

Current oil market developments and the impact of alternative fuels

ÖGEW Herbstveranstaltung 2009



JBC ENERGY

Johannes Benigni
JBC Energy GmbH
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Research - Energy Studies - Consulting - Training

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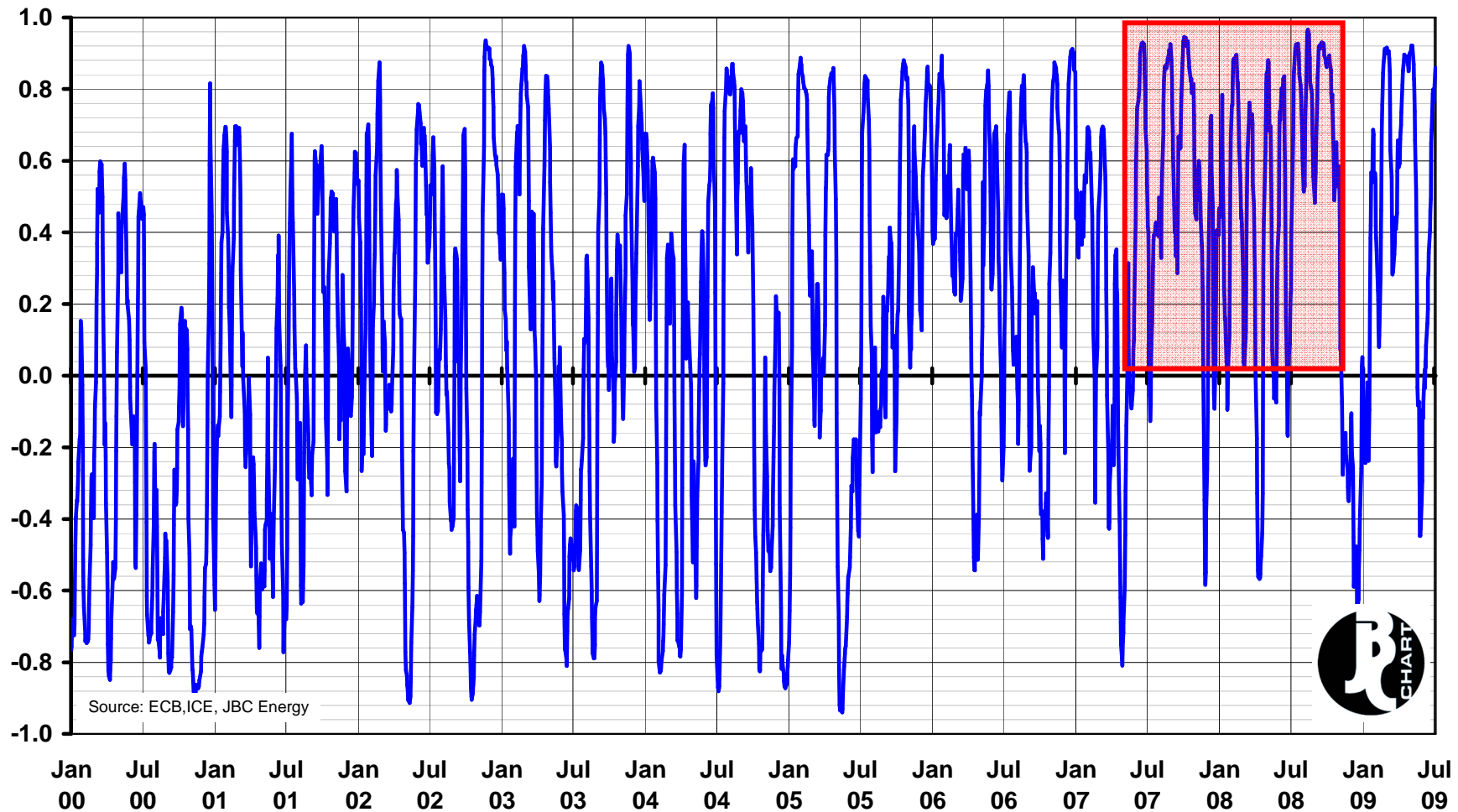
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Overview

- **Oil price and crude markets**
- **Impact of Biofuels**
- **Transportation Fuel Trends**
- **Conclusions**

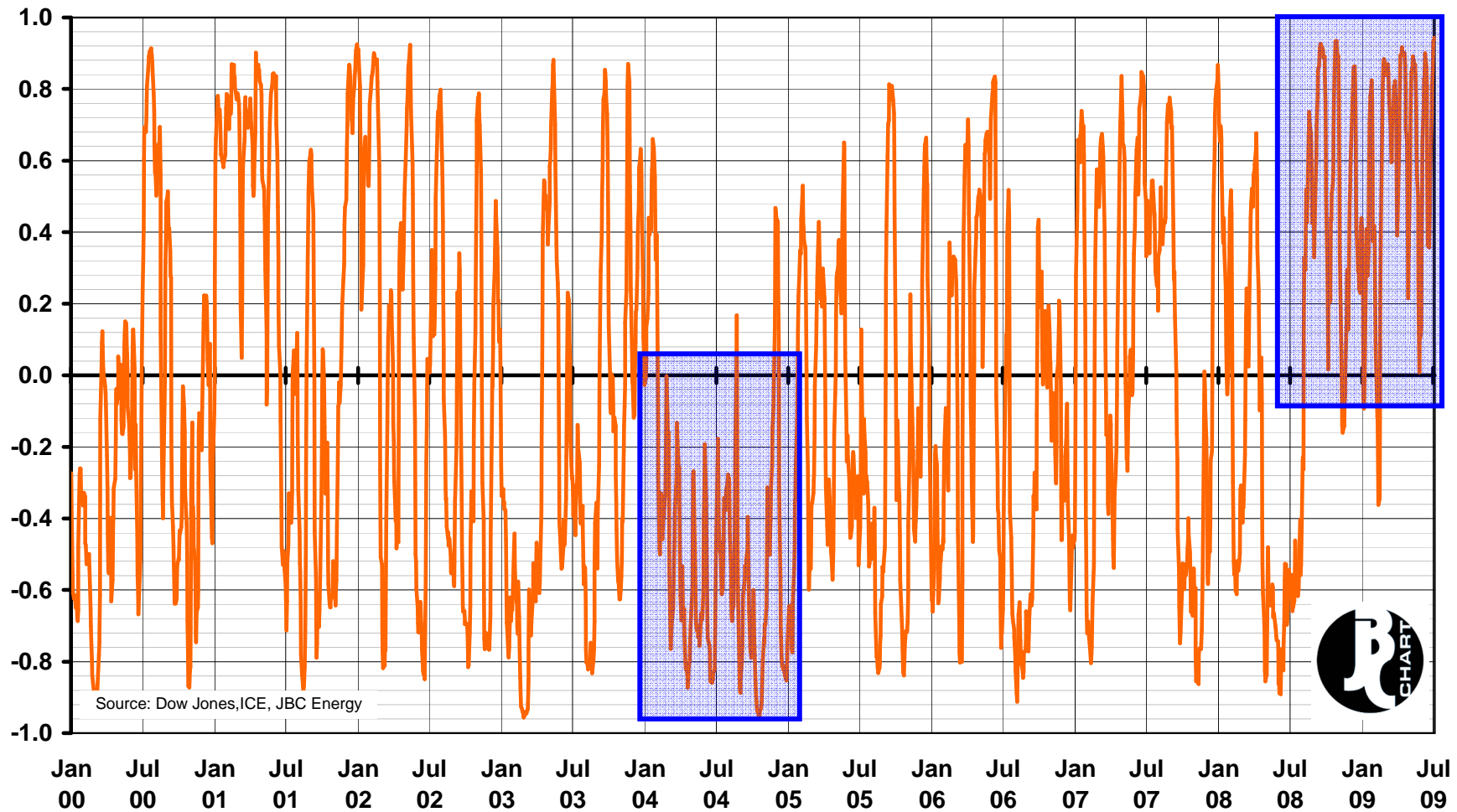
Oil Price & Crude Markets

Correlation of ICE Brent and the Euro-Dollar FX Rate [30-day Moving Average]

