

# Commodity Spotlight Energy

10 December 2013

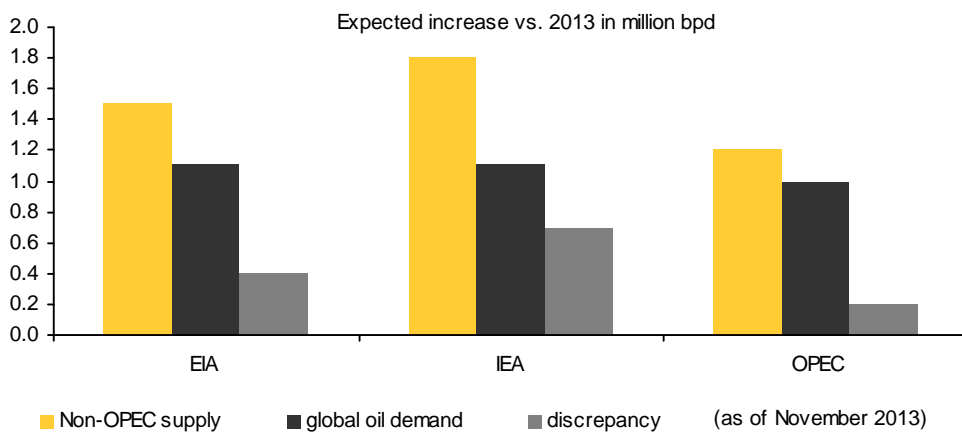
## Outlook for 2014: Energy prices remain in comfort zone

In 2014, the global oil market will remain amply supplied thanks to the sharp increase in non-OPEC oil production. US oil production should continue on its rapid upward trajectory. If crude oil from Libya and Iran were additionally to return to the market, OPEC would have to make cuts elsewhere in order to keep the oil market balanced. Unplanned supply outages and the geopolitical tensions in the Middle East argue against any significant slide in oil prices, so we expect to see an average Brent price of \$106 per barrel in 2014. With demand high, we believe the diesel crack spread to be well-supported despite rising US exports. US natural gas remains detached and is likely to profit marginally from a recovery of the US economy. Coal should see increased demand, though plentiful supply will limit any rise in its price.

The oil market will also remain amply supplied in 2014, which should have a dampening effect on the oil price. Global oil demand in the coming year is likely to grow somewhat more strongly than this year: the International Energy Agency (IEA), the US Energy Information Administration (EIA) and OPEC estimate that demand will increase by approx. 1.1 million barrels per day following growth of just shy of 1 million barrels per day this year. The IEA expects non-OPEC supply to rise by 1.8 million barrels per day, however, thus significantly outstripping the anticipated increase in demand. Although the EIA and OPEC estimates of the growth in non-OPEC supply are somewhat lower, all three agencies agree that non-OPEC supply will increase more strongly than global demand in 2014 (Chart 1).

The increase is being driven primarily by the fast-growing oil production in the US, which is set this year to climb to an average 7.5 million barrels of crude oil per day, above all on the back of rising shale oil production in Texas and North Dakota (Chart 2, Page 2). This would represent the highest annual average level since 1990 and would be 50% more than five years ago. US oil production is likely to continue to grow next year: according to the EIA, US crude oil production in 2014 will rise by 1 million to an average 8.5 million barrels per day. By the end of 2014, it is even expected to reach just shy of 9 million barrels per day. The IEA predicts that US oil production – including NGLs and biofuels – will grow by almost 900 thousand to reach 11.13 million barrels per day. As a result, the USA looks set to become the world's biggest oil producer in 2015 – just a year ago the IEA still believed that this would not happen until 2017.

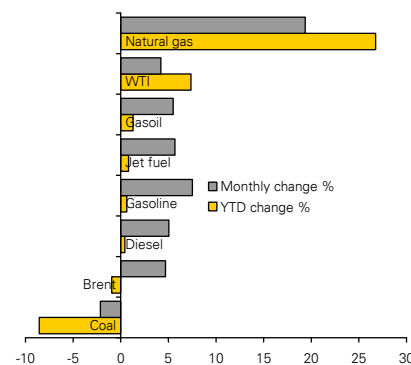
CHART 1: Non-OPEC supply to rise faster than global oil demand in 2014



