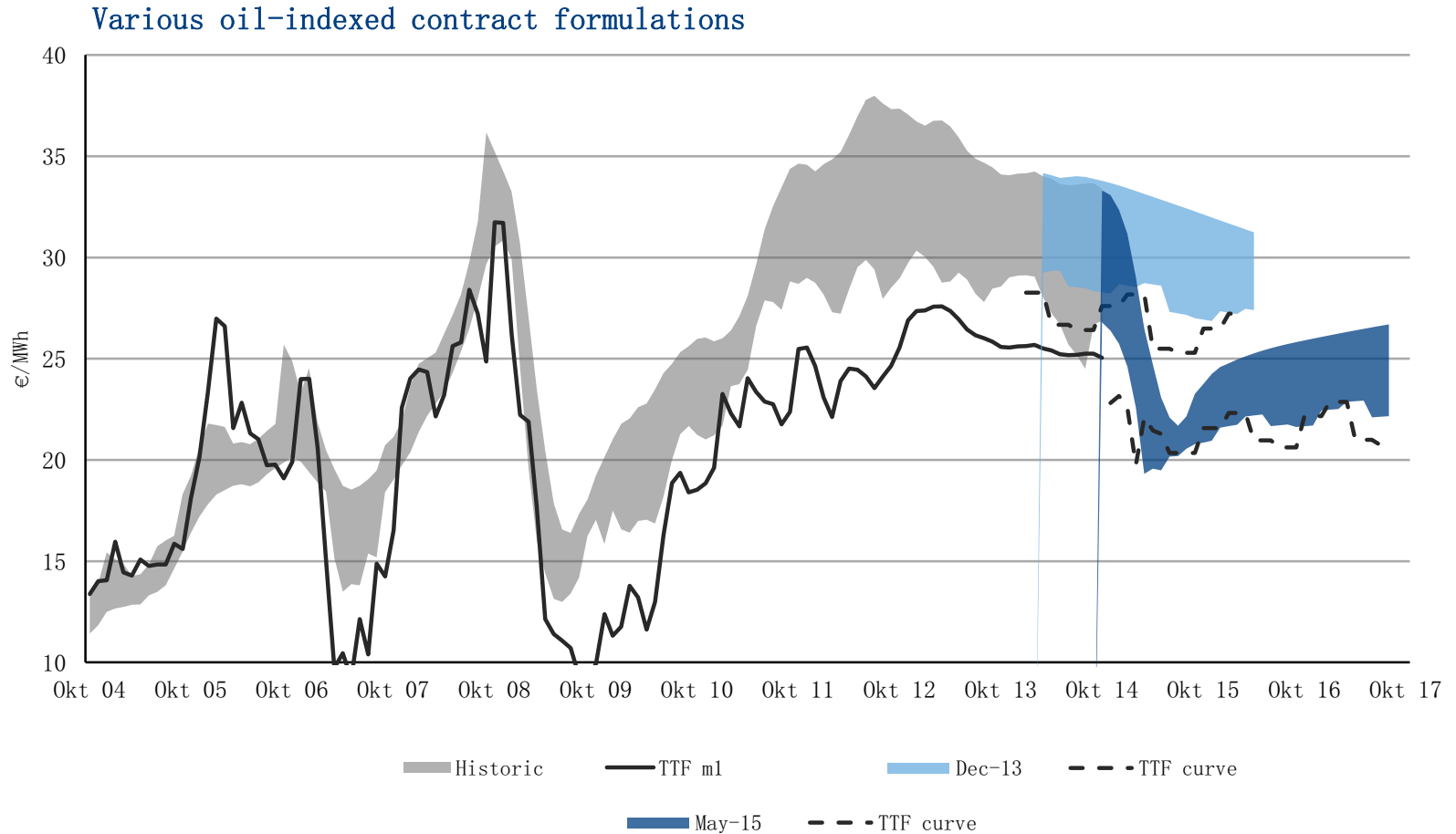
Oil indexed price evolution



Forward pricing in December 2013



Forward pricing in May 2015



A narrower price channel

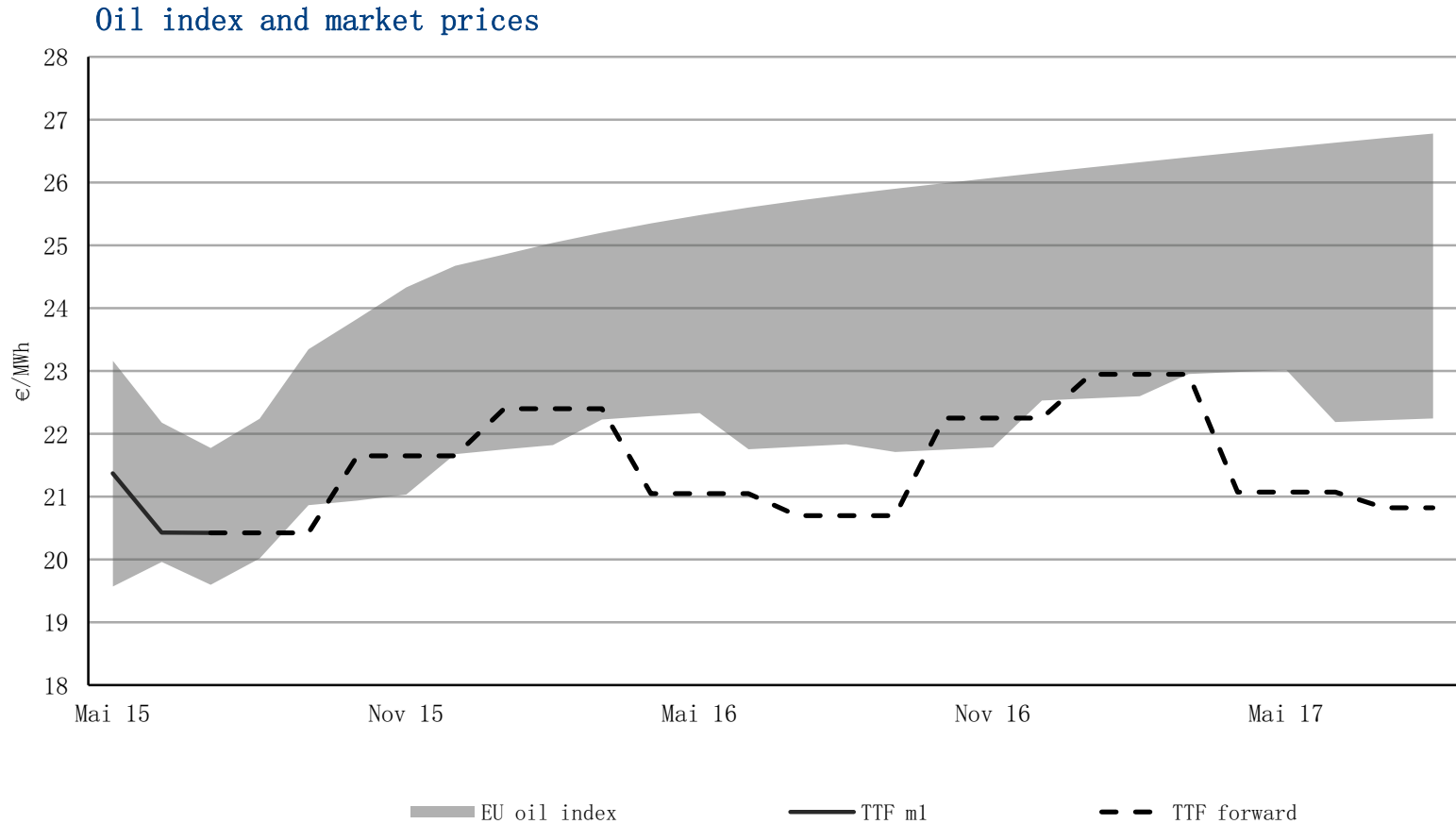
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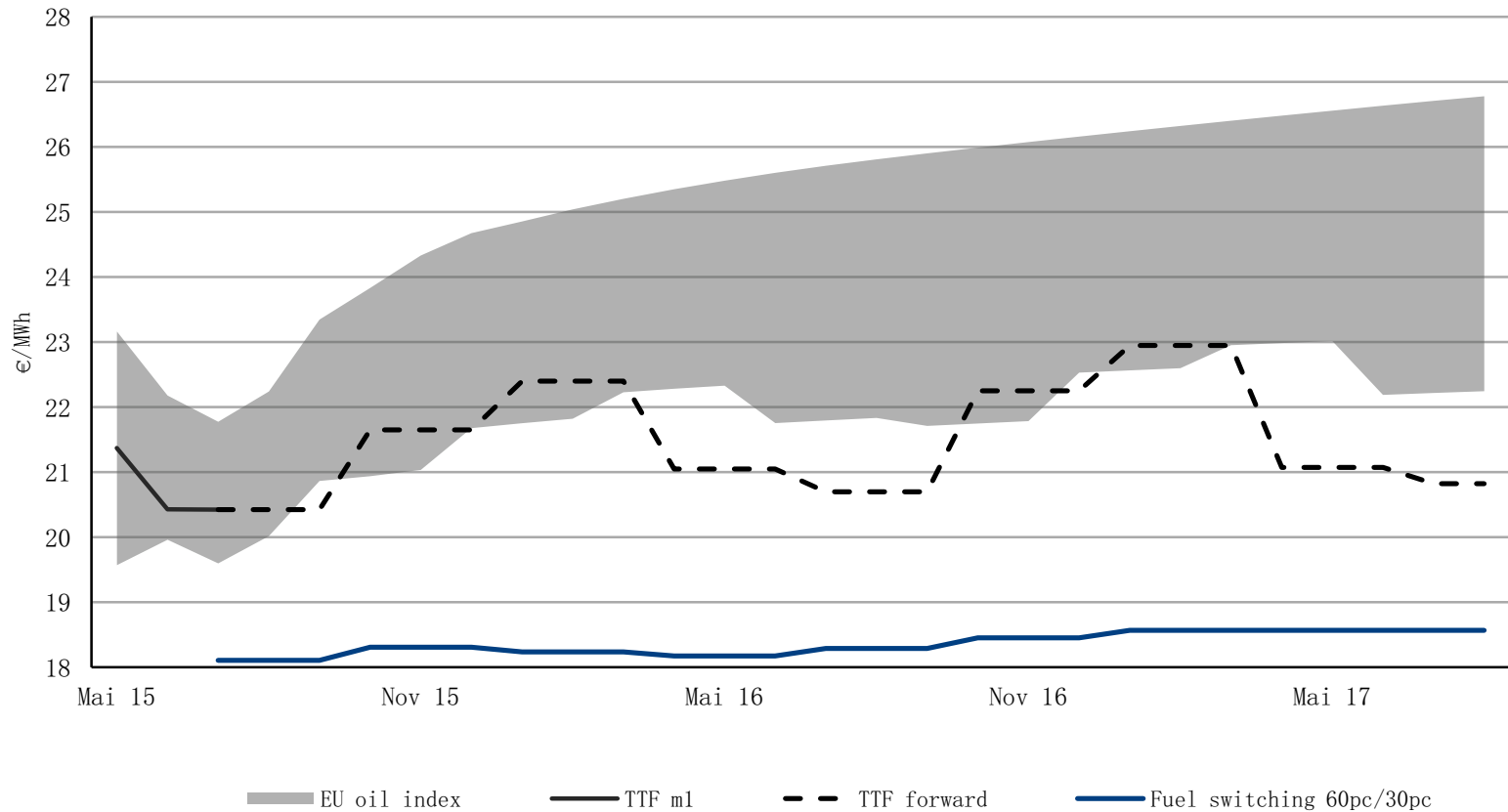
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Forward price channel relatively narrow



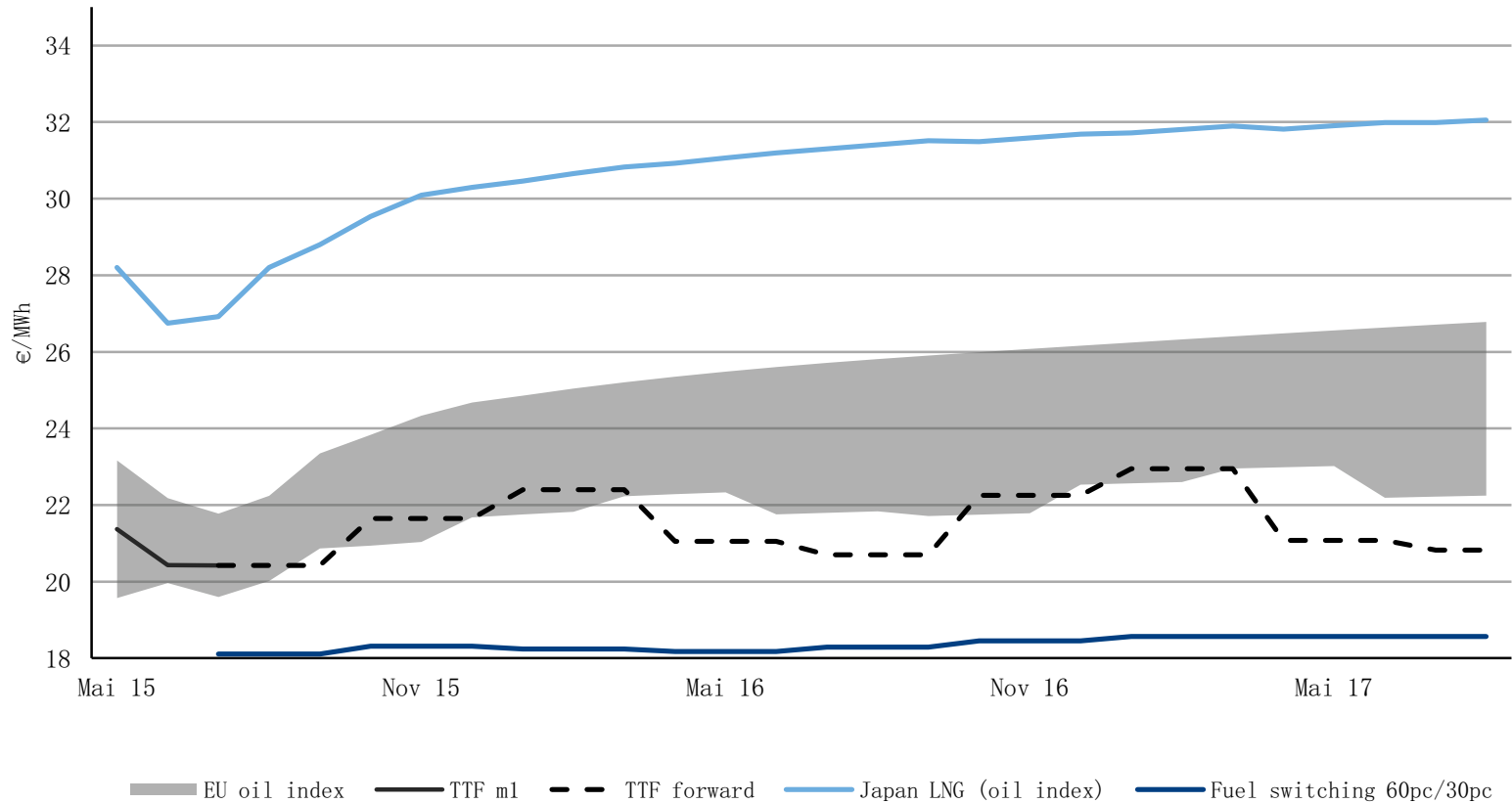
Fuel switching?