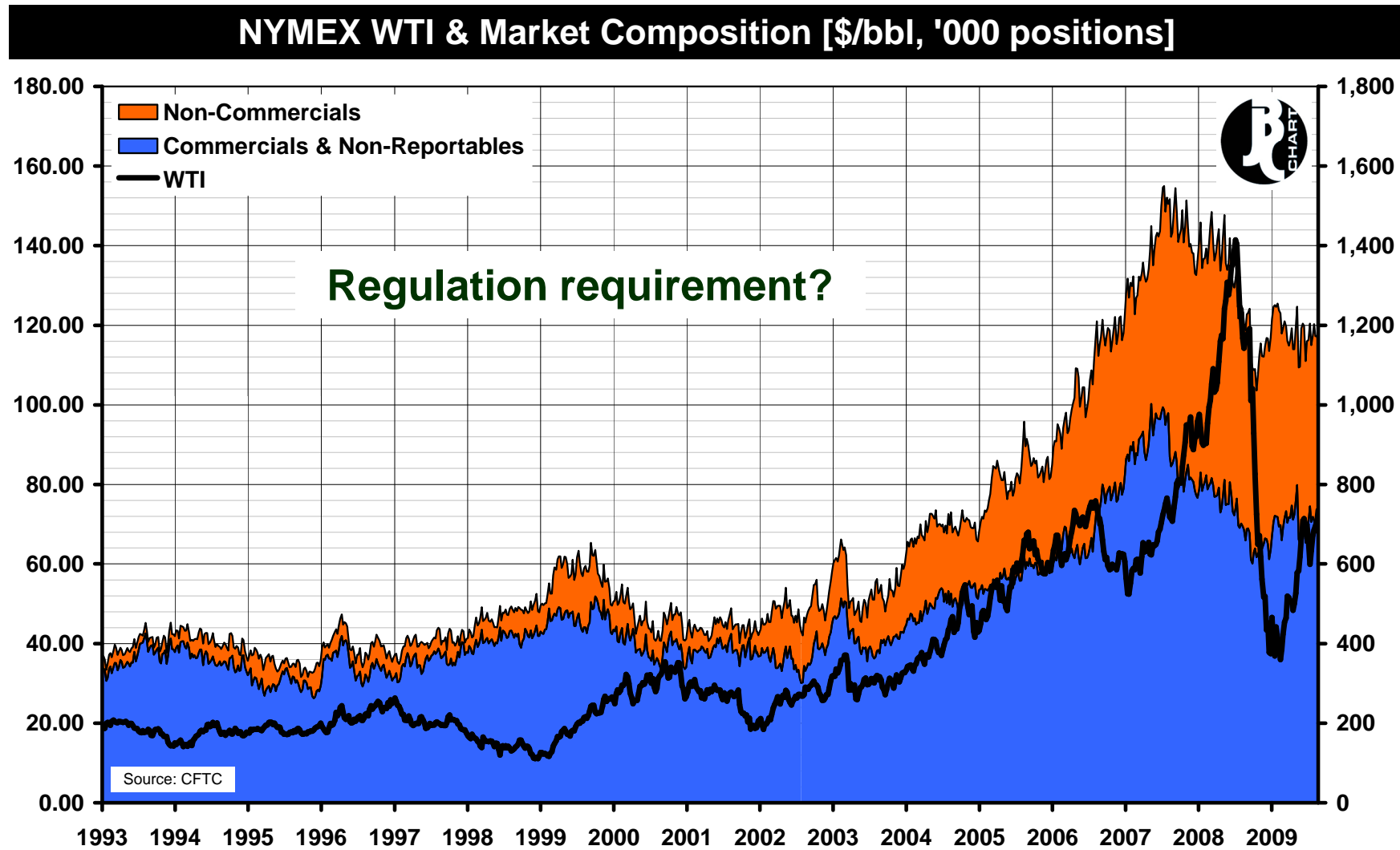


Oil Price & Crude Markets

Correlation of ICE Brent and DowJones Industrial Average [30-day Moving Average]