Source: EIA; IEA; OPEC, Commerzbank Corporates & Markets

### Commerzbank Forecasts

	Q1 14	Q2 14	Q3 14
Brent Blend	108	105	105
WTI	97	99	100
Diesel	960	920	910
Gasoline (95)	940	950	970
Jet fuel	1000	970	960
Natural gas	4.0	3.5	4.0
Coal (API #2)	85	85	90
EUA (€/per t)	5.0	5.5	6.0



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**Lower call on OPEC requires production to be cut**

The growing non-OPEC supply is reflected in a lower call on OPEC. According to the IEA's estimate, an average of just 29.1 million barrels of OPEC oil per day will be needed next year (Chart 3) – a reduction of 900 thousand barrels per day as compared with 2013. The EIA and OPEC estimate the call on OPEC next year at 29.6 million barrels per day. According to a Reuters survey, OPEC production was at exactly this level, which constituted its lowest rate of production for two and a half years. This was primarily due to unplanned production outages which totalled approx. 3 million barrels per day and were only partly offset by Saudi Arabia. Libya, for instance, has been producing only a fraction of its usual volume for months now as a result of ongoing strikes and protests (Chart 4, Page 3). Were Libyan oil supply to normalize again, the other OPEC members – especially Saudi Arabia – would need to cut back their production to keep the oil market balanced.

**Greater chance of Iran sanctions being eased**

This would be all the more true if the oil sanctions imposed on Iran were to be eased or indeed lifted in mid-2014. The chances of this happening have grown after nuclear talks at the end of November resulted in an initial agreement being reached on the nuclear dispute, a conflict that has been simmering for years. European insurance companies are now allowed to insure oil shipments from Iran again, which is likely to result in somewhat higher purchases on the part of Asian consumers in the coming months, especially since the US has exempted these countries from the sanctions for a further six months. Any renewed tightening of the oil sanctions – as had been discussed in the US Congress – should therefore be off the agenda again. In the next six months, the aim is to work out a far-reaching solution to the nuclear dispute.

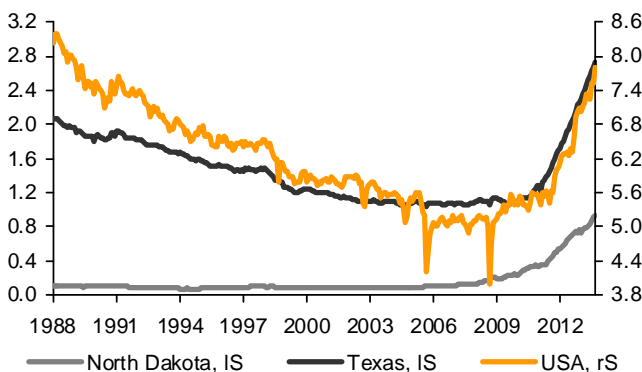
**Additional Iranian oil could put pressure on prices**

Were the Iran sanctions to be lifted, up to 1 million barrels per day of Iranian oil could additionally flood onto the market. Given the market situation as outlined above, this is crude oil that isn't really needed. Iran would thus be forced to accept much lower prices, which could spark a price war among oil producers as they battle for market shares and would put pressure on oil prices. Before the Iran sanctions can be lifted, however, the consent of the US Congress is needed, yet Congress is likely to view any such undertaking with considerably greater scepticism than the US government. What is more, because midterm elections will be held in the US next year, many Members of Congress will doubtless be reluctant to agree to such a step, especially since the US did not import any oil from Iran even before sanctions were imposed. Europe and China would be the main beneficiaries, having previously been the biggest consumers of Iranian oil.

**Demand still driven by emerging economies**

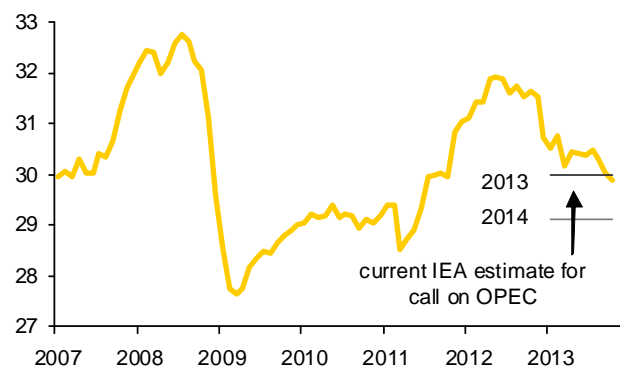
As far as demand is concerned, no great surprises or impetus for prices is expected. Demand continues to be driven by emerging economies such as China, India, Brazil, Saudi Arabia and Russia. According to the IEA, these five countries alone account for three quarters of the demand growth envisaged in 2014. For the first time ever, demand in emerging economies will next year exceed demand in industrialized countries, as the latter looks set to decline even further. This is especially true of Europe and Japan, and to a lesser extent also of the US. Although oil demand in the industrialized countries is likely to receive tailwind as the economic outlook brightens, this will be countered by improved fuel efficiency in the transport sector, which accounts for more than half of total oil demand.