Fuel switching prices remain below the market



Asian LNG backstop?

Asia-Pacific oil index and EU prices



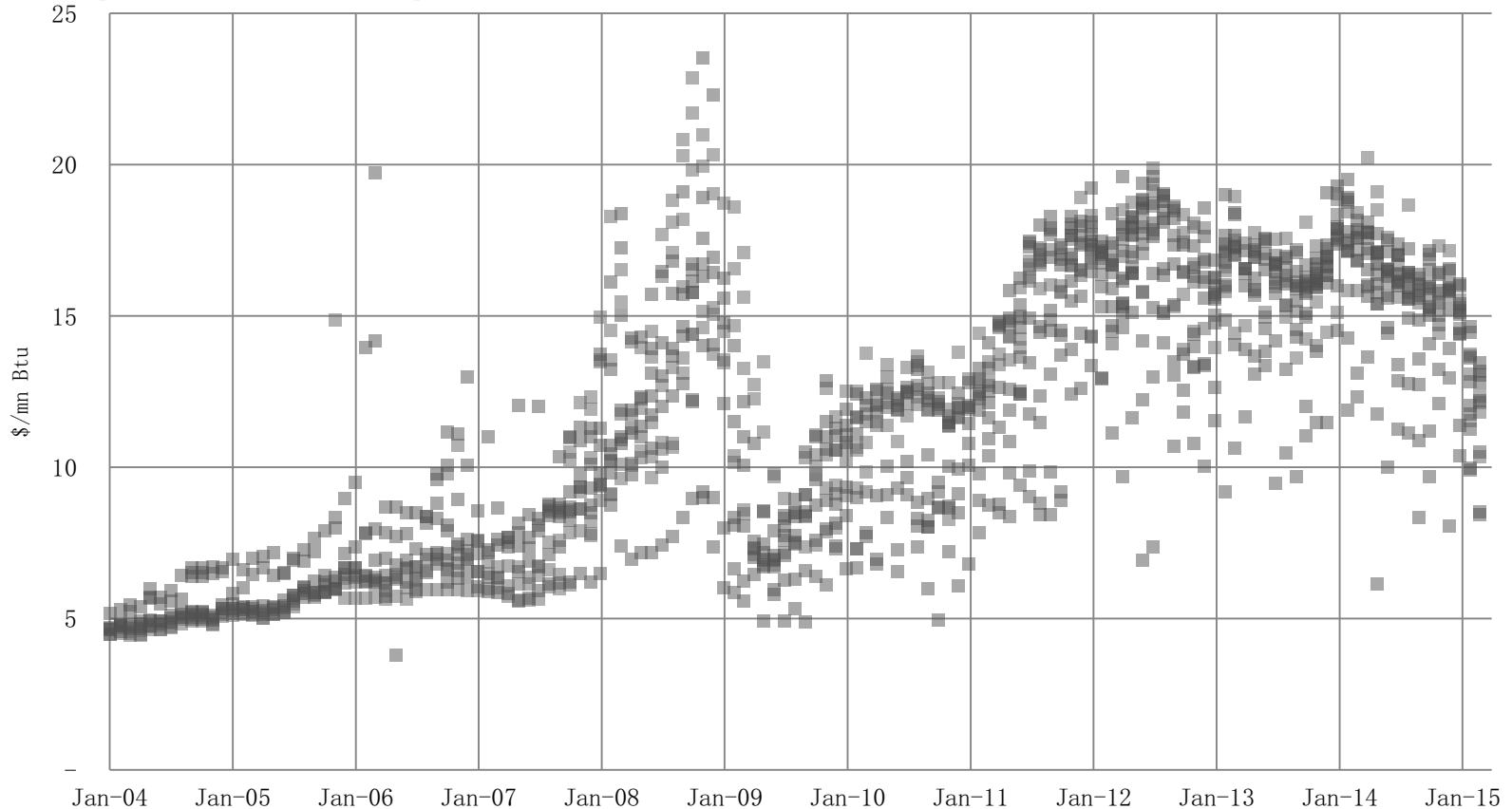
LNG prices and changing supply patterns

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Asia-Pacific LNG price formation

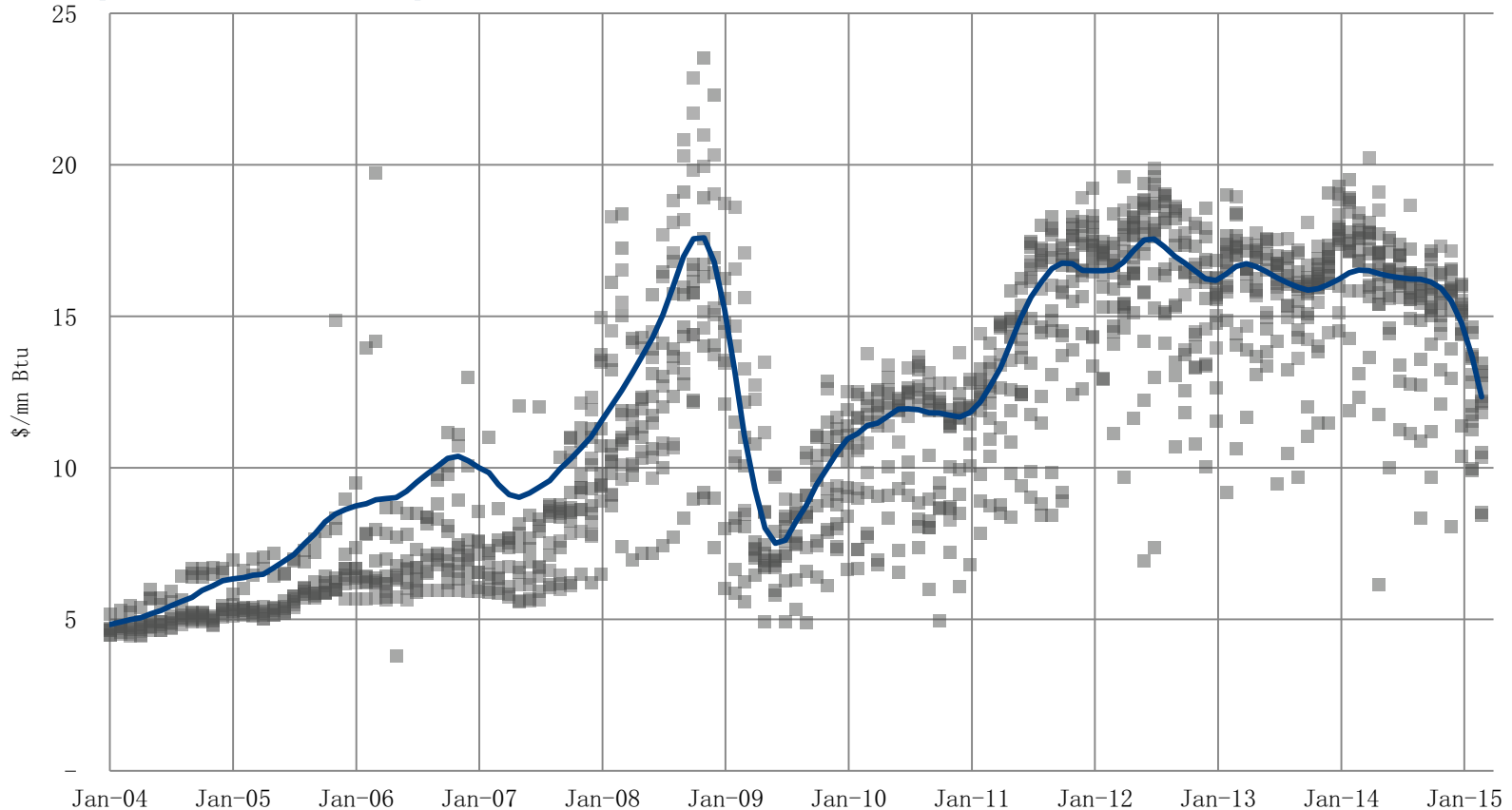
Japanese LNG customs prices



Term: Abu Dhabi, Australia, Brunei, Indonesia, Malaysia, Oman, Qatar, Russia, US
Spot: Algeria, Belgium, Egypt, Equatorial Guinea, France, Norway, Nigeria, Peru, Papua New Guinea, Spain, Trinidad, Yemen

Asia-Pacific LNG price formation

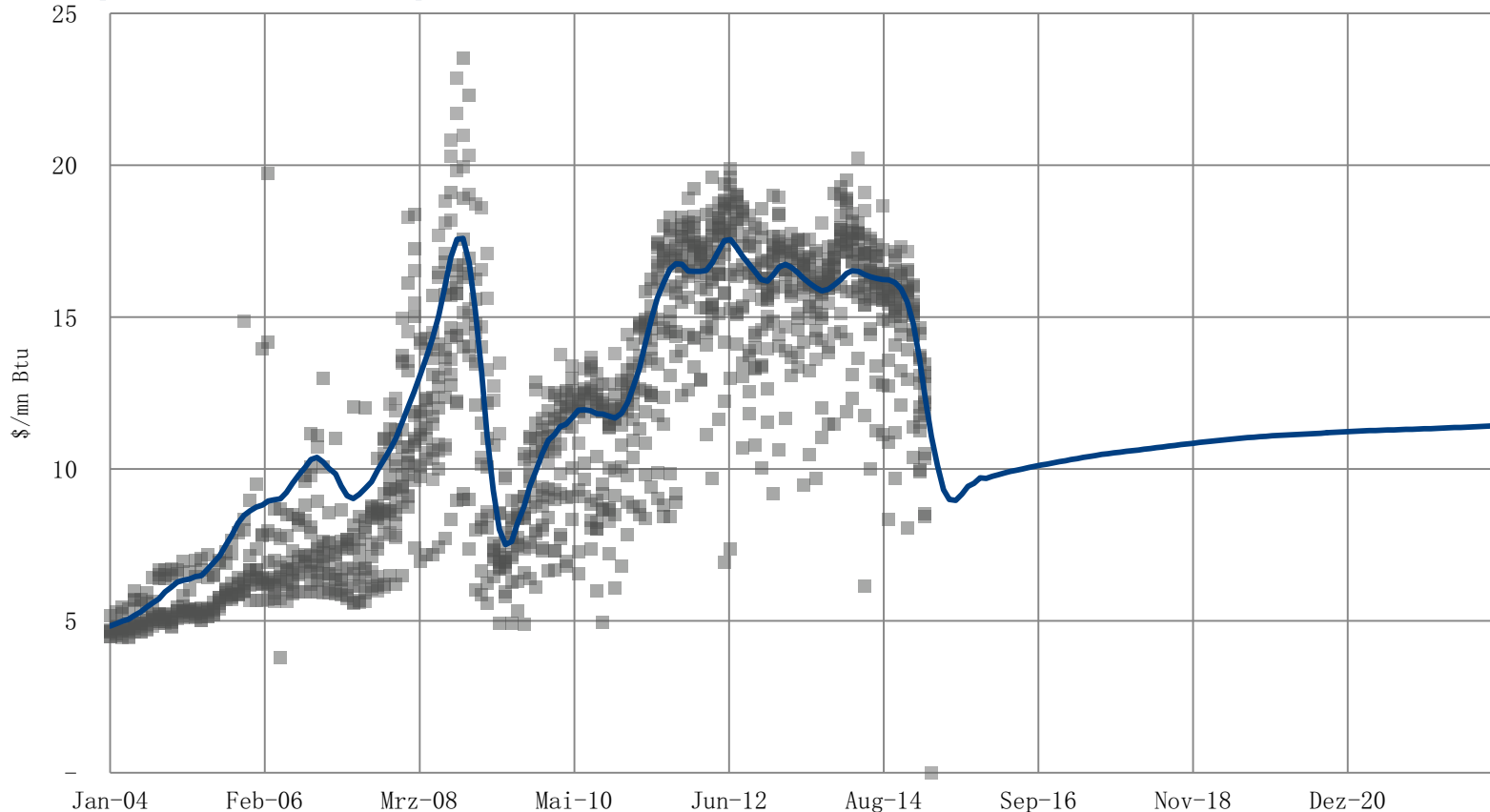
Japanese LNG customs prices v modern oil index



Term: Abu Dhabi, Australia, Brunei, Indonesia, Malaysia, Oman, Qatar, Russia, US
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Asia-Pacific LNG price formation