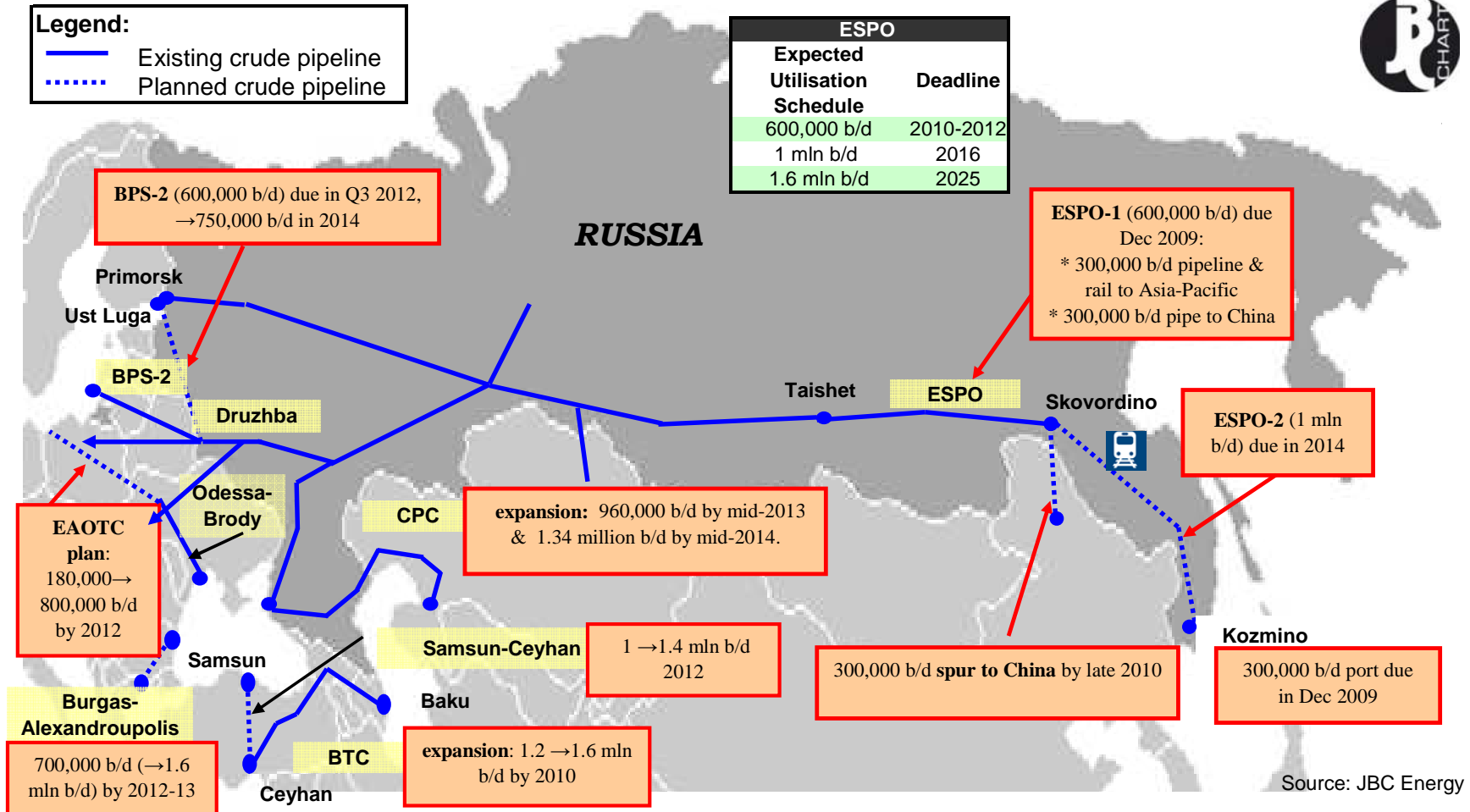


Oil Price & Crude Markets

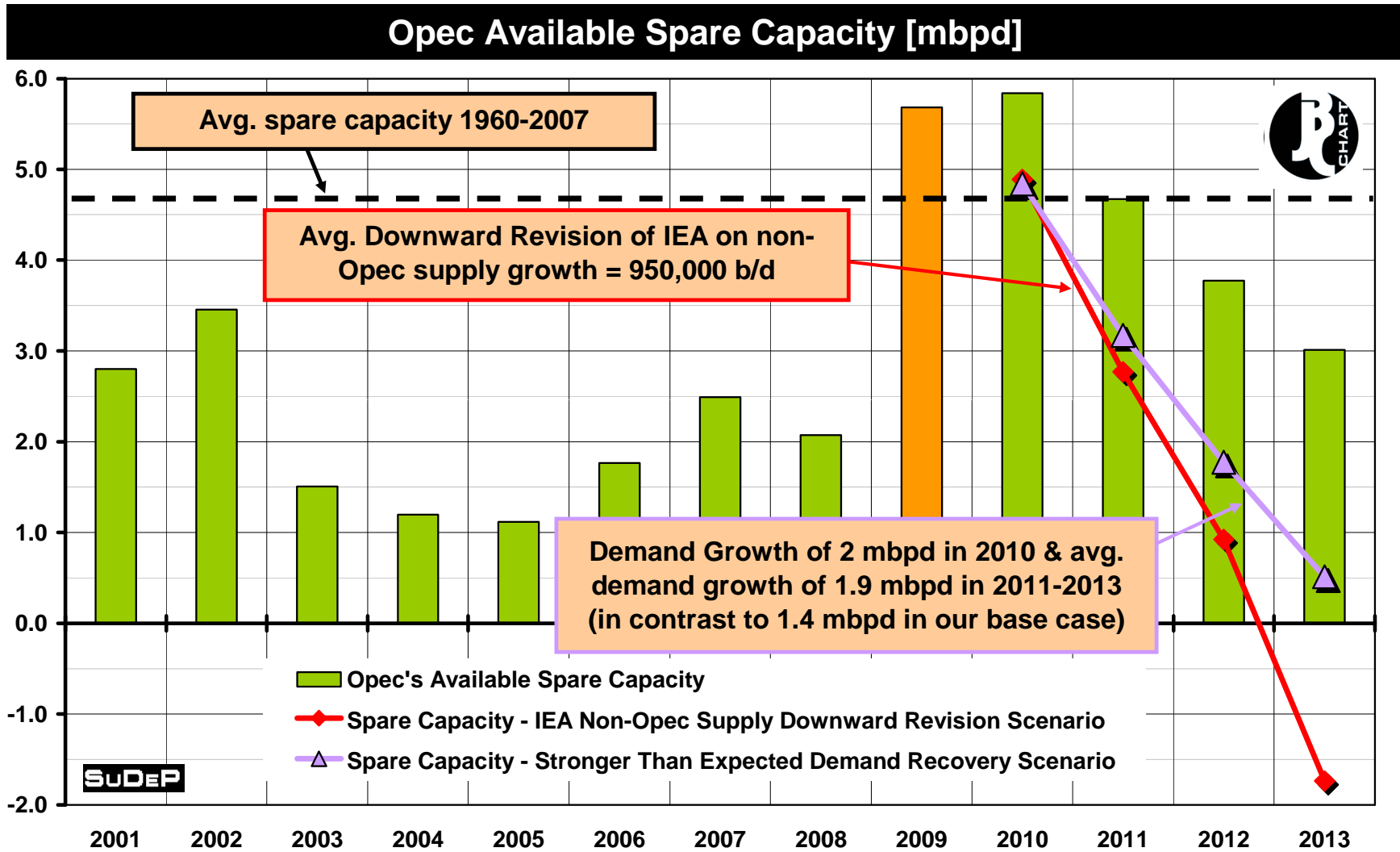


Oil Price & Crude Markets

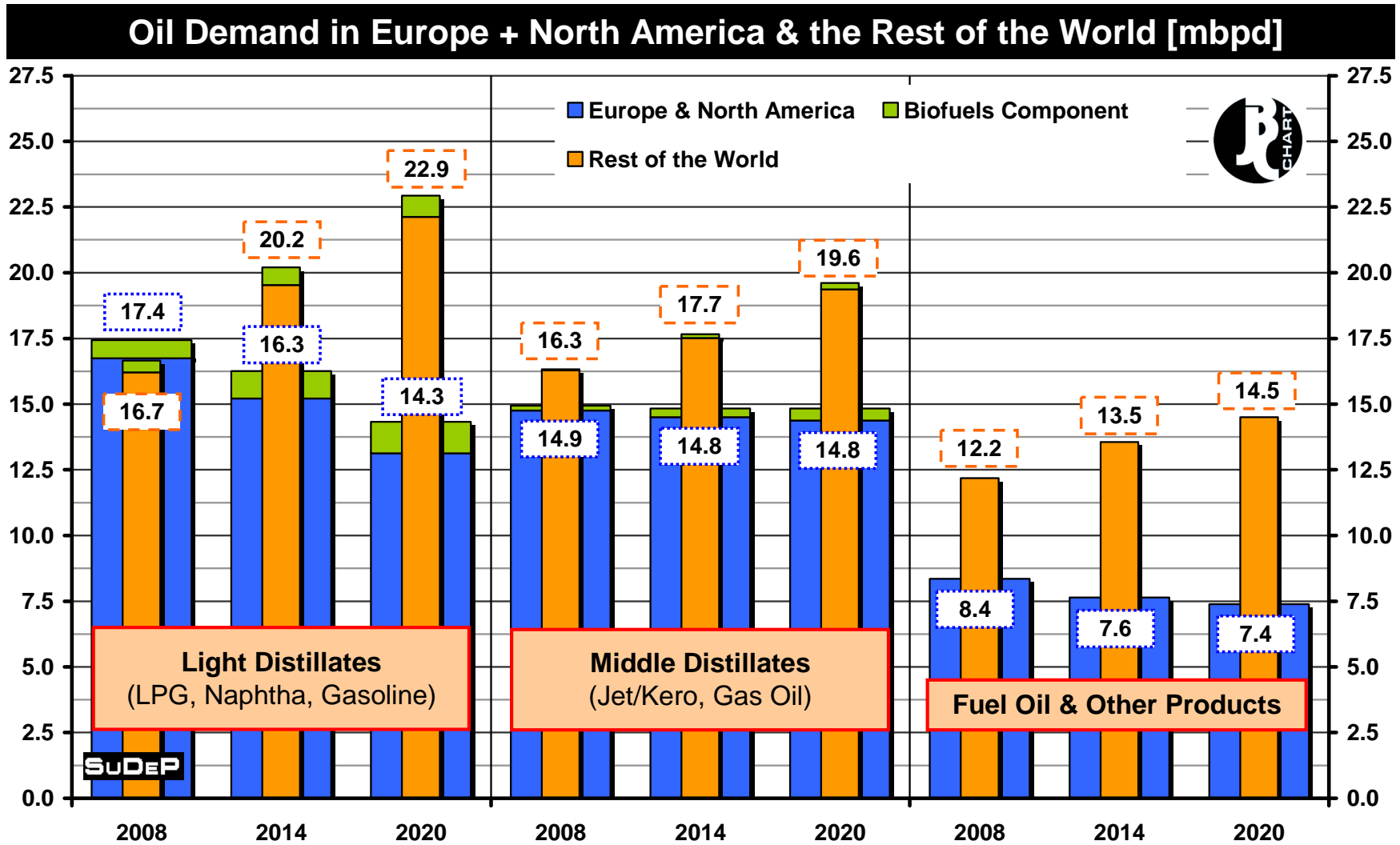
Major Crude Oil Pipeline Routes



Oil Price & Crude Markets