**CHART 2: Sharp rise in US crude oil production**  
in million barrels per day



Source: EIA, Commerzbank Corporates & Markets

**CHART 3: Call on OPEC to fall noticeably in 2014**  
OPEC production and call on OPEC in million barrels per day



Source: IEA, Reuters, Bloomberg, Commerzbank Corporates & Markets

*Somewhat less expansionary monetary policy should not exert lasting pressure on oil price*

Some headwind next year could come in the form of monetary policy: our economists are confident that the US Federal Reserve will gradually begin scaling back its ultra-expansionary monetary policy from next spring. Via a stronger US dollar, this could also exert temporary pressure on oil prices. Having said that, oil prices hardly profited at all from the Fed's third bond purchasing programme, which has been running since the end of 2012. A step-by-step reduction in Fed bond purchases should therefore not exert lasting pressure on the oil price, especially since the monetary policy pursued by the Fed and other key central banks in industrialized countries will remain extremely expansionary in 2014 too. The fact that investor interest has declined significantly this year also argues against any more pronounced decline in oil prices. Indeed, if investors were to return to the oil market as the prospects for the economy brighten, this would actually lend buoyancy to prices.

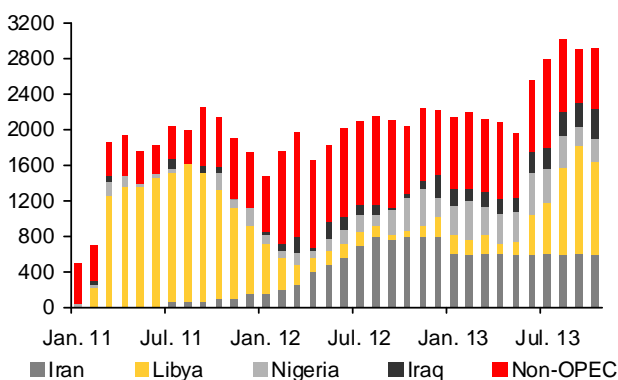
*Average Brent price of \$106 per barrel envisaged in 2014*

Fundamentals such as the plentiful supply of the global oil market on the back of strongly growing non-OPEC supply and not quite as sharply rising demand suggest a lower price. For as long as oil shipments from Libya remain limited, however, the Brent price will remain well-supported, for Libyan oil is supplied primarily to the European market and is also of similar quality to Brent oil. It cannot therefore be readily substituted by oil from Saudi Arabia. Other bullish factors worthy of mention are the high unscheduled production outages outside Libya and elsewhere, the geopolitical tensions in the Middle East and the fact that North Sea supply is still tending to decline. If oil production in Libya were to normalize and/or the sanctions imposed on Iran were to be lifted, we would expect Saudi Arabia to downscale its oil supply accordingly. There is thus much to suggest that the sideways trend observed for the past three years will continue. We expect to see an average Brent price of \$106 per barrel next year.

*WTI should narrow gap to Brent*

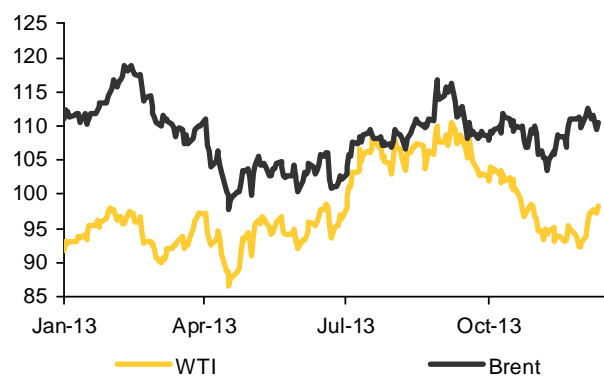
During the course of next year, WTI should be able to further reduce the still considerable gap of around \$12 per barrel that currently separates it from the Brent price, though it is unlikely to be able to close the gap completely (Chart 5). Thanks to new pipeline capacities, it will be possible in 2014 to transport the crude oil surplus resulting from increased shale oil production from the interior of the US to the US Gulf Coast, where half of the US refinery capacities are located. Attractive crack spreads give US refineries an incentive to step up their processing of crude oil. This should reduce the currently very high US crude oil stocks that have been weighing on the WTI price in recent months and have thus been to blame for the massive widening of the price gap. During the course of 2014, the price differential between Brent and WTI should therefore approach the costs of transport by pipeline, which are approx. \$4 per barrel. This is also suggested by the fact that construction of the northern section of the Keystone XL pipeline has been further delayed, allowing less crude oil to be channelled from Canada to the US. We may see the price gap widen for a time if transport problems occur or while maintenance work is carried out at refineries during the spring or autumn. We expect WTI to increase as the year progresses and envisage an average price of \$100 per barrel.