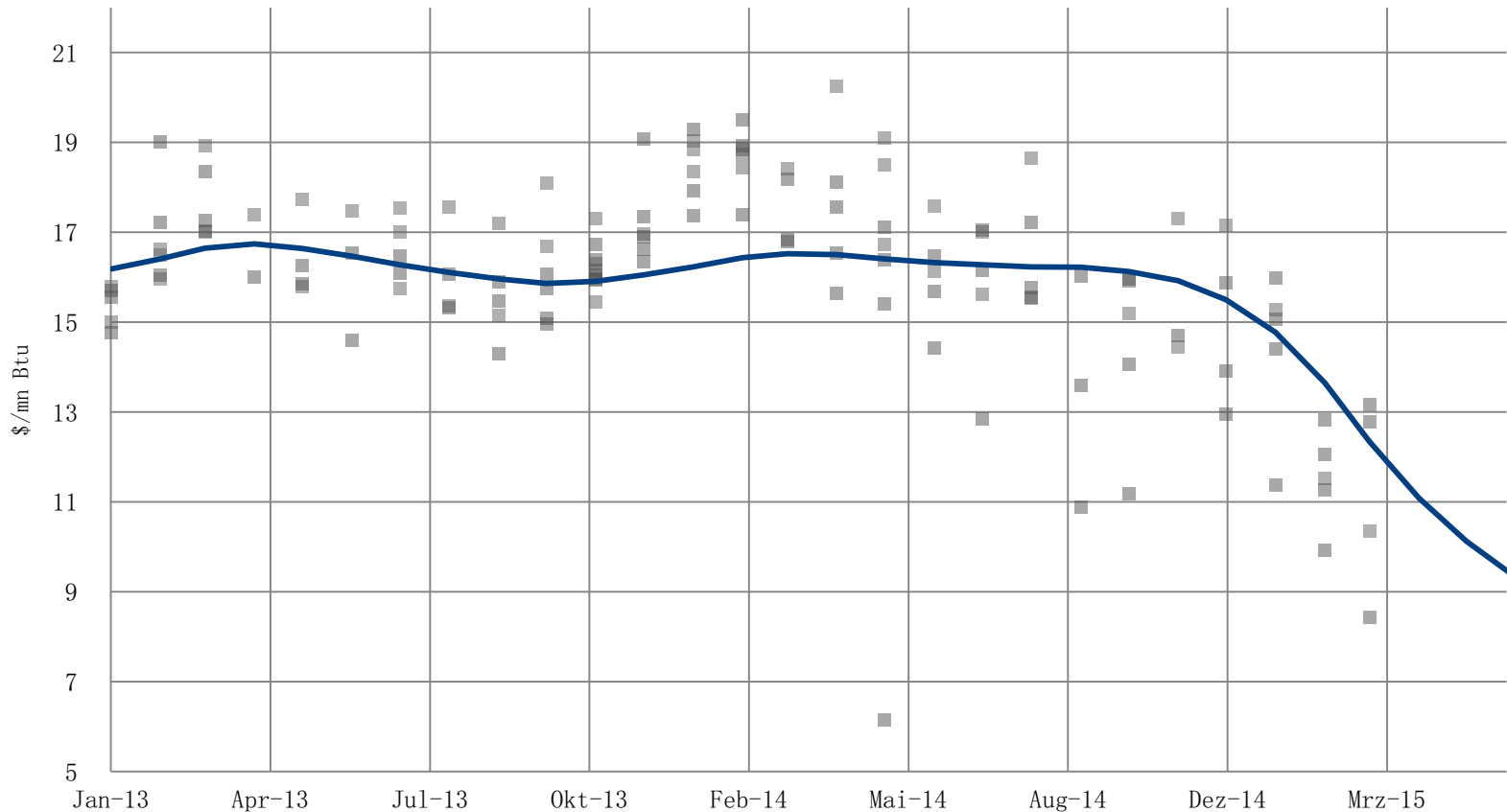
Japanese LNG customs prices v modern oil index



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Asia-Pacific LNG price formation

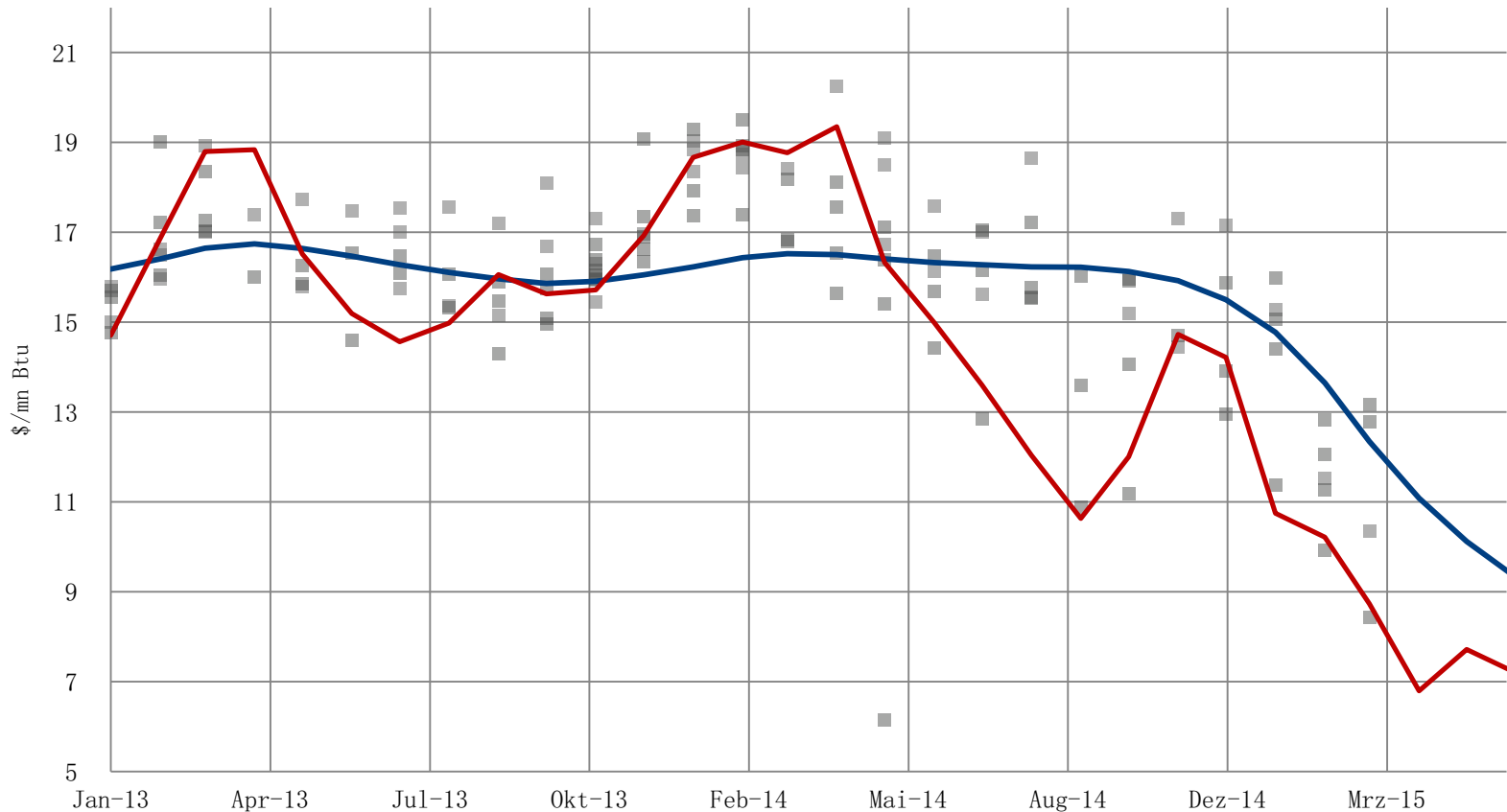
Japanese LNG customs prices v modern oil index



Spot: Algeria, Belgium, Egypt, Equatorial Guinea, France, Norway, Nigeria, Peru, Papua New Guinea, Spain, Trinidad, Yemen

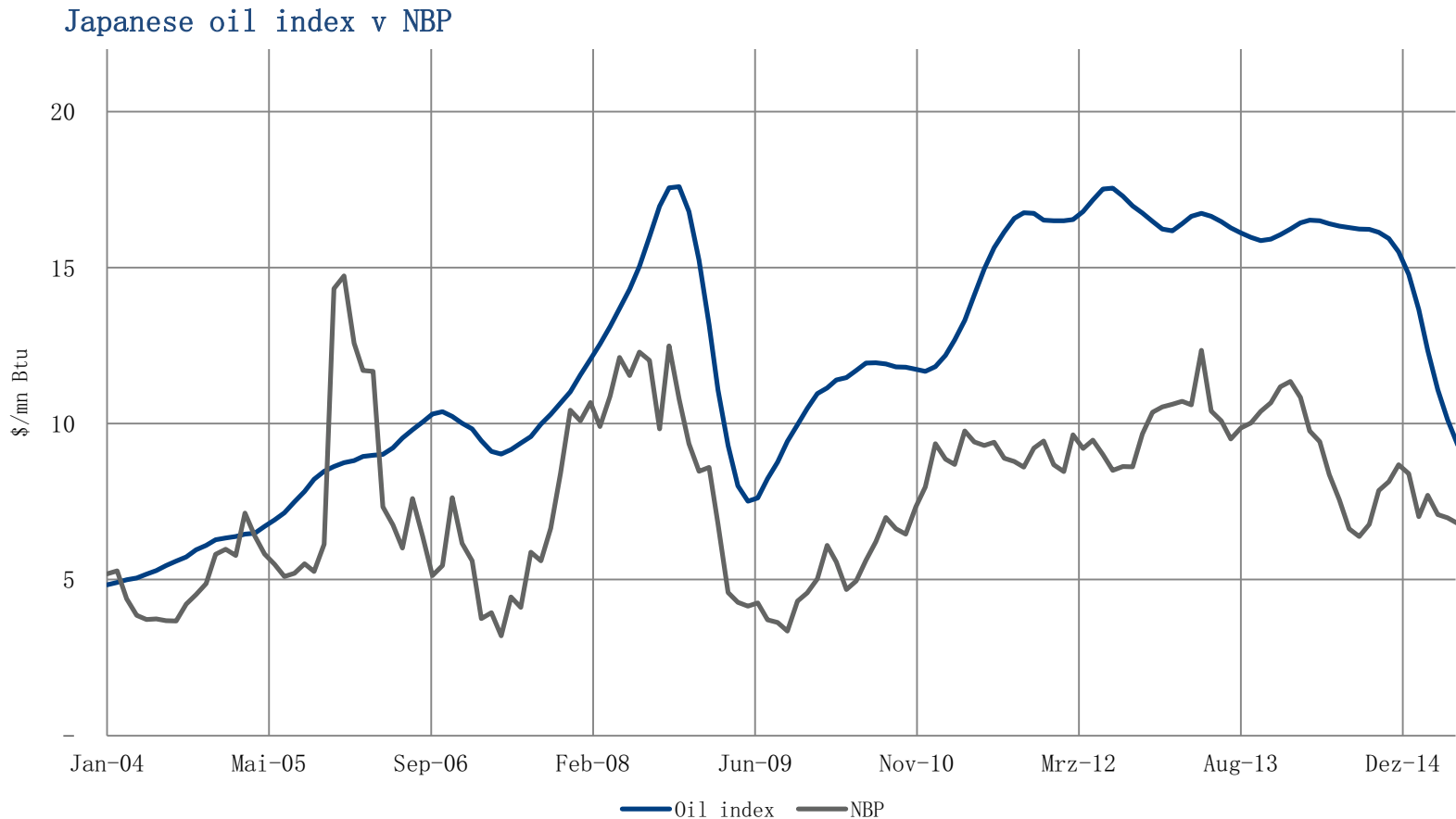
Asia-Pacific LNG price formation

Japanese LNG customs prices v modern oil index v ANEA

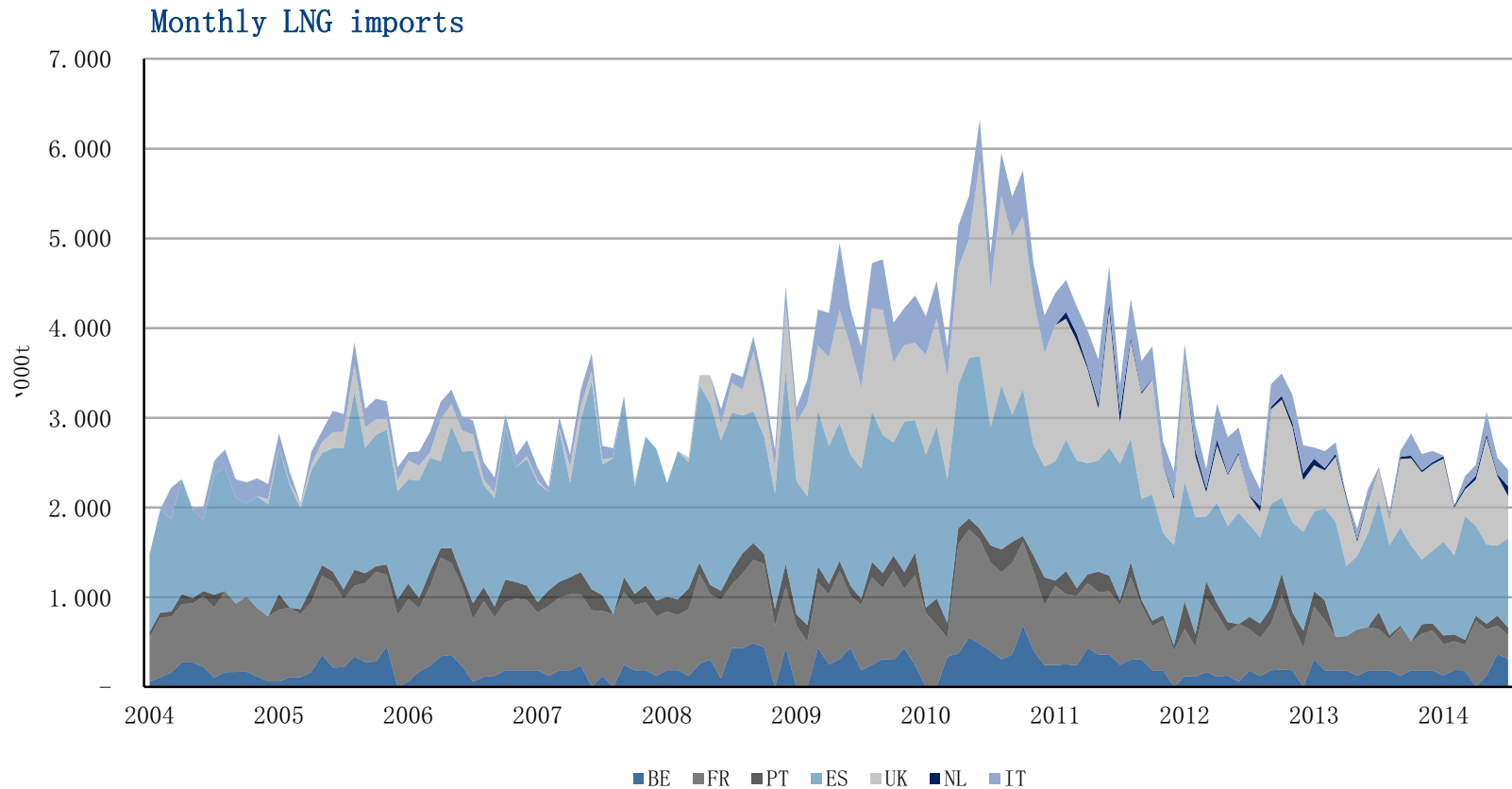


Spot: Algeria, Belgium, Egypt, Equatorial Guinea, France, Norway, Nigeria, Peru, Papua New Guinea, Spain, Trinidad, Yemen