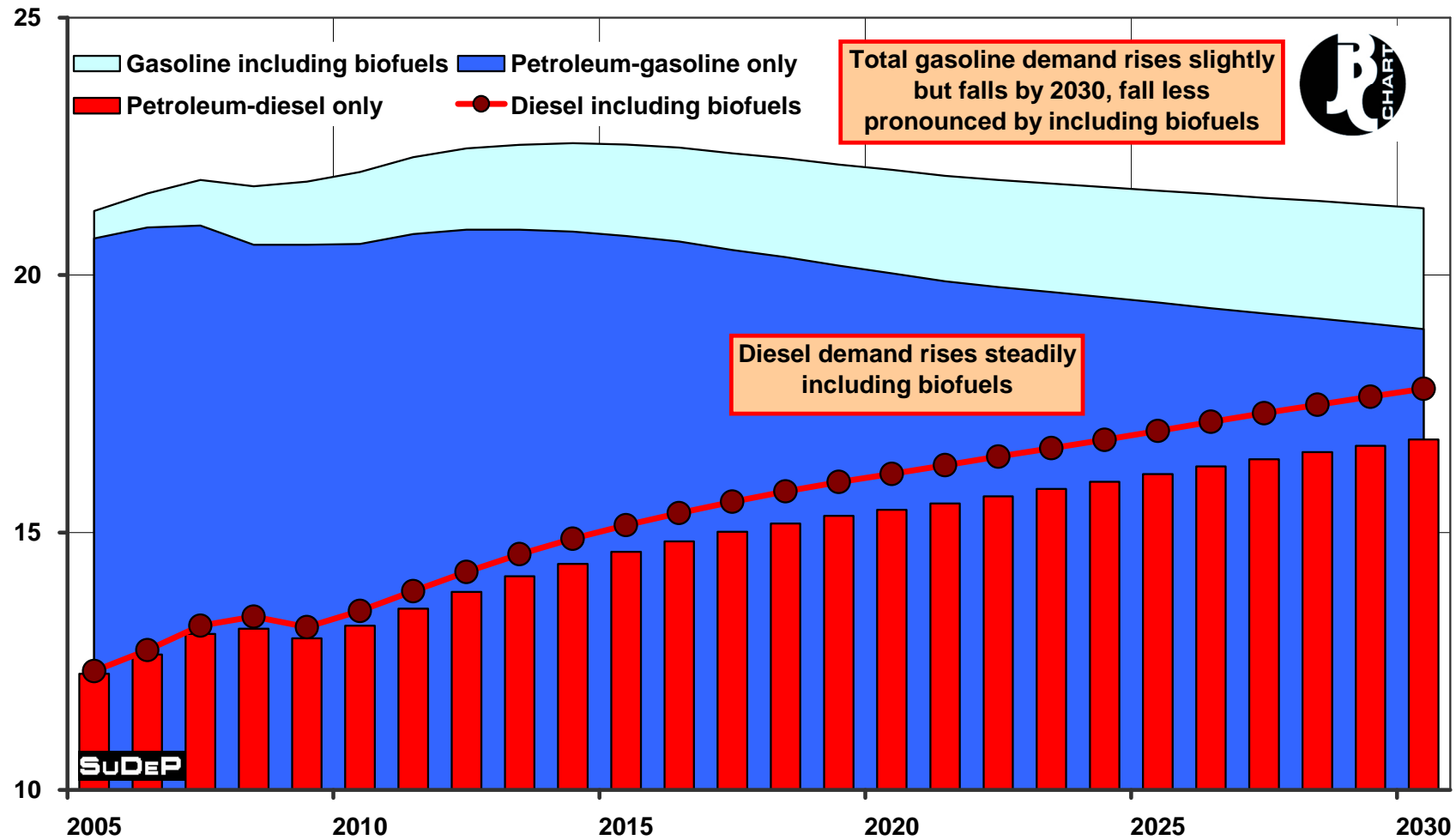


Impact of Biofuels

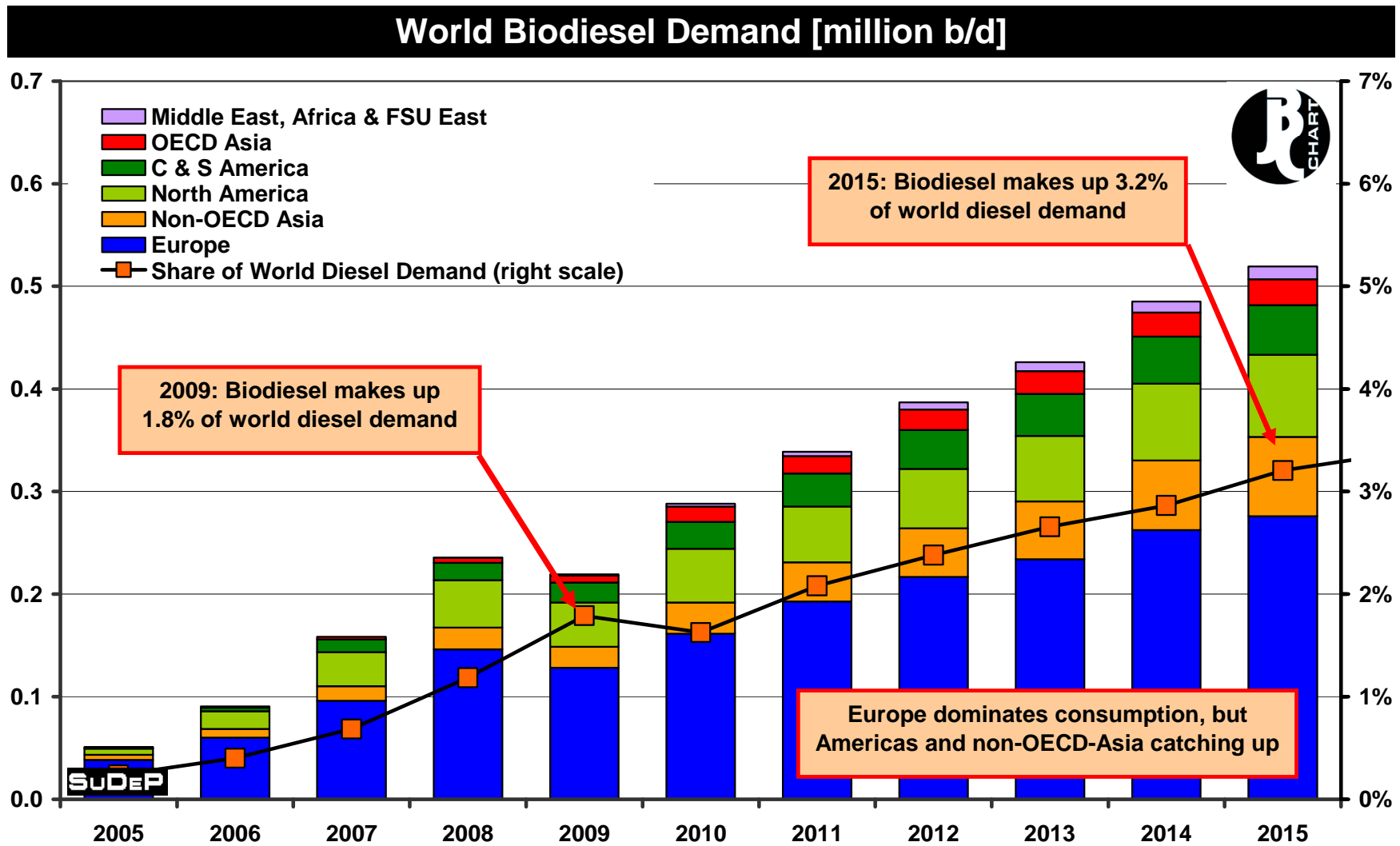


Impact of Biofuels

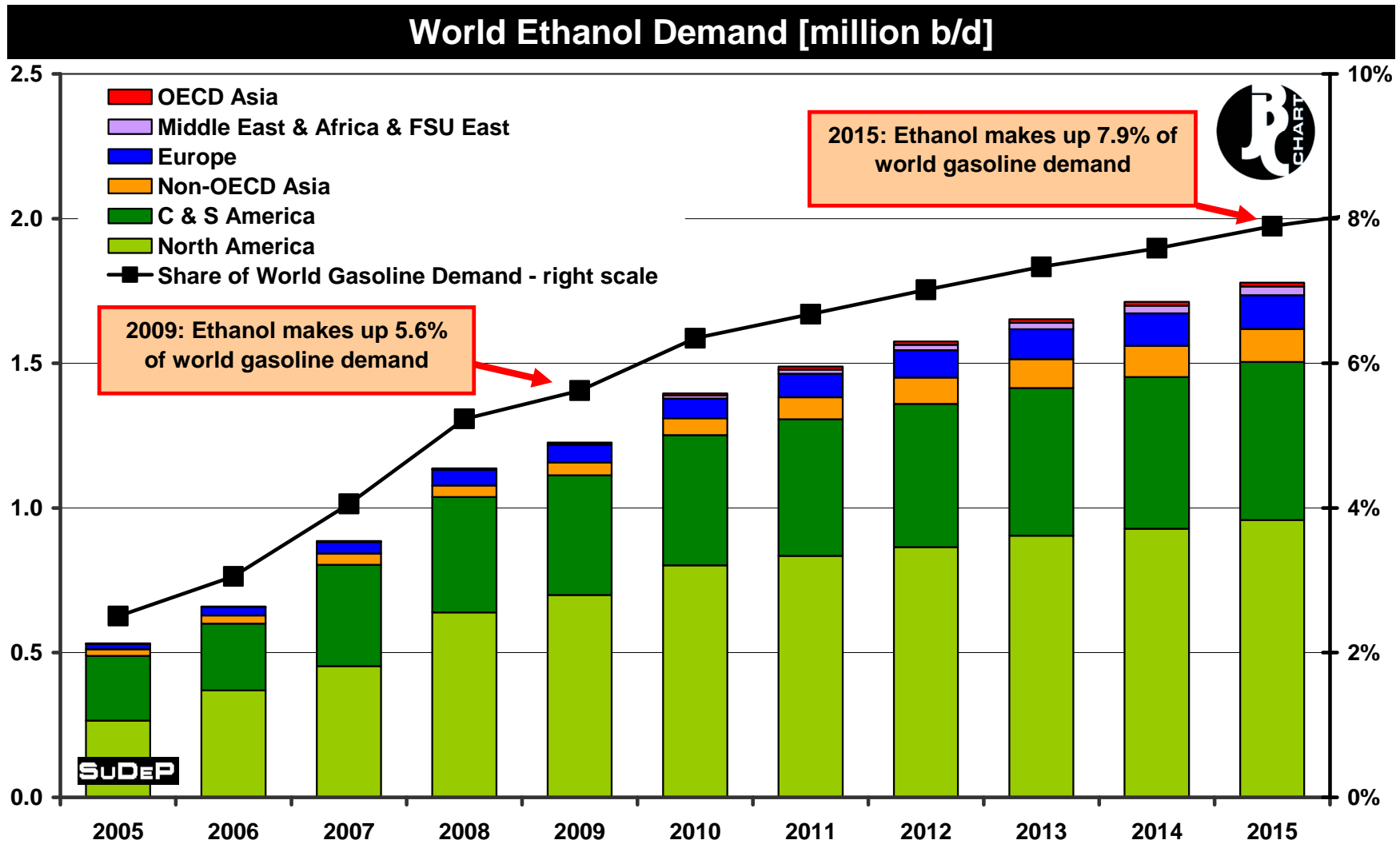
Global Transport Fuel Demand & Biofuel Impact [million b/d]