**CHART 4: High unplanned production outages, especially in Libya** in thousand barrels per day



Source: EIA, Commerzbank Corporates & Markets

**CHART 5: Price differential between Brent and WTI should narrow noticeably in 2014**



Source: Bloomberg, Commerzbank Corporates & Markets

**Oil products: diesel crack spread likely to slightly increase its lead**

*Middle distillate stocks tight as winter season gets underway*

Middle distillate stocks are extremely tight as the winter season gets underway, just as they were a year ago. According to the International Energy Agency's comprehensive inventory statistics (which, however, are published with a considerable delay), industrial stocks of middle distillates in the OECD countries in September were 40 million barrels or 7% down on the usual monthly figure from the past five years. The weekly inventory data from the EIA show a further tightening at the current edge: early December, US stocks were 20% below the average figure for the past five years and at the same time found themselves at their lowest November level since records began more than 30 years ago (Chart 25, p.10). Stocks are tight in Western Europe too: according to PJK International, gasoil stocks at the Amsterdam-Rotterdam-Antwerp storage hub were recently 20% down on the average figure for the past five years, putting them at their lowest level since November 2008 (Chart 33, p11).

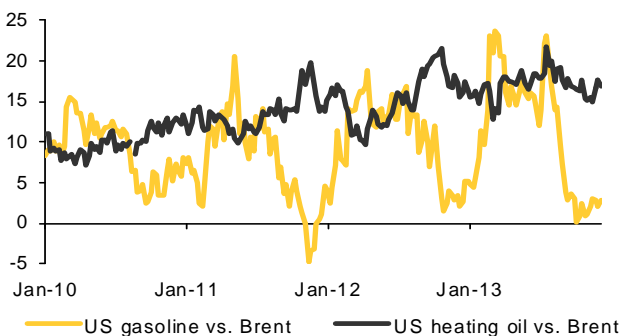
*Diesel crack spread also well-supported in the longer term*

Last winter, however, we did not see the tightness on the distillate market that had been feared, for the winter was fairly mild at first and stocks were replenished at the turn of the year. Accordingly, the gasoil crack spread had already reached its peak in the autumn. Whether we will also see parallels here will depend on the temperatures this winter. If the winter is normal, the tight stocks should drive the price differential between gasoil and crude oil up to \$18 per barrel. If temperatures turn out to be below average, the gap could even widen to a good \$20 per barrel. We also believe the crack spread is well-supported in the longer term, for demand in industrialized countries is increasingly undergoing a structural shift from gasoline to diesel. The rising number of diesel-powered vehicles in Europe, improved fuel efficiency and high rates of biofuel blending have caused gasoline demand in industrialized countries to decline more sharply than diesel demand, which actually looks set to grow both this year and next. The shift in the demand structure is also reflected in general trends towards higher crack spreads on the diesel market (Chart 6). This tendency is likely to continue, especially since diesel demand is also experiencing strong growth in emerging economies. That said, the potential for the crack spread is curbed by sharply rising middle distillate exports from the US (Chart 7); thanks to current refinery location advantages – a high availability of crude oil and low energy costs – these are likely to continue to grow.