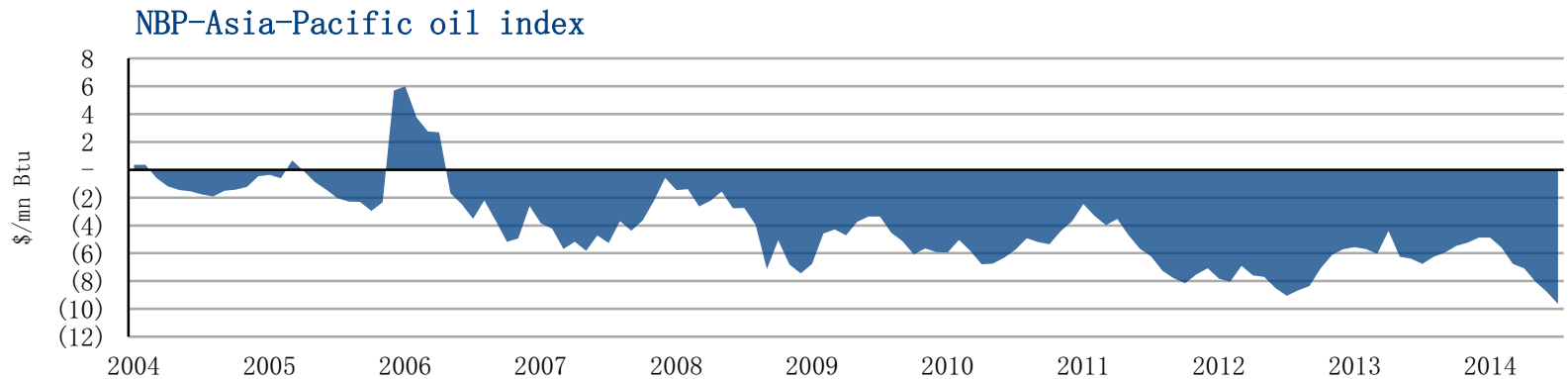
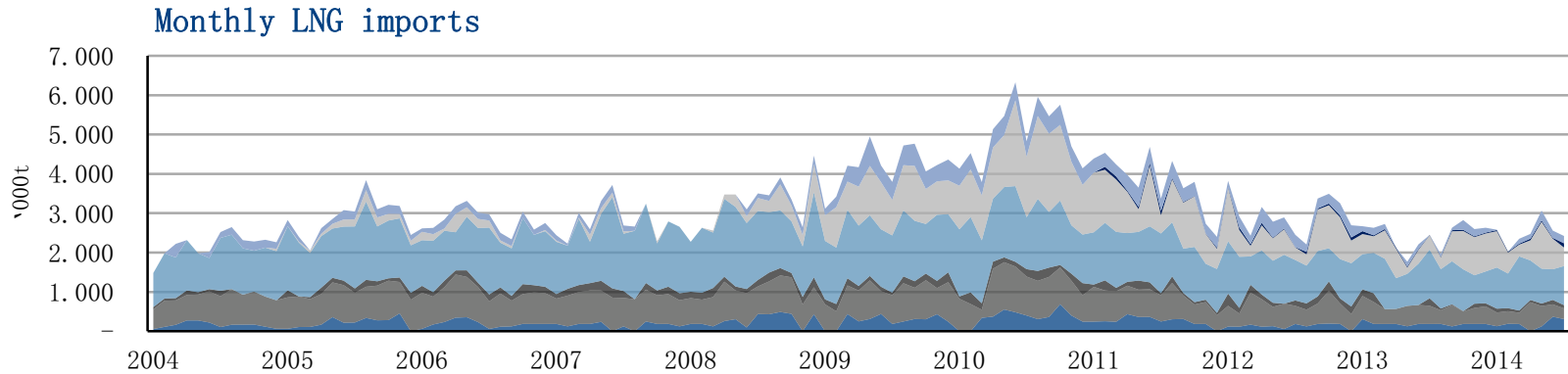
Gap between Atlantic and Pacific prices is closing



European LNG receipts



European LNG receipts



Japanese LNG supply

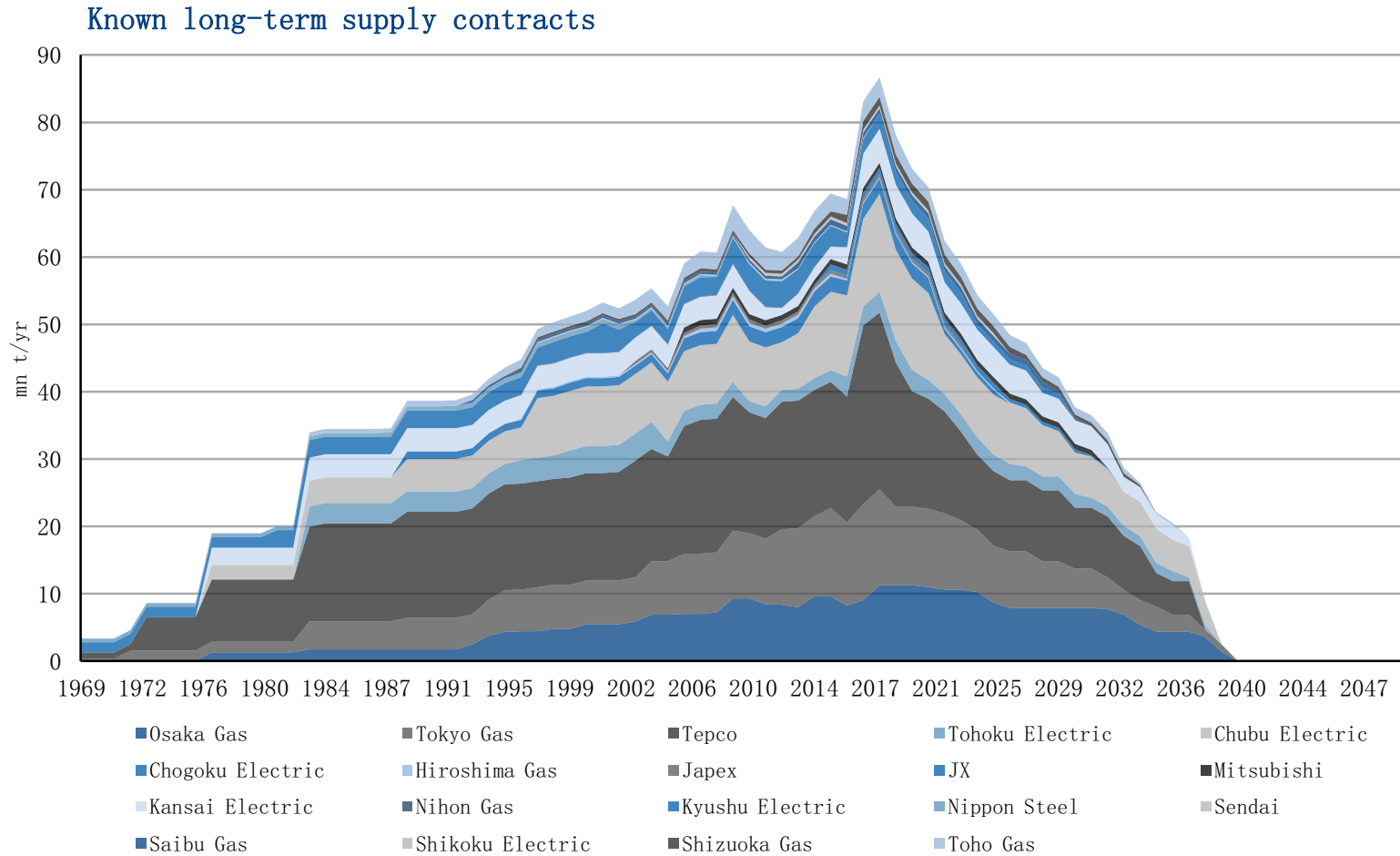
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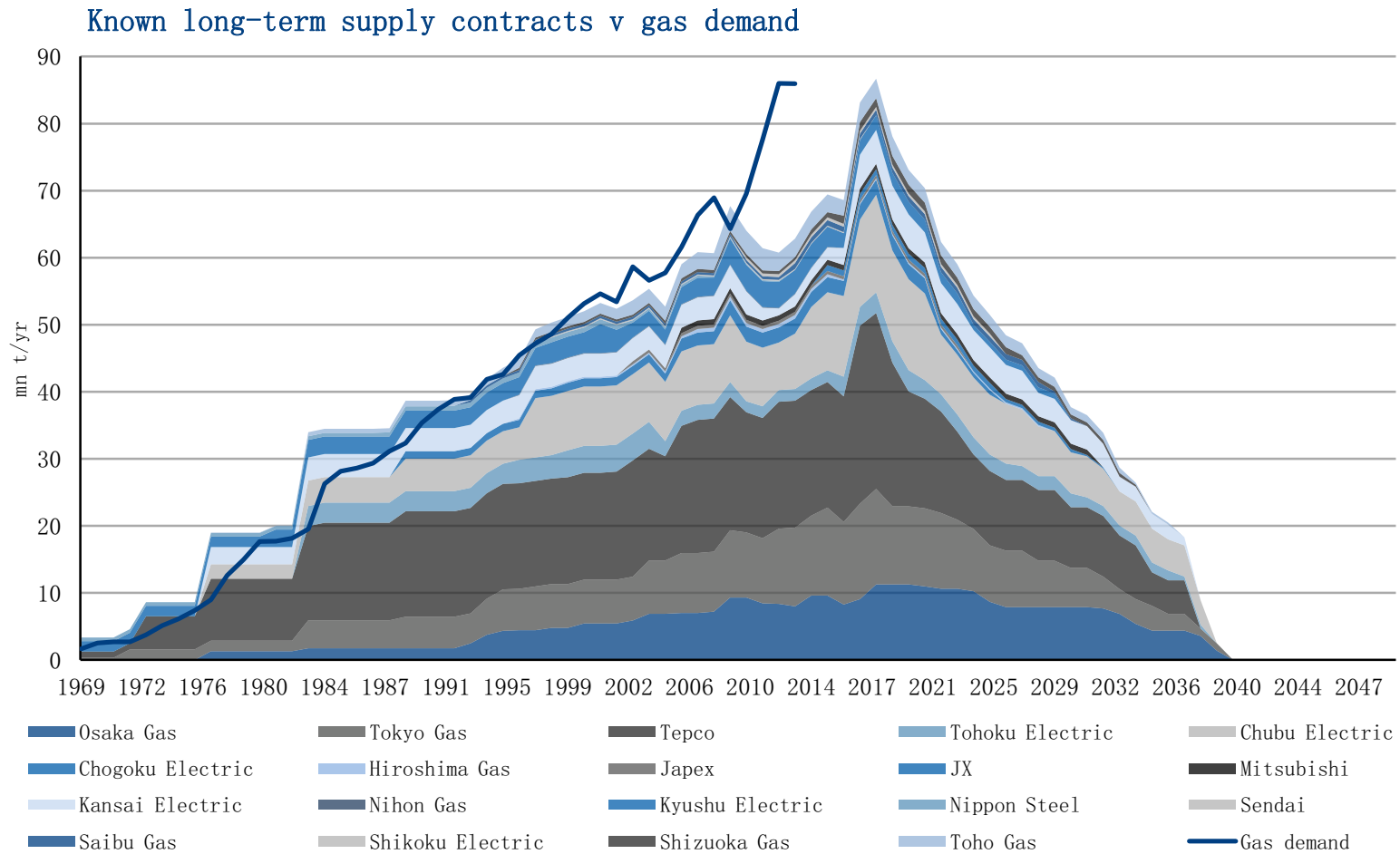
Consulting