Impact of Biofuels

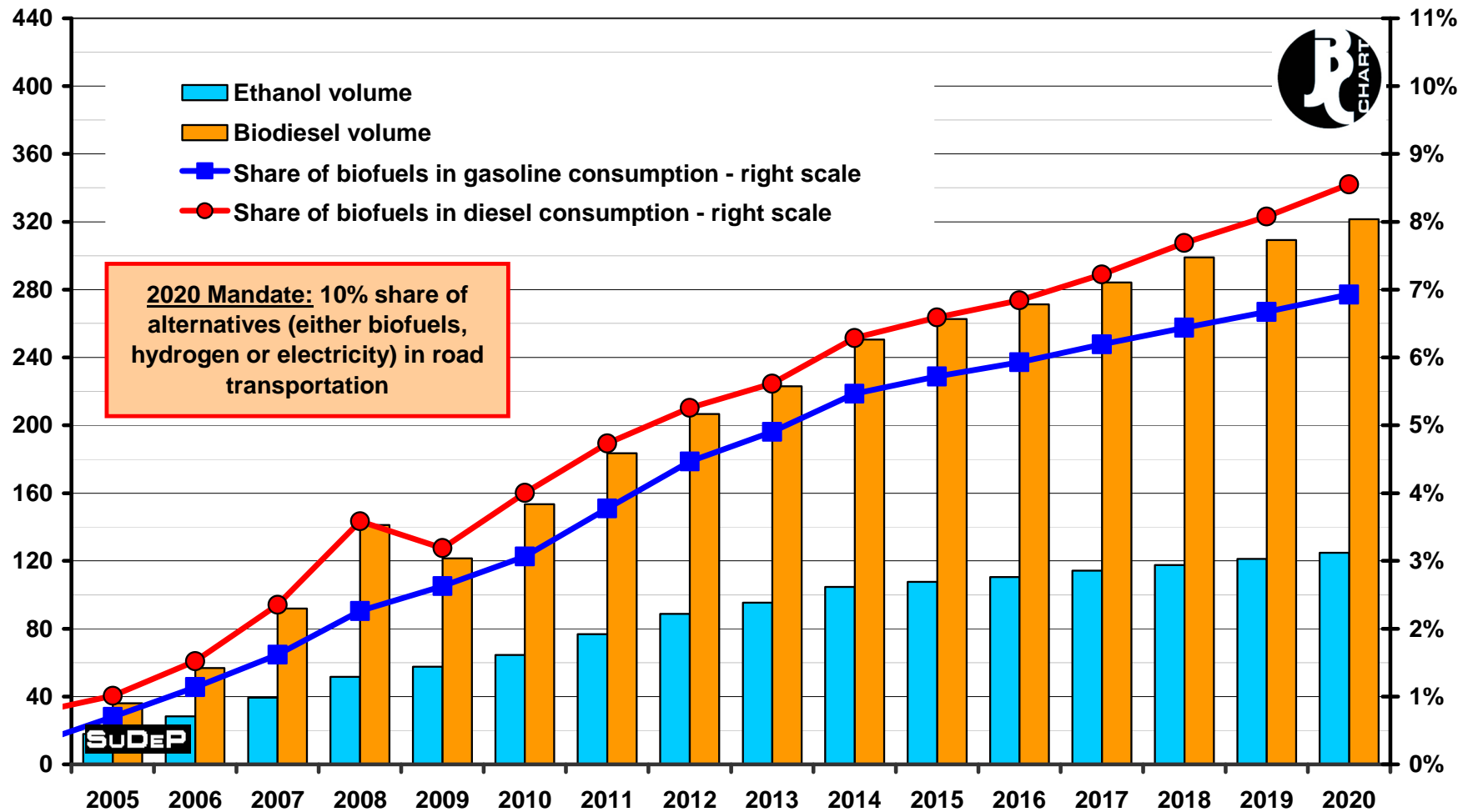


Impact of Biofuels



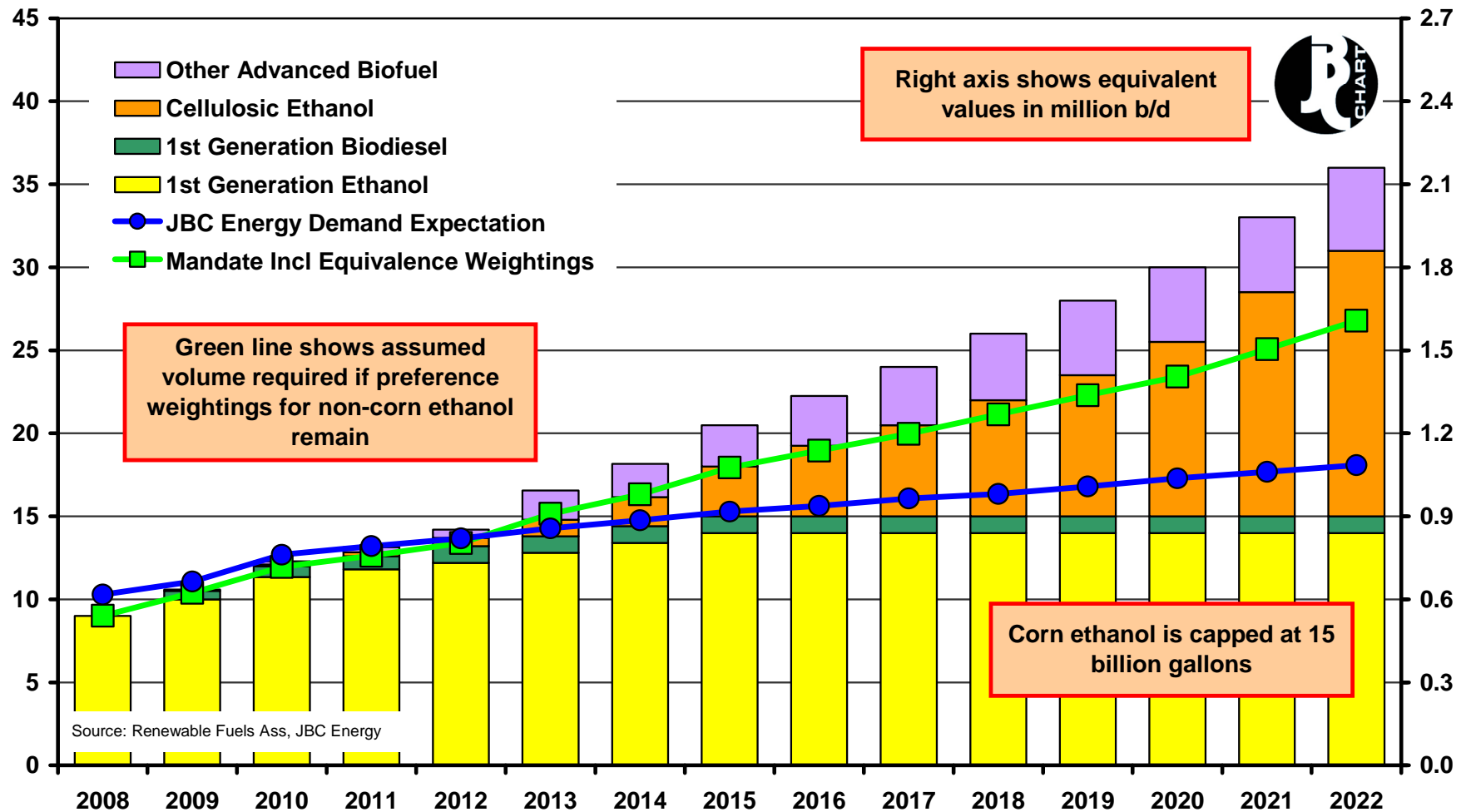
Impact of Biofuels

EU-27 Share of Biofuels in Transport Sector ['000 b/d, %]