*By contrast, situation on the gasoline market is difficult*

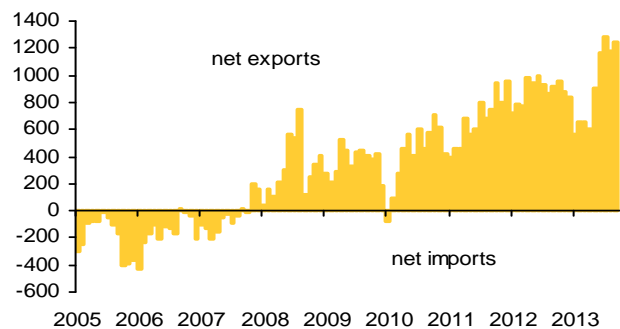
The situation on the gasoline market, on the other hand, remains difficult: the two most important markets, the US and China, are able to meet their gasoline demand with their own domestic production – because of weaker demand in the case of the US and thanks to an expansion of refinery capacities in the case of China. What is more, both countries are net exporters. In the US, the fact that the blend wall for biofuels was reached meant that the gasoline price rose sharply for a time. This problem has been resolved for the time being, however, as the US Environmental Protection Agency (EPA) has announced that the blending requirements will be lowered next year. On the back of increased crude oil processing, the US should be able to further build on its role as a net exporter of gasoline. This is suggested by the spill-over effect of high diesel crack spreads which are likely to ensure that gasoline production also continues unabated. We therefore expect the gasoline crack spread to be lower than the diesel crack spread more or less throughout next year.

**CHART 6: Diesel crack spread on the rise**  
USD per barrel



Source: Bloomberg, Commerzbank Corporates & Markets

**CHART 7: Sharp increase in US middle distillate exports**  
In million barrels per day



Source: EIA, Commerzbank Corporates & Markets

**Price of US natural gas continuing to trend sideways in historically narrow corridor**

*Little fluctuation on low level*

The price on the US gas market has been fluctuating within a comparatively narrow corridor of between a good \$3 and \$4.5 per mmBtu this year. Until recently, when gas prices jumped due to the fall in temperatures, so far we haven't seen any lasting extreme weather conditions like the mild winter last year which can have a significant impact on prices. In any case, the seasonal component has become less significant: this year, the following year's February contract cost only 20 US cents more than the November contract, as compared with 60 cents three years ago. The US Energy Information Administration (EIA) sees three reasons for this: first, higher production in the northeast of the country which is slowing the pace of destocking; second, the increased (seasonally independent) use of gas to produce electricity and the correspondingly reduced role played by gas consumption in the winter months; and third, the higher storage capacities. The calm waters on the market have ultimately been reflected in lower price volatility (Chart 8).

*Meagre demand growth meets with..*

We believe that the US gas price will continue to hover within this range next year. After all, there is no significant impetus to be expected from either the demand or the supply side. Demand is likely to remain at roughly the same level as this year. Admittedly, the economic component will increase in importance: after all, the EIA expects natural-gas-weighted industrial production growth to double to almost 2.5% next year. Nonetheless, demand from private households for heating purposes is likely to remain at the previous year's level assuming normal temperatures, while demand from suppliers should actually decline because coal-fired electricity production has become a more attractively due to the increasing price.

*...limited production growth*

On the supply side, production growth has flattened off noticeably after the boom years, despite gas reserves having been repeatedly revised upwards, and this is unlikely to change much next year either. The low price is the main reason why the shale gas revolution is faltering; this in turn is the result of the limited sales potential of shale gas. In response to reduced revenue prospects, there was a massive decline in gas drilling up to the autumn of 2011 – since the summer, gas drilling has been at its lowest level since the mid-1990s. That said, simultaneous drilling for gas and oil has soared: this accounts for over half of all drilling today and thus explains why gas production remains so high despite the collapse in pure gas drilling (Chart 9).

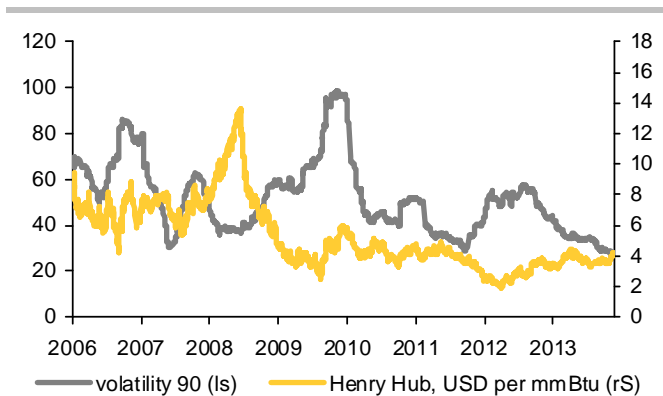
*Hardly any additional sales potential any more*

To a limited extent, there is even new sales potential that could be exploited. Because for example production in the northeast of the country was increased thanks to the Marcellus Formation from 2.1 billion cubic feet in 2008 to 12.3 billion cubic feet per day recently, the region was able to reduce its imports. Following commissioning of a new pipeline, there are even increased exports to Canada. For the US as a whole, this means that net imports in relation to gas consumption have fallen over the past five years from just below 12% to just below 5%.