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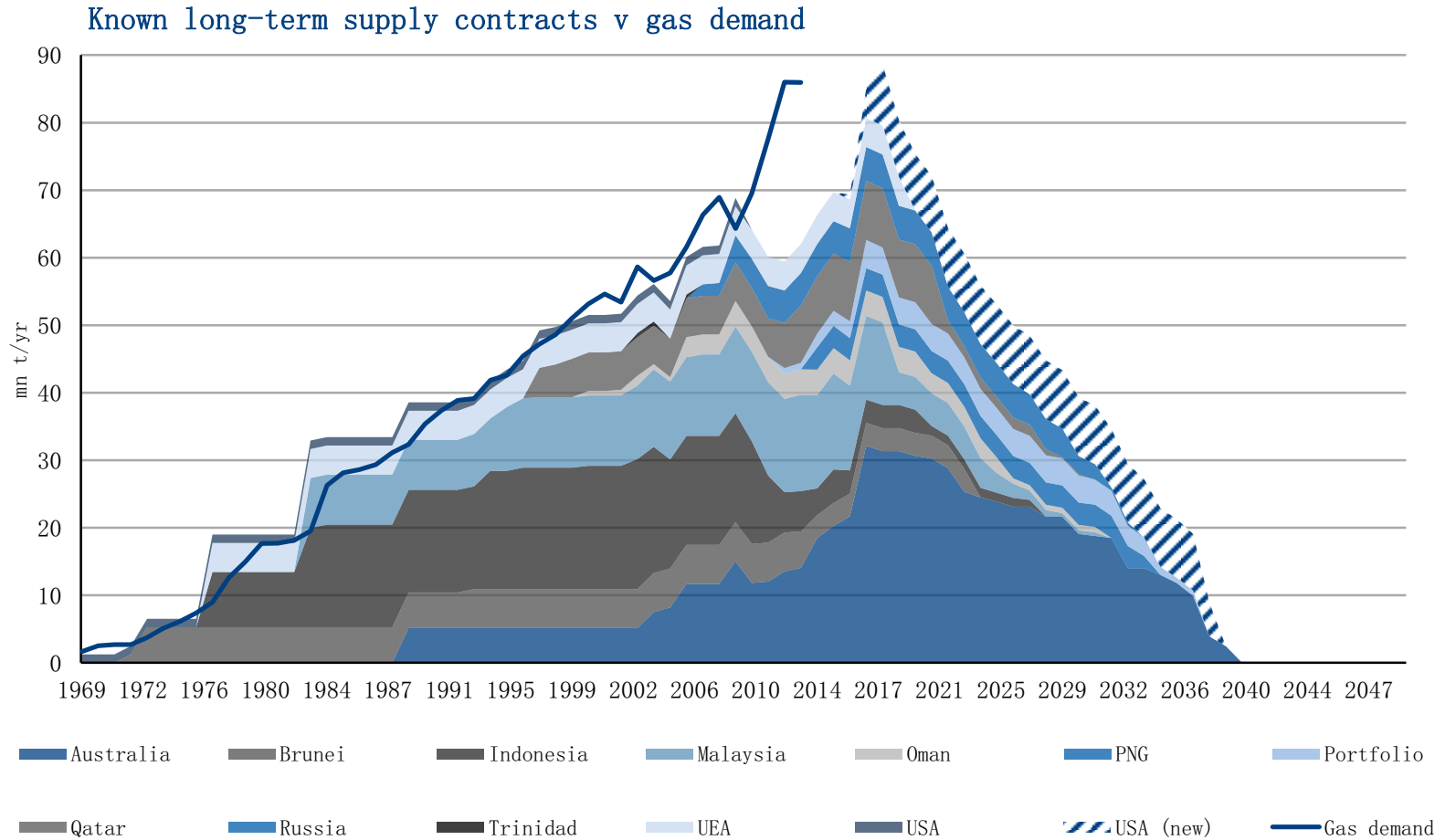
Japanese long-term supply contracts



Japanese long-term supply contracts



Japanese long-term supply contracts



Coal, China and the slow collapse of prices

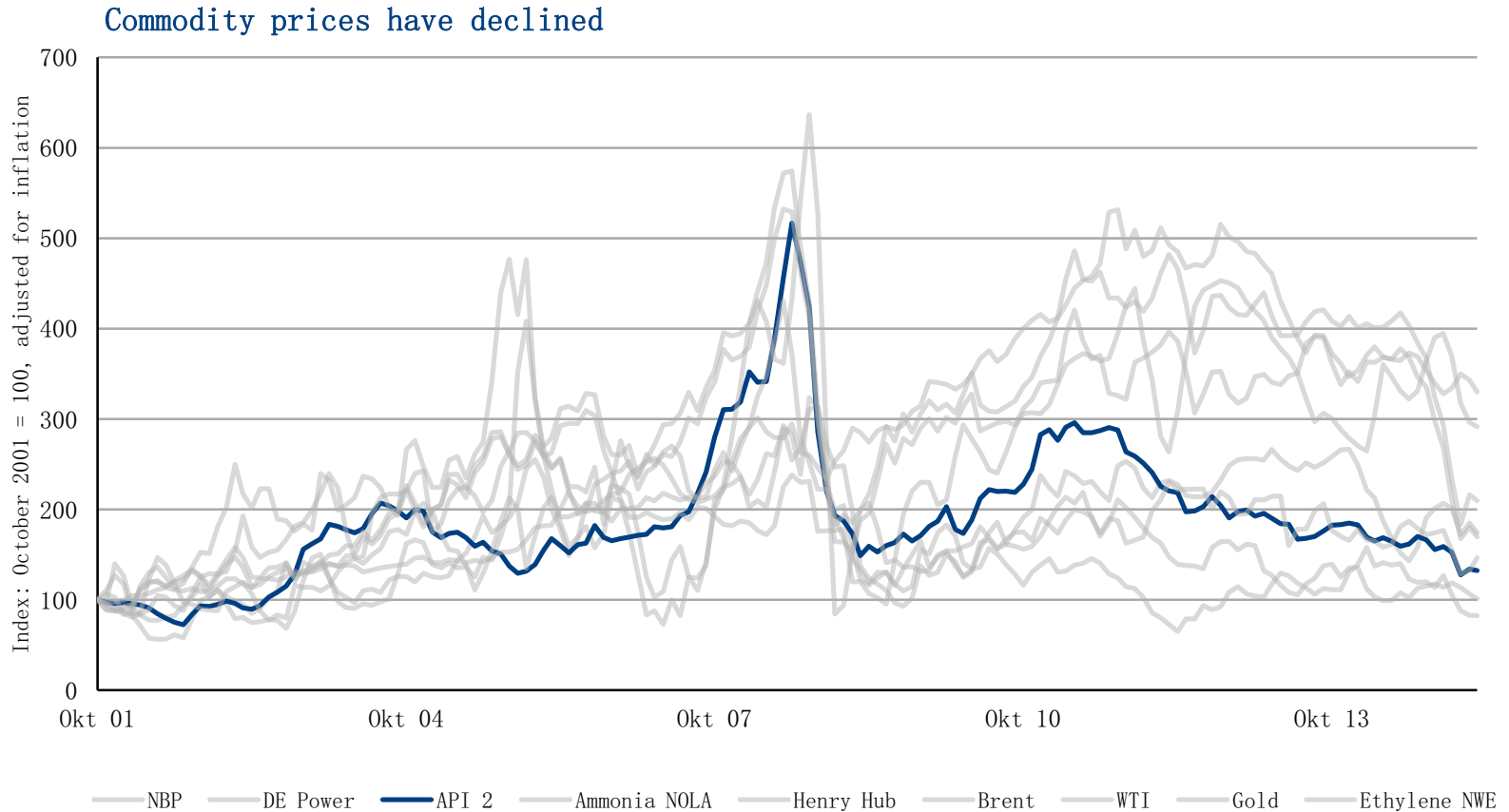
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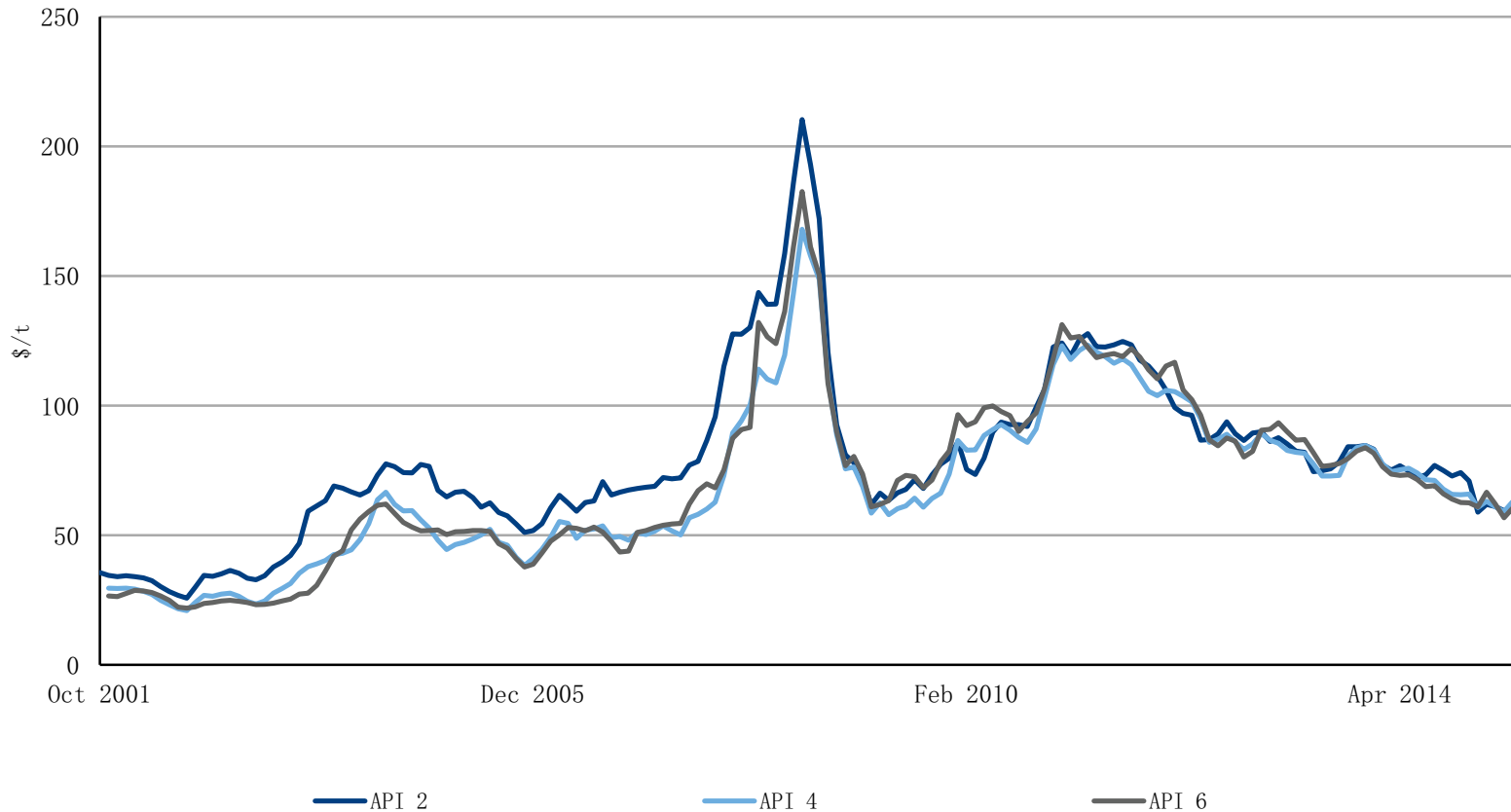
Events