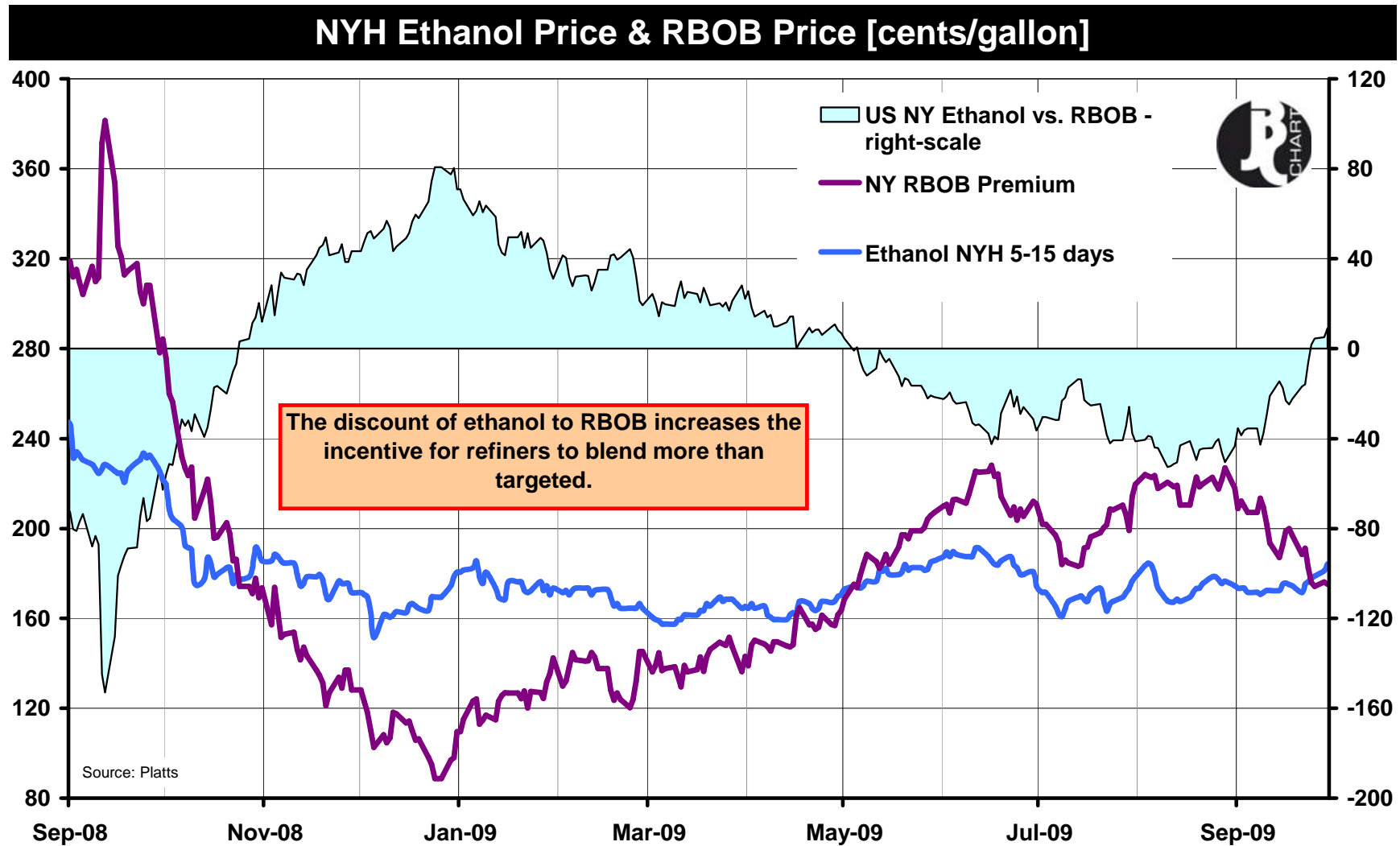


Impact of Biofuels

Components of US Renewable Fuel Mandate [billion gallons; million b/d]