Commodity prices in abstract

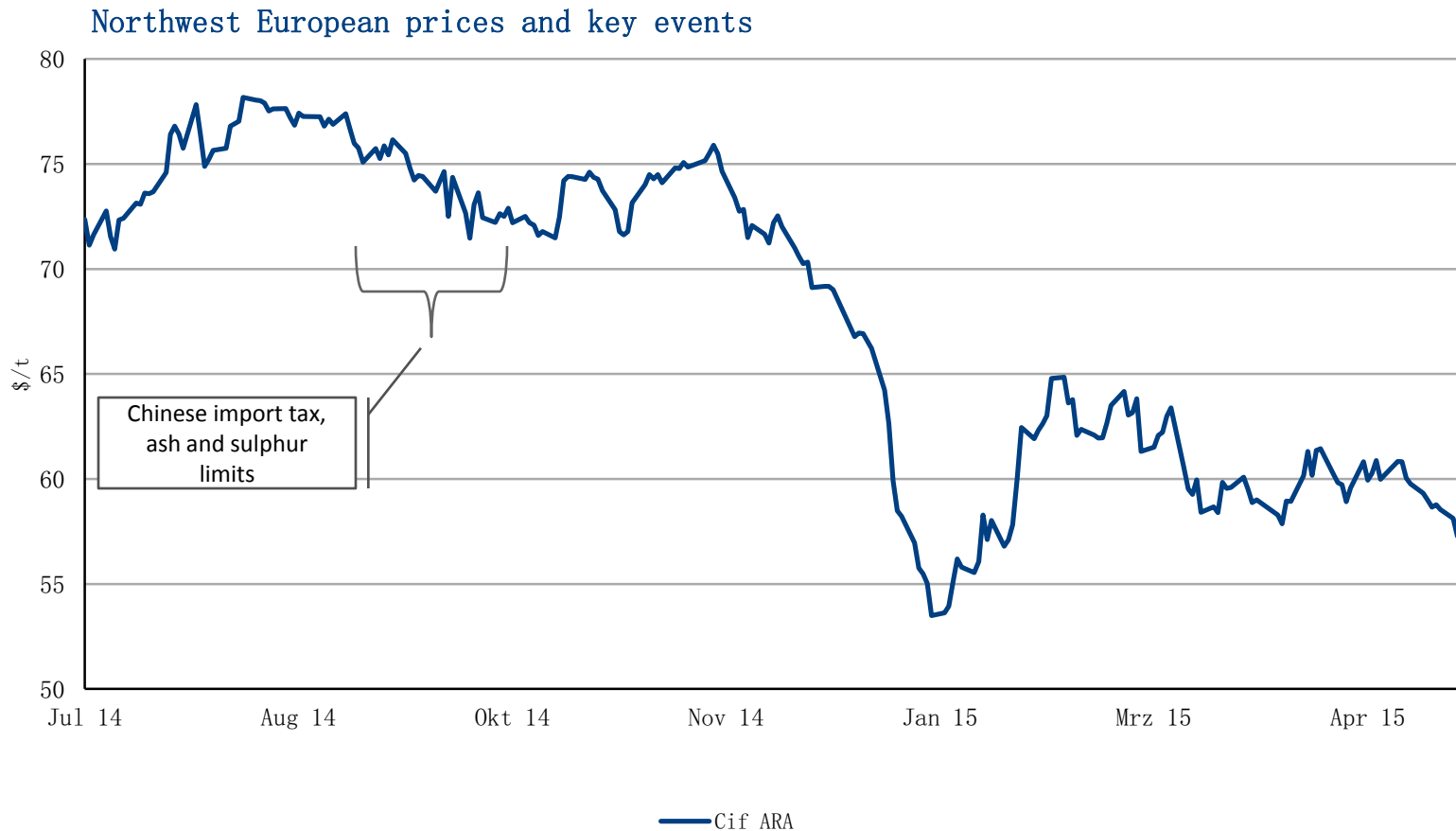


Benchmark coal prices

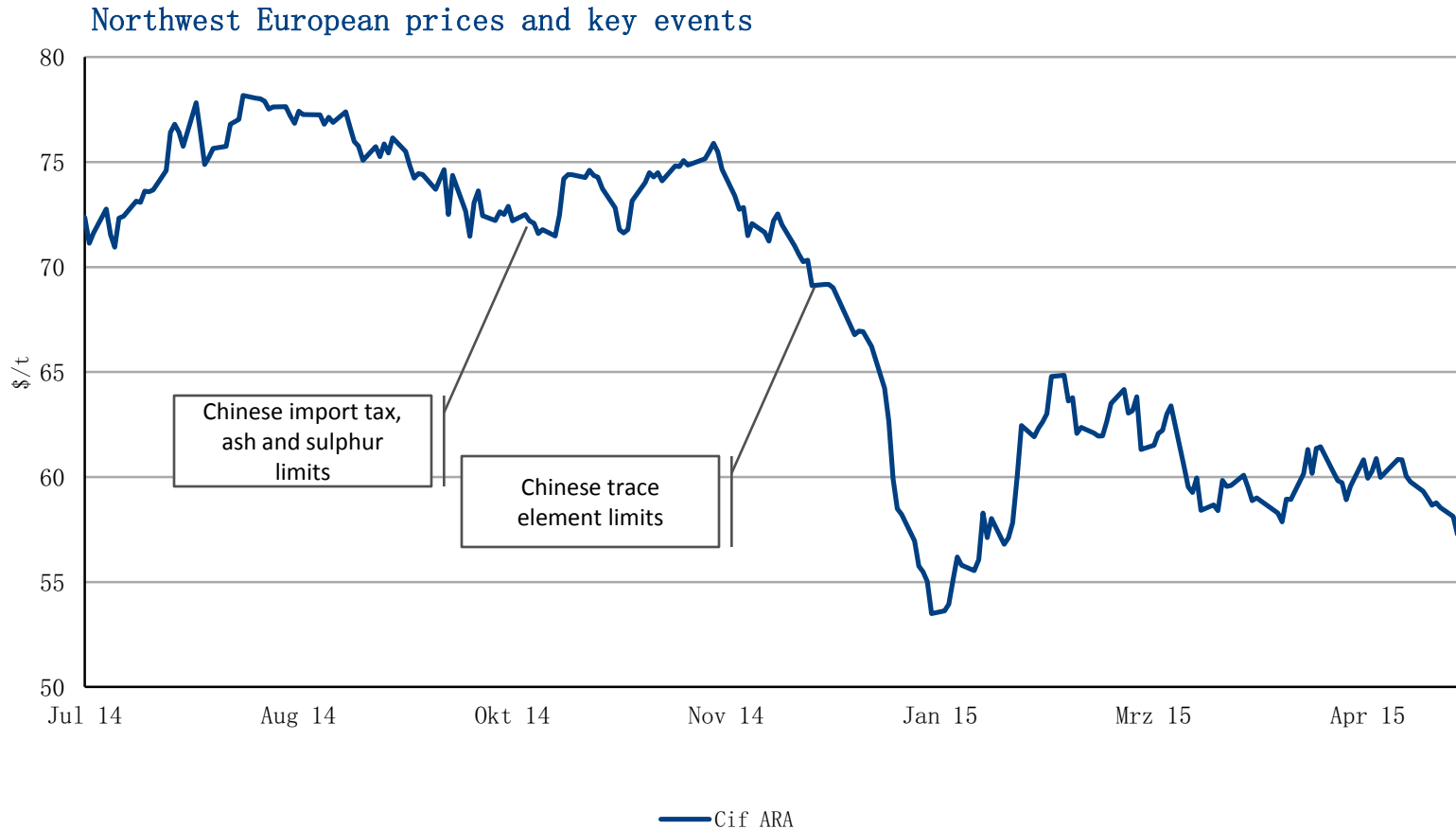
Coal prices have fallen since early 2011



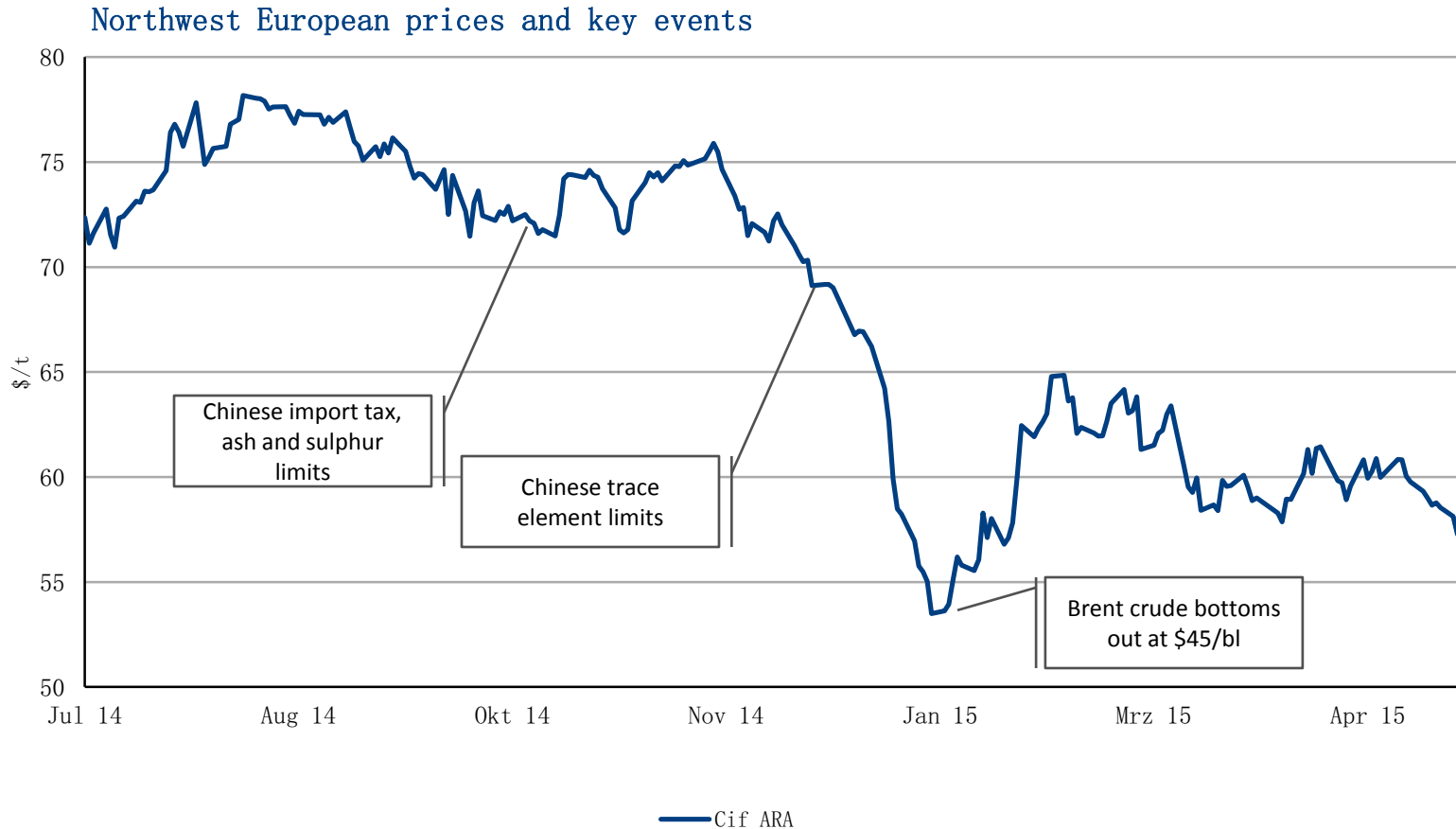
Benchmark coal prices



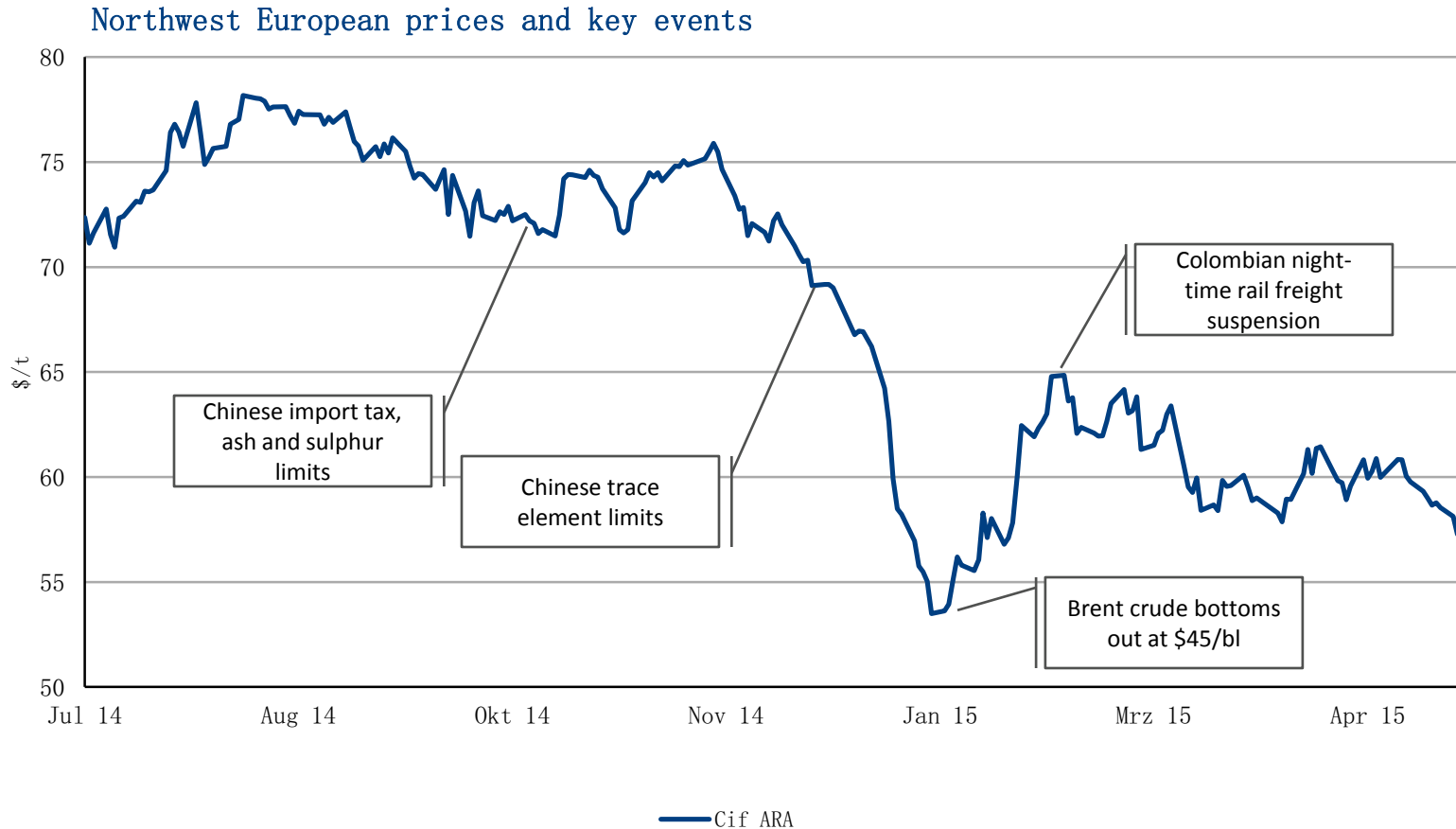
Benchmark coal prices



Benchmark coal prices



Benchmark coal prices



Overcapacity and a change in China

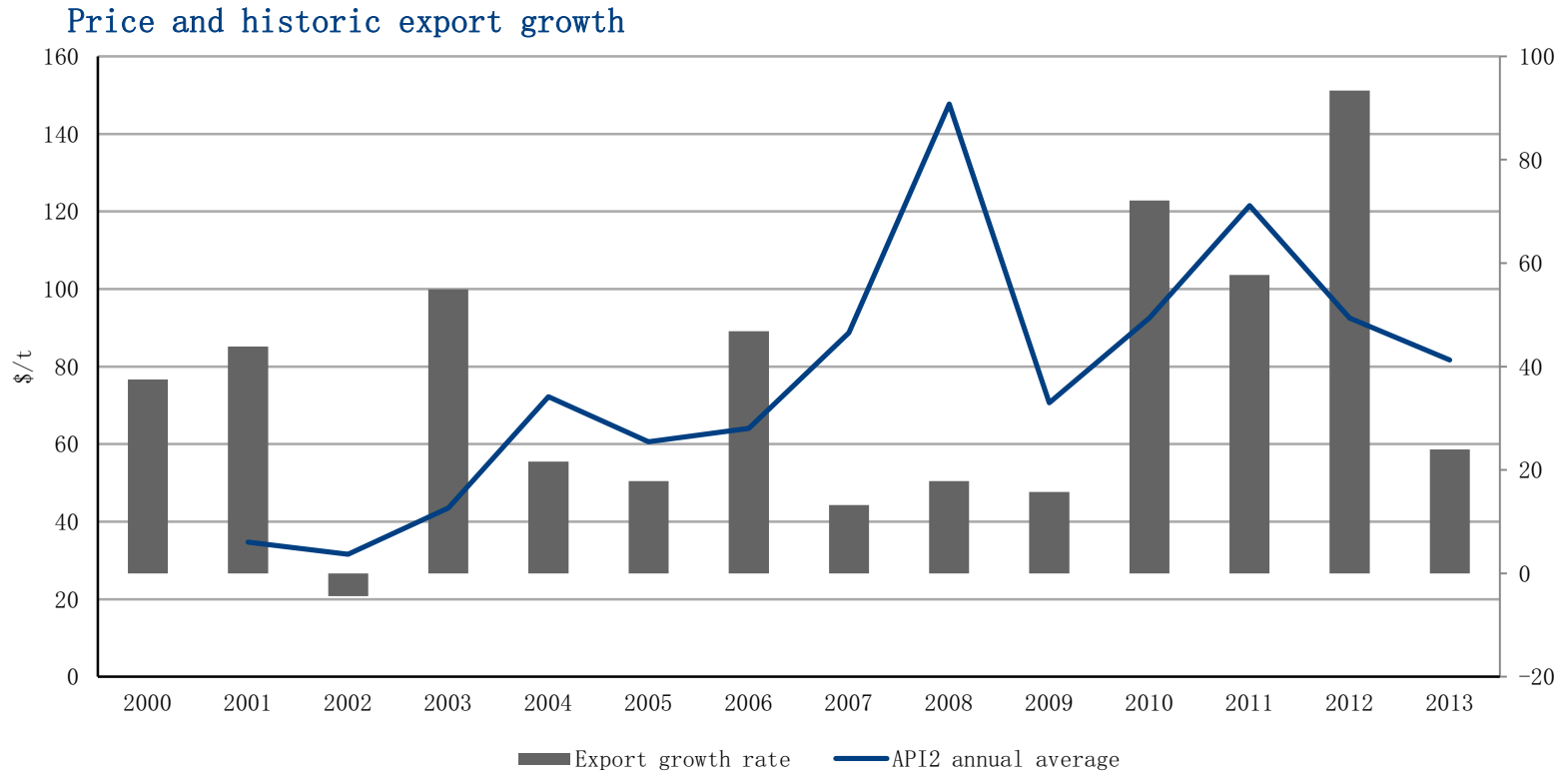
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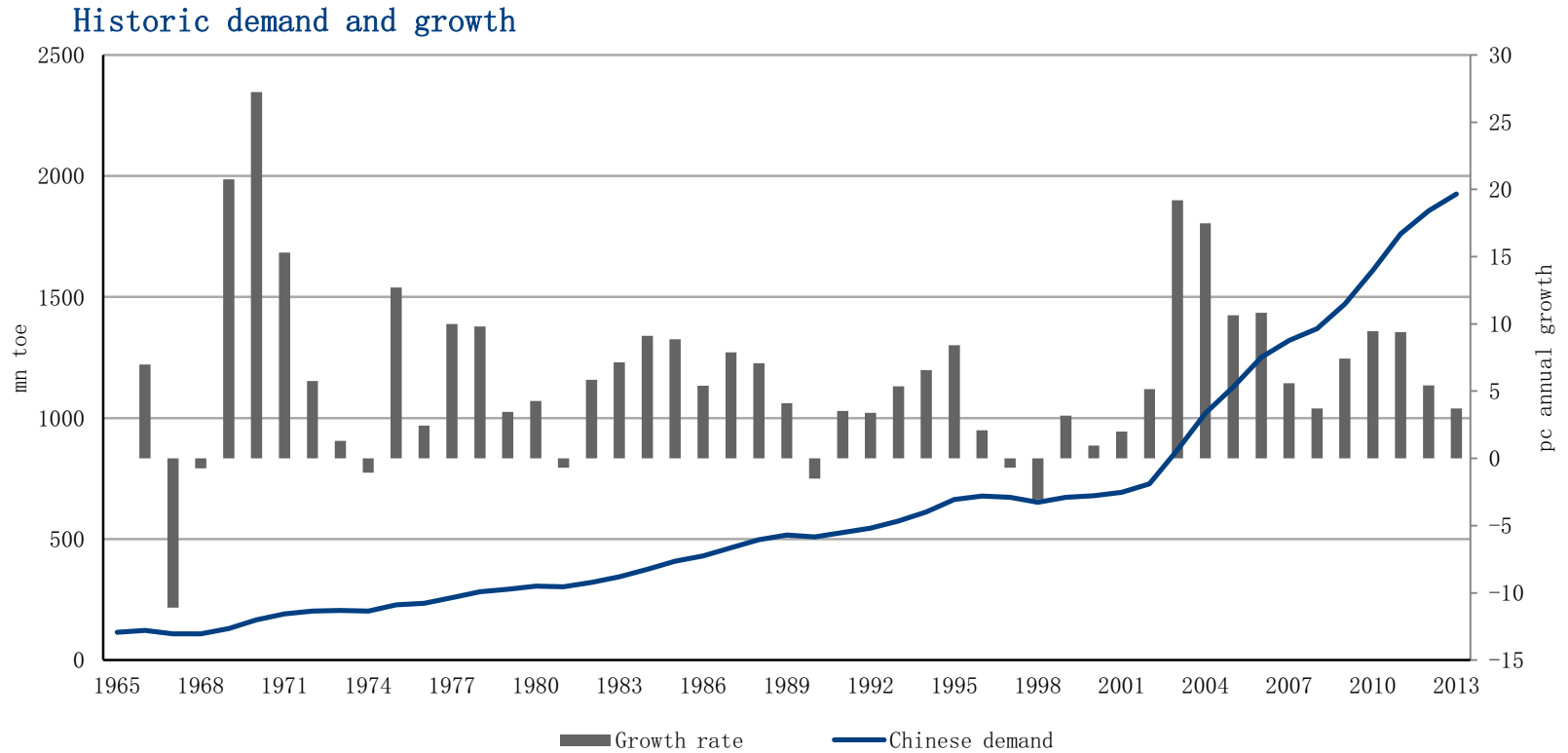
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Will overcapacity come out of the market?