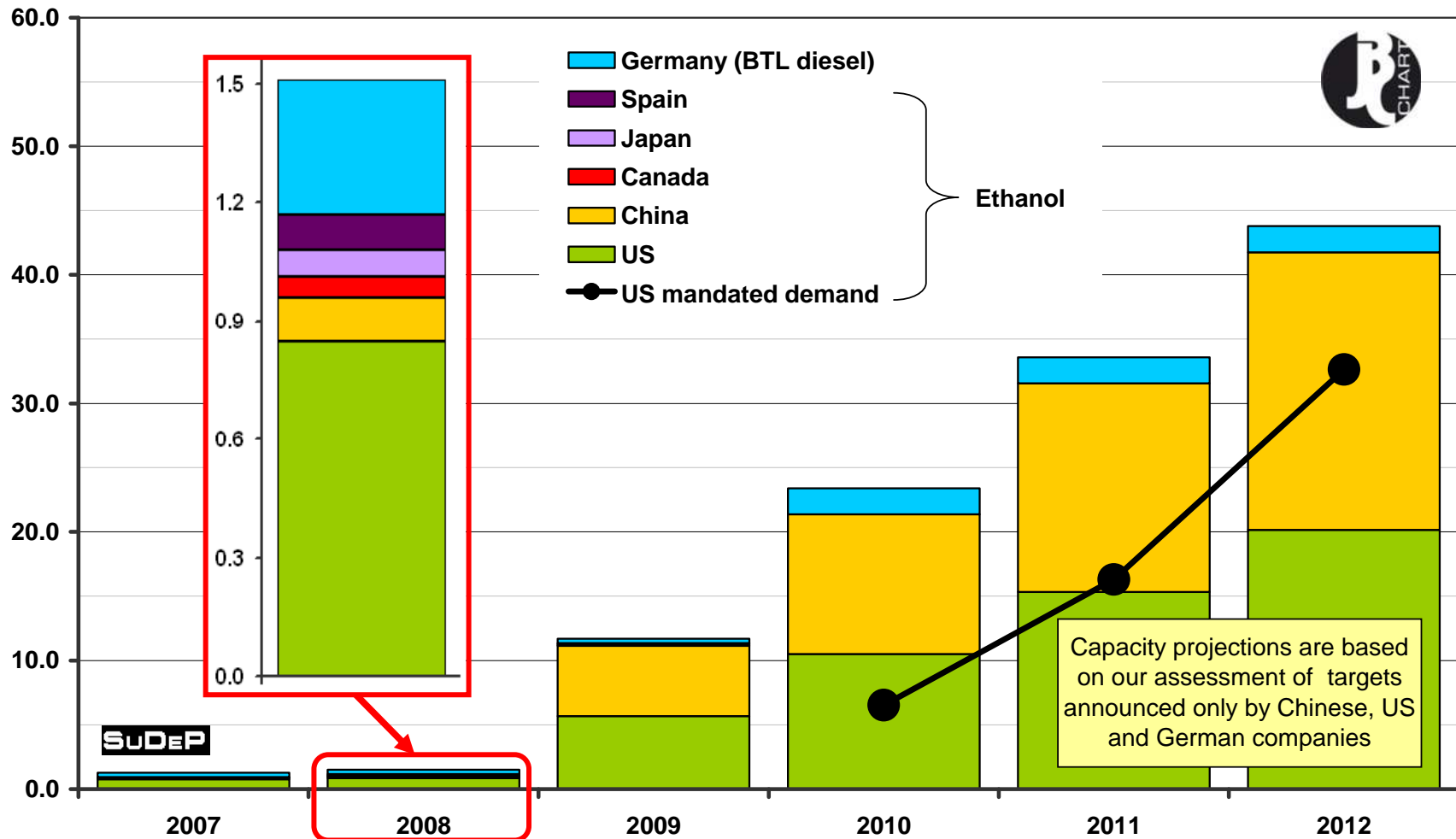


Impact of Biofuels

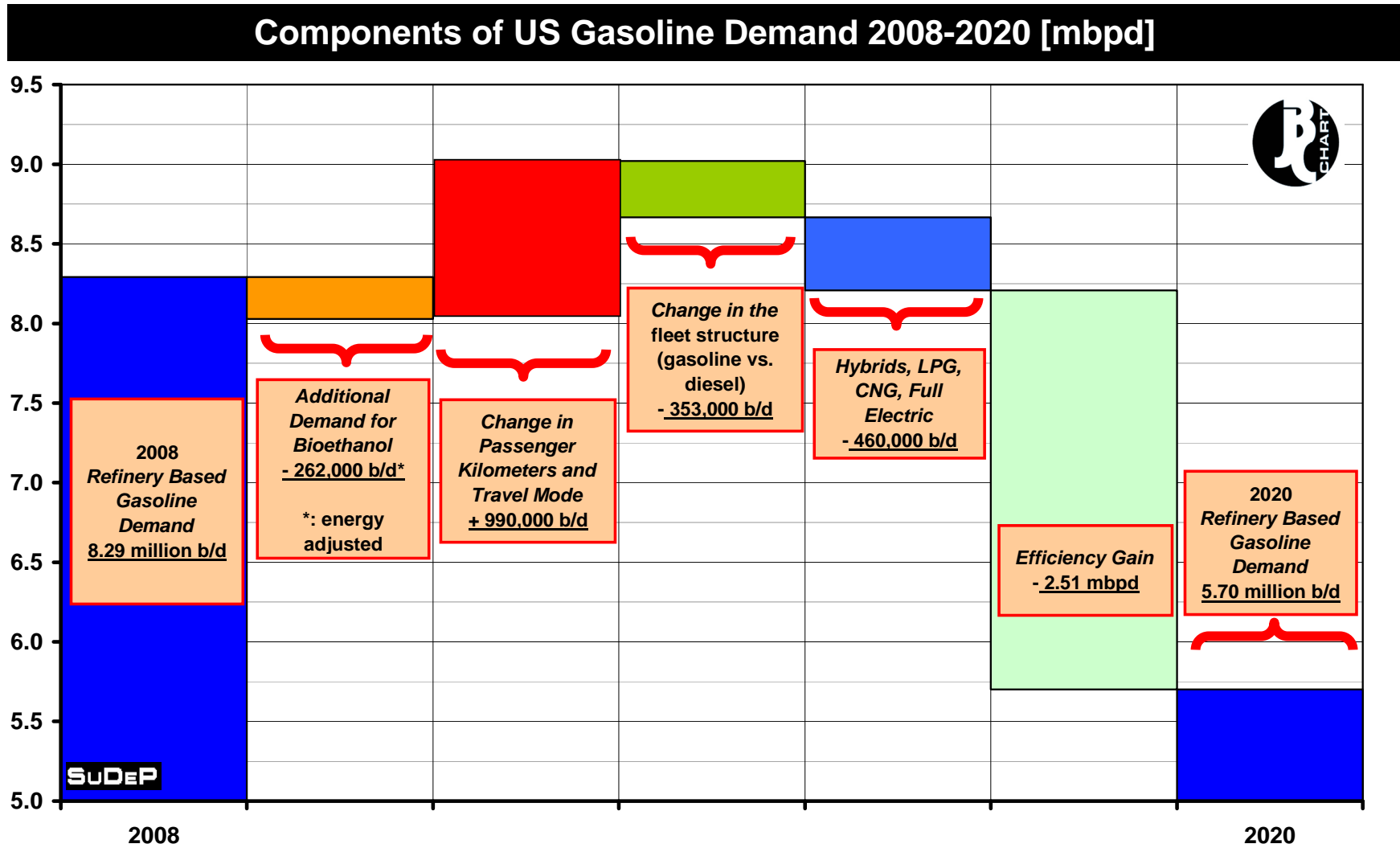


Impact of Biofuels

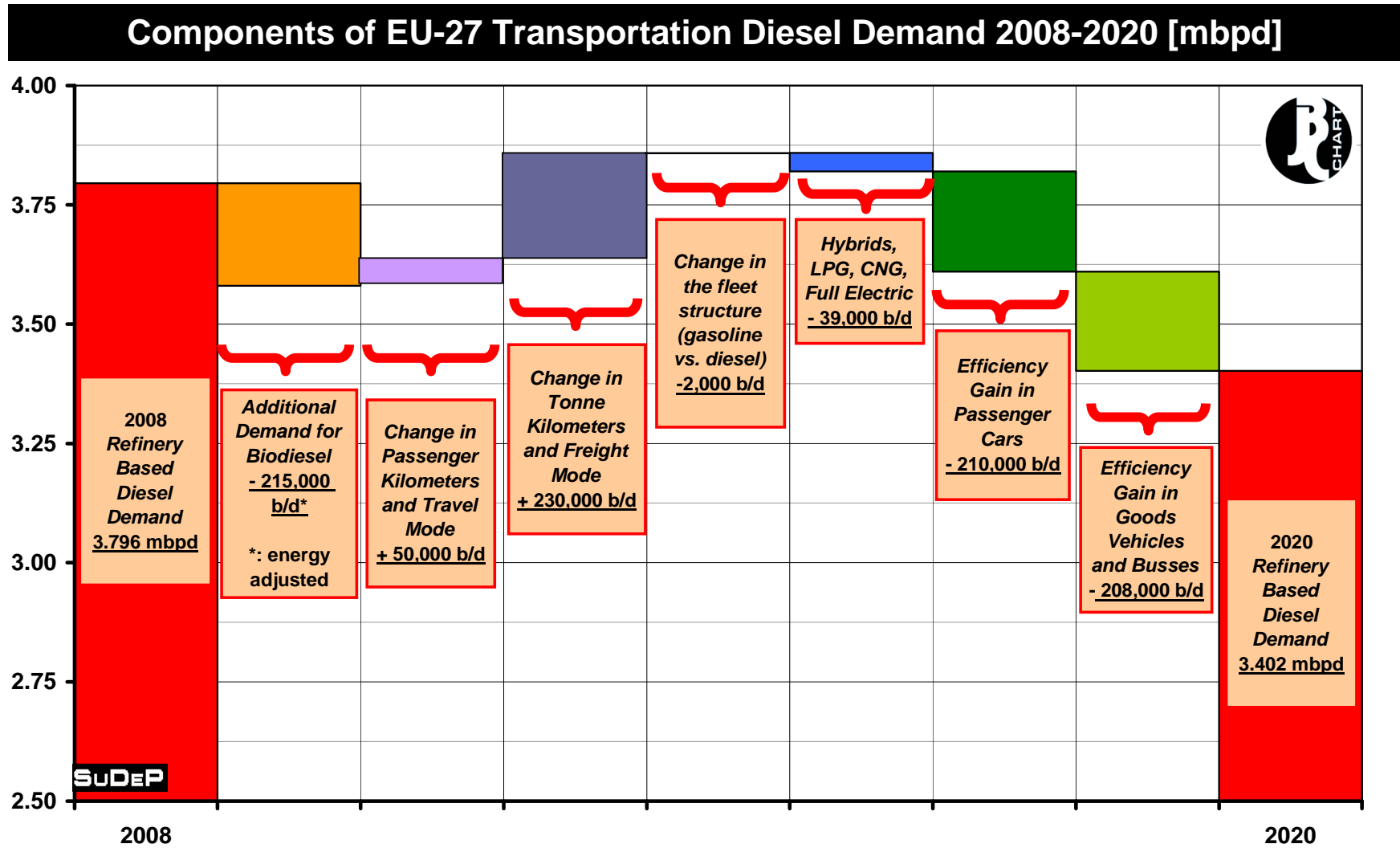
Estimates for Minimum Second Generation Biofuel Production Capacity ['000 b/d]