Chinese demand growth has slowed

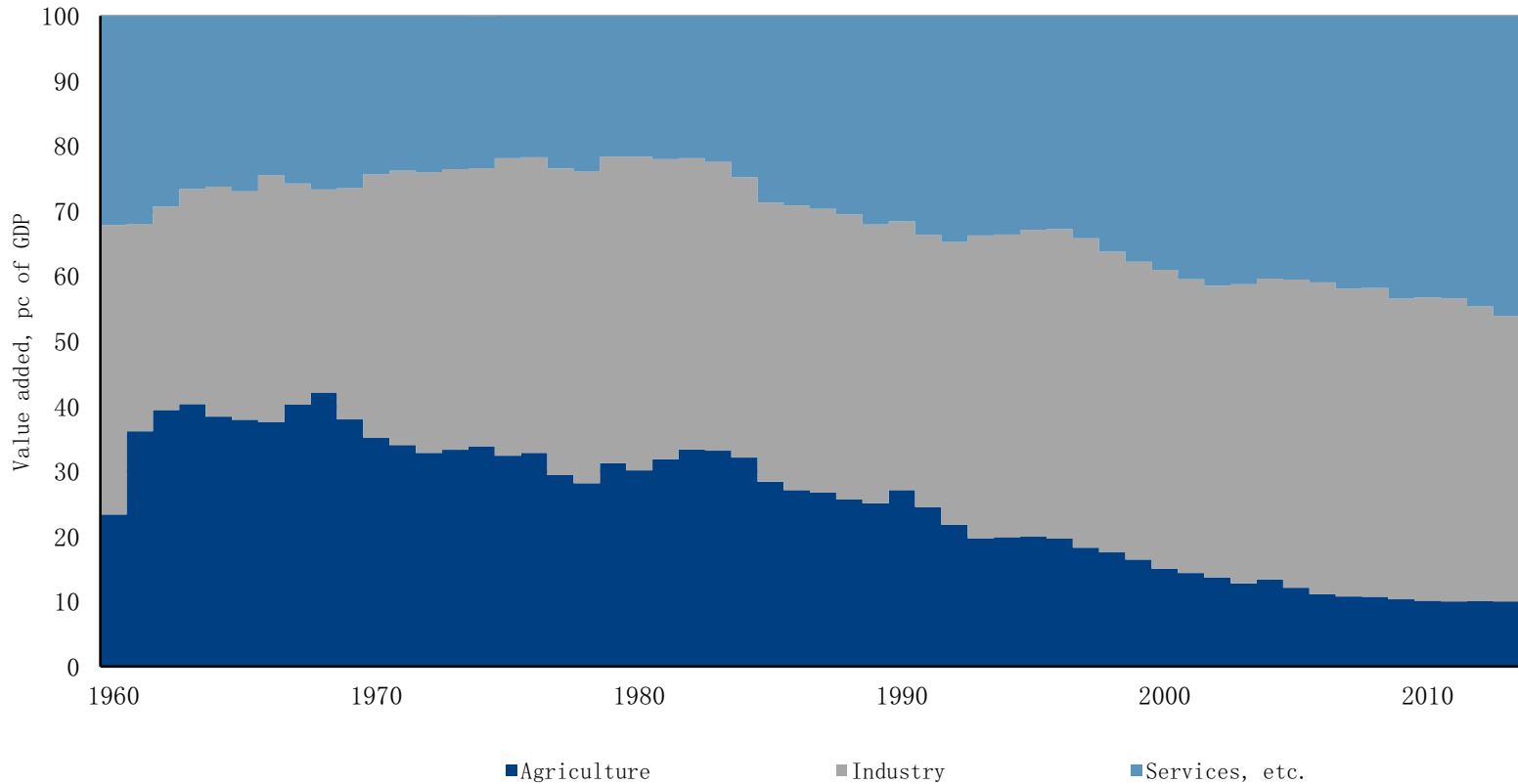


Coastal power station coal burn is down

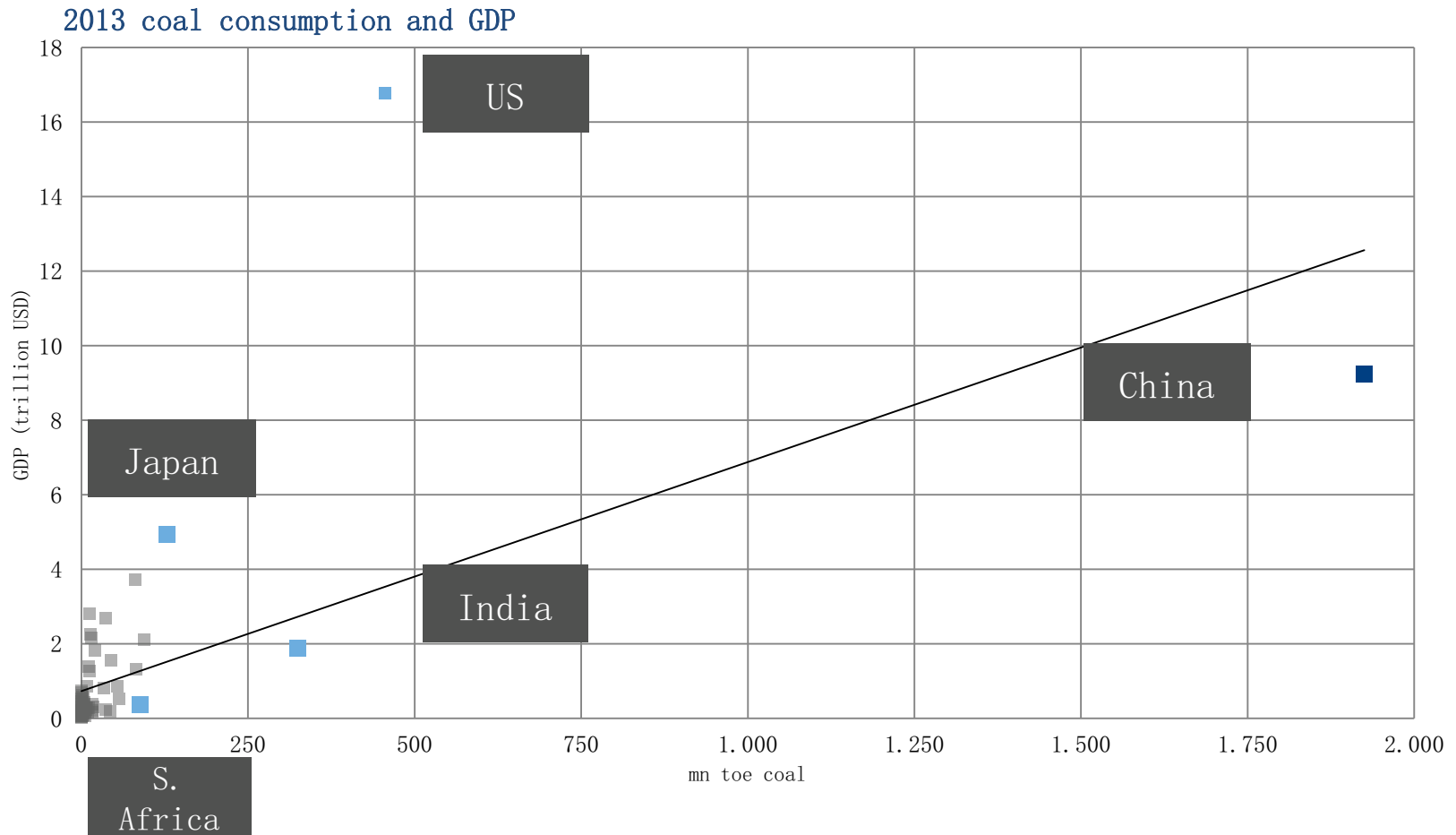


The Chinese economy is shifting

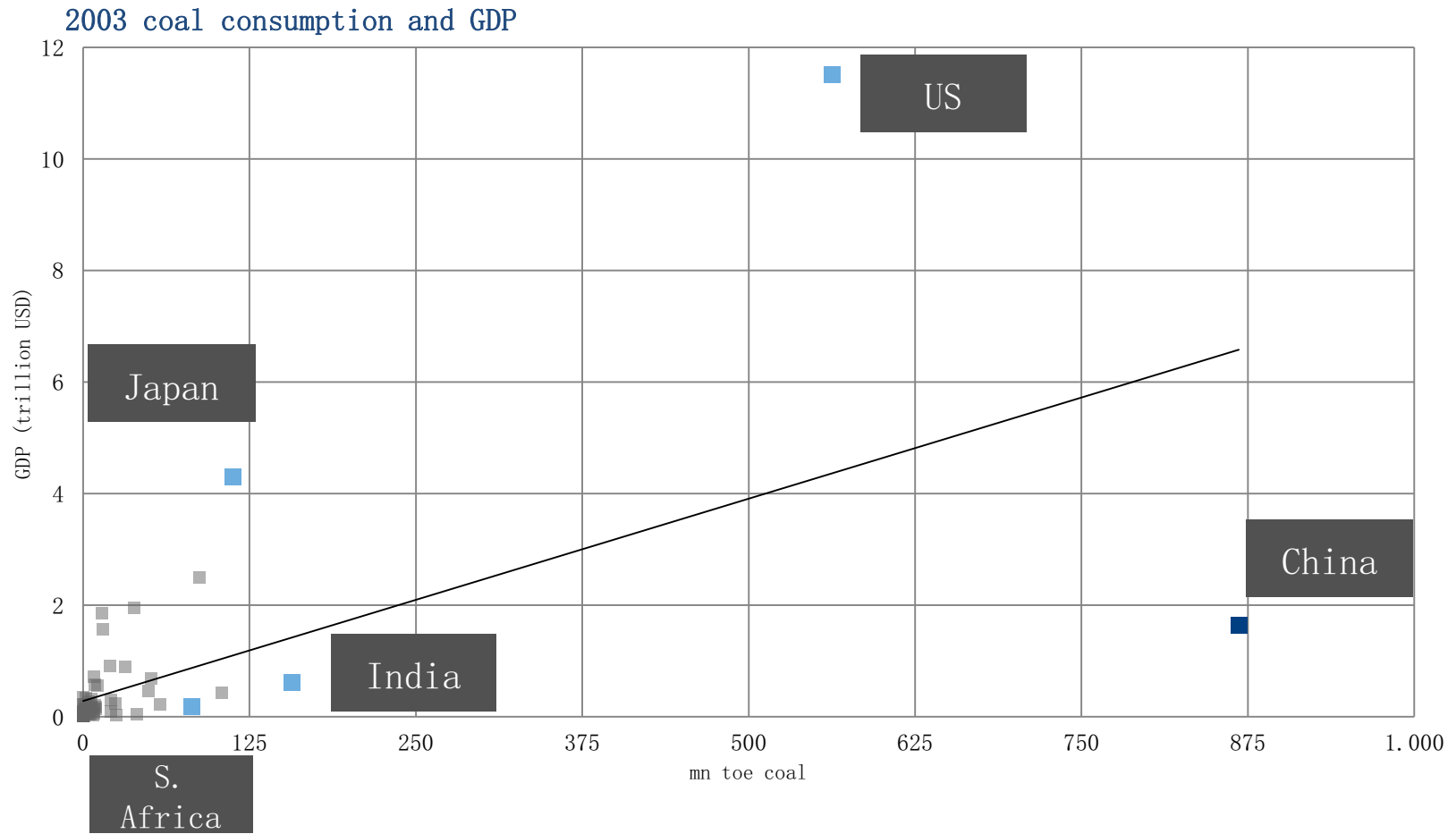
Service sector larger than manufacturing for the first time in 2013



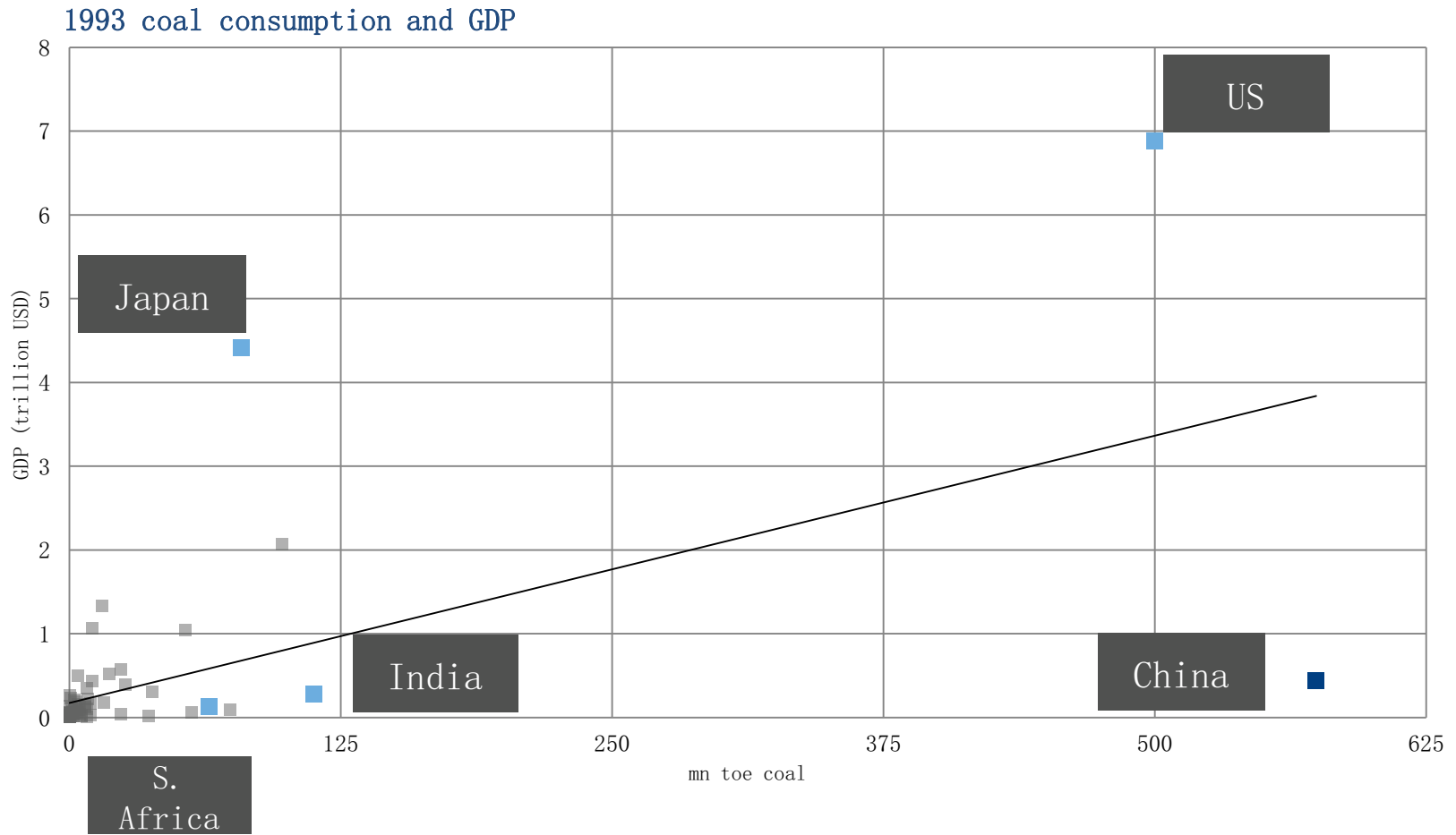
Economic output and coal consumption



Economic output and coal consumption

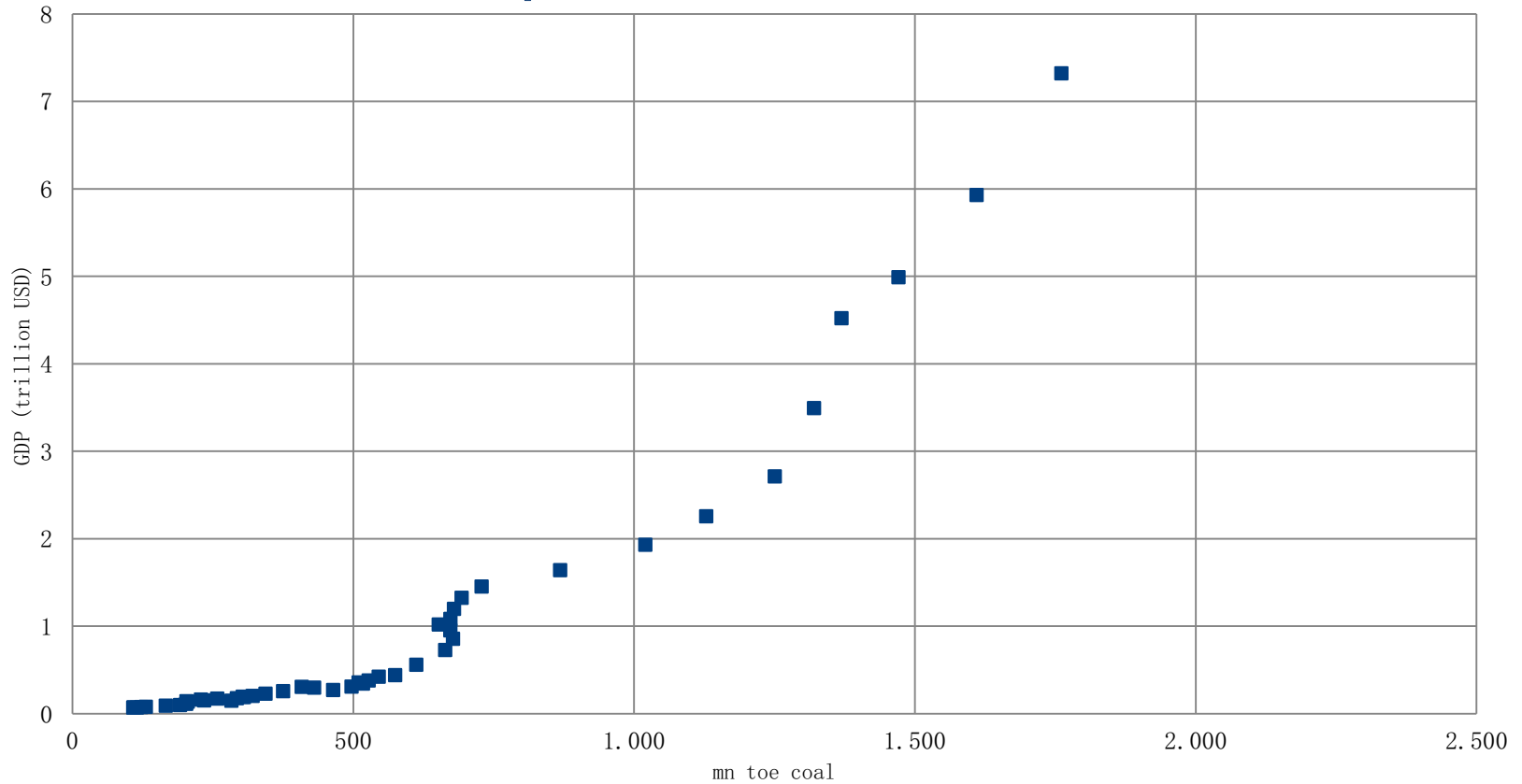


Economic output and coal consumption



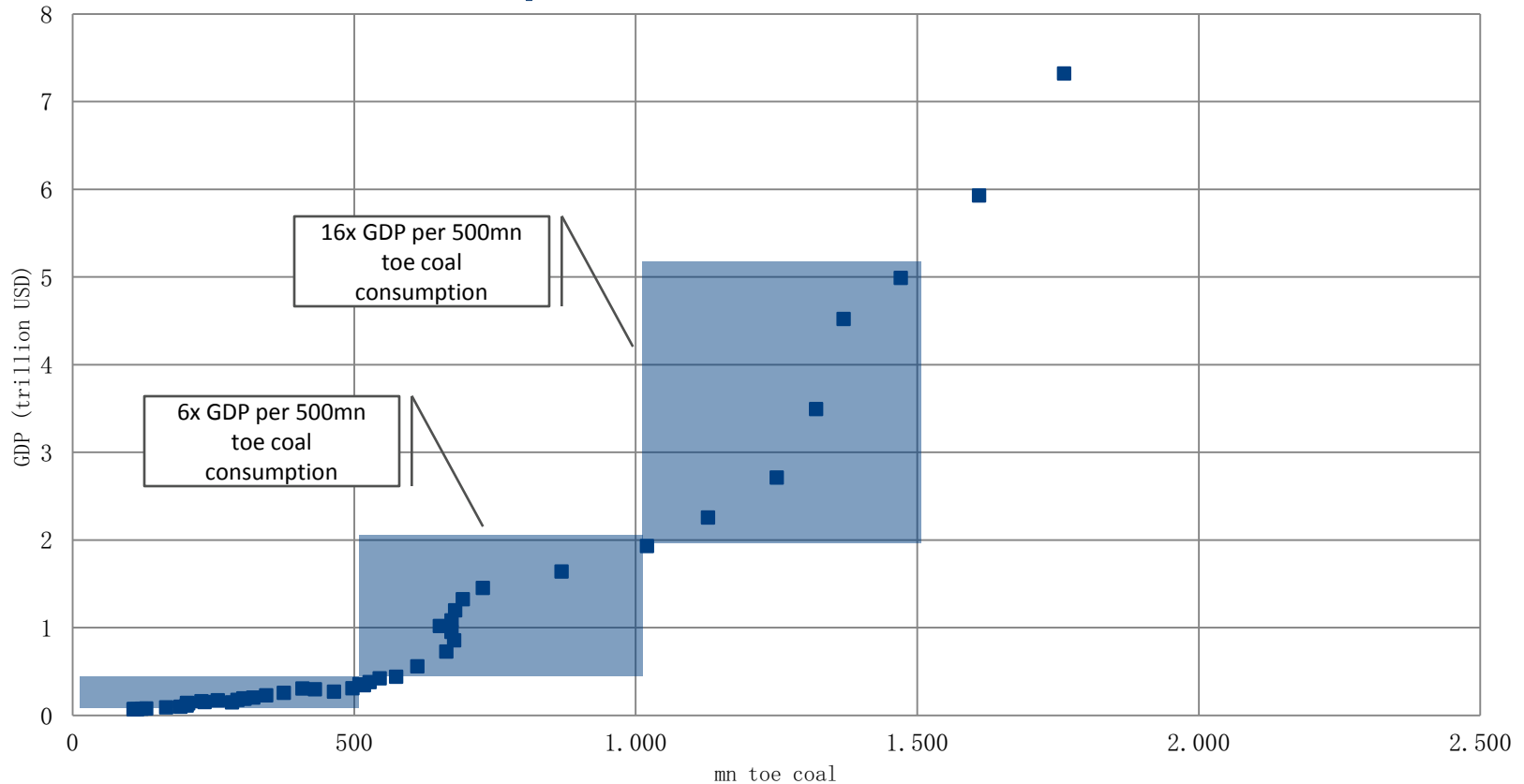
Economic output and coal consumption

Historic Chinese coal consumption and GDP



Economic output and coal consumption


Historic Chinese coal consumption and GDP



Conclusions

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