Transportation Fuel Trends

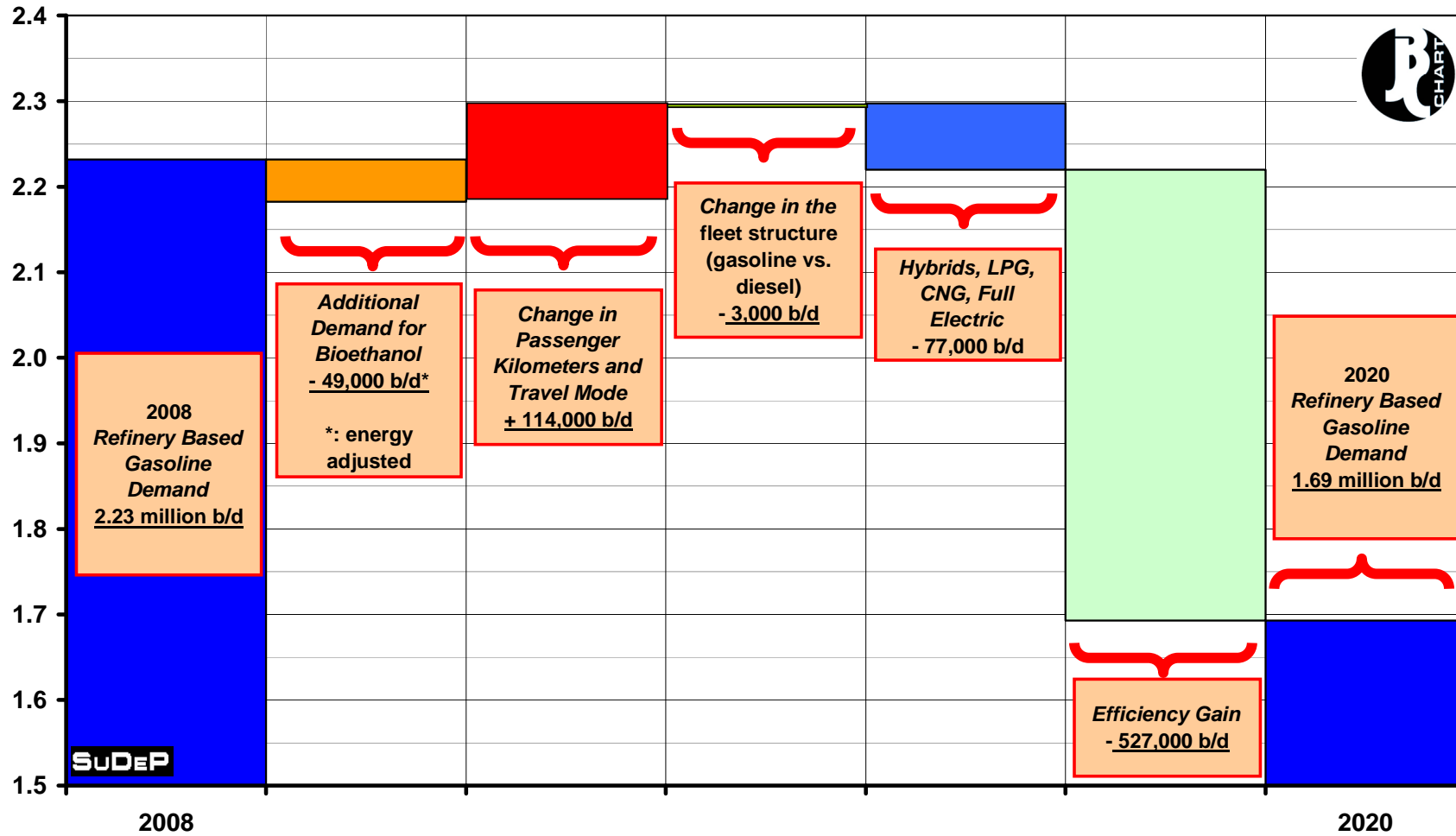


Transportation Fuel Trends



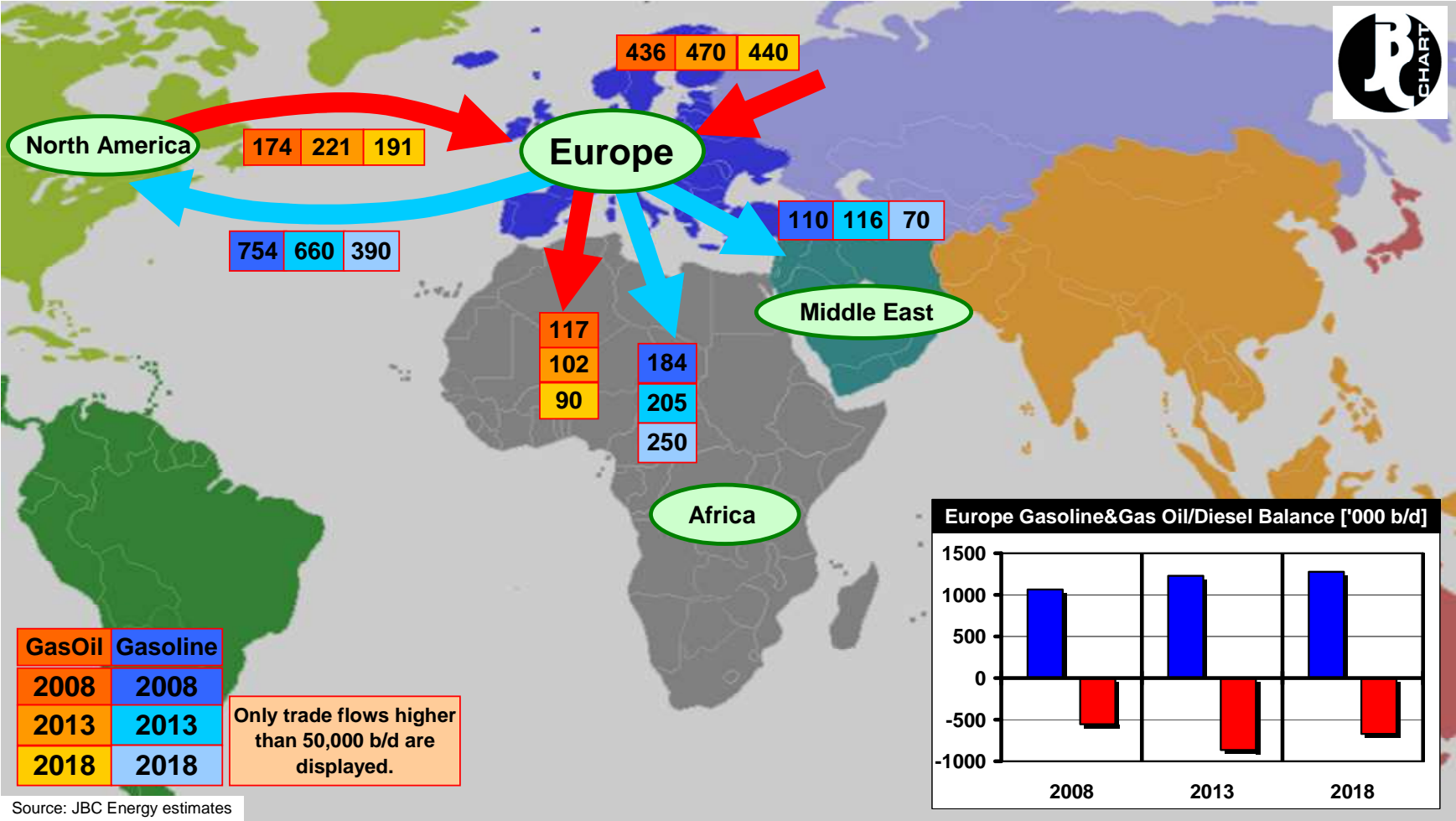
Transportation Fuel Trends

Components of EU-27 Gasoline Demand 2008-2020 [mbpd]

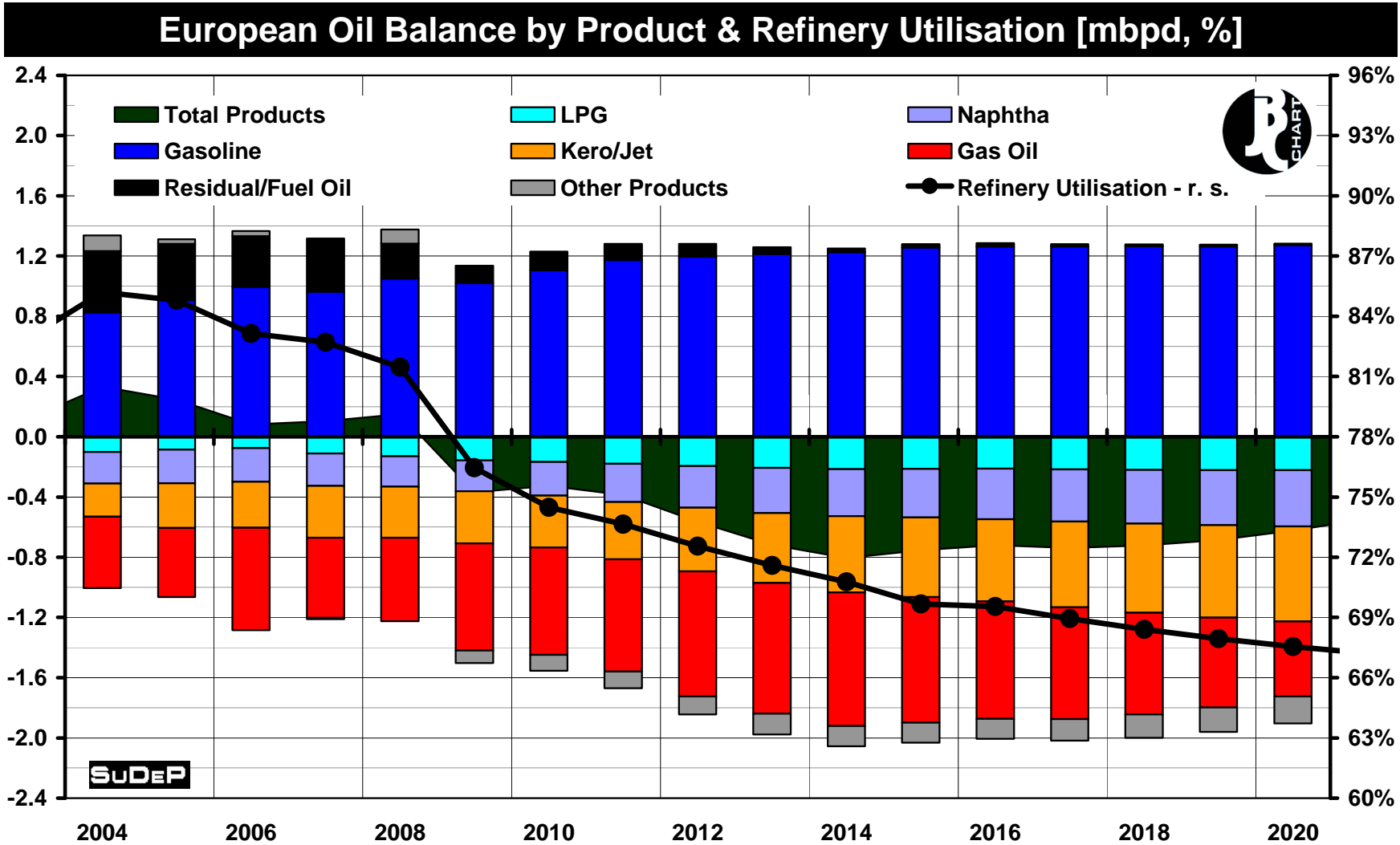


Transportation Fuel Trends

Major European Gasoline and Gas Oil/Diesel Flows (2008-2013-2018) ['000 b/d]



Transportation Fuel Trends



Conclusions 1/2

- **No causality in correlation between Oil-USD-Equity, expected to loosen again as perceptions on further economic development diverge & oil fundamentals come back**
- **Investors stay long commodities as inflation hedge**
- **Economic recovery is not fully transparent (Baltic Dry Index, US Homes on sale,...)**
- **Russian supply to Europe expected to decline amid rising uncertainty**
- **Resource tightness expected to come back in 2012-2014**
- **Middle Distillate Inventory Surplus to Dominate Refining Economics**

Conclusions 2/2

- **In the Middle East a substantial volume of new refining capacity is due around 2014/15**
- **Biofuels likely to play a small but significant role in the future**
- **Declining transportation fuel demand compounded by increased biofuel blending, putting Atlantic Basin refiners under severe pressure**
- **Significant momentum behind developing next generation biofuels**
- **European refining capacity will have to shrink in line with domestic demand**
- **Strategic stakeholders increase their influence**

Thank You!



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