*As the upswing firms up, the US gas price will settle in the upper part of the trading corridor*

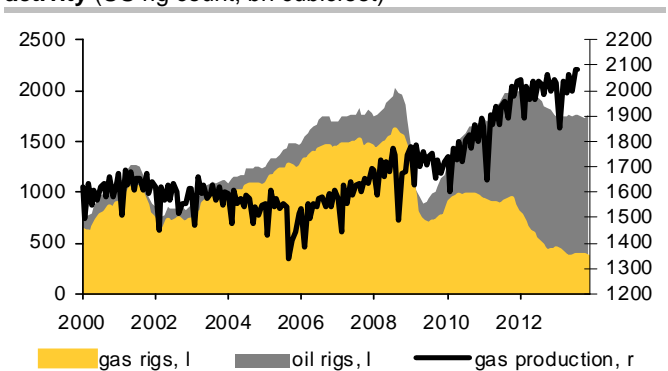
Nonetheless, transport logistics remain a major stumbling block to the sale of gas. New options will become available only at the end of 2015 when the first LNG train of the Sabine Pass terminal goes into operation. Until then, prices are likely to continue to fluctuate within the \$3 to \$4.5 per mmBtu corridor, though the price should tend to settle in the upper part of the corridor as the upswing in the US increasingly firms up.

**CHART 8: Low US gas prices and low volatility**



Source: Bloomberg, Commerzbank Corporates & Markets

**CHART 9: US gas production profiting from high oil drilling activity (US rig count, bn cubicfeet)**



Source: Baker Hughes, EIA; Bloomberg Commerzbank Corporates & Markets



**Coal: in greater demand again, but also in plentiful supply**

*Disappointing first half of 2013*

Coal prices were under severe pressure until mid-year: at just shy of \$75 per ton, the front-month coal futures contract in early July was trading on the ICE at its lowest price for three years on the back of ample supply coupled with weak demand for economic reasons. Prices have been able to recover again somewhat in recent months, however, and have established themselves at over \$80 per ton (Chart 10). Will the recovery continue next year?

*Relative price advantage as economy revives points to strengthening coal demand*

The developments on the demand side are likely to lend continued support to prices. On the Atlantic market, it is above all the still low price level that suggests robust demand. In the US, the proportion of coal-fired power generation, which accounts for 90% of US coal demand, had fallen from almost 45% in 2010 to 37.4% last year due to the previously low gas prices. Its proportion is growing again now, however, and is likely to reach 40% again next year according to the US Energy Information Administration (EIA). Coal-fired electricity production has also become more attractively priced in Europe, thanks additionally to the lower carbon prices, though the effect here has been offset by the advance of renewable energies and a weak economy. Overall, the EU's coal imports in the first half of 2013 were at the same level as last year, though the gradual firming of the upturn should also give fresh impetus here.

*Emerging economies remain drivers of demand*

The most important driver, however, is the growing demand in Asia. Japan, the biggest importer of coal until 2012, relied heavily on gas and oil to replace lost nuclear capacity in the past two years, having only limited capacity in its coal-fired power stations. Particularly the expensive oil-based power generation is likely to be replaced now that three coal-fired power plants have gone (back) into operation. Coal imports can be expected to pick up accordingly. The import pull from China, which has been the world's biggest importer by far since 2012, is also likely to remain high. After the slowdown in economic dynamism in mid-year had also put the brakes on electricity generation, growth rates have been picking up again of late. China plans to focus increasingly on sustainable growth in the future, which is why it has been looking carefully at coal on account of its high environmental impact – the government has for example prohibited the building of new coal-fired power plants in heavily industrialized regions. At the same time, an import duty has been imposed on lignite imported from many countries, making higher-quality thermal coal more attractive. What is more, the low stocks in the ports point in the short term to higher imports. The economy in India is also expected to continue its recovery, meaning that coal imports will doubtless rise, additionally boosted by a strengthening currency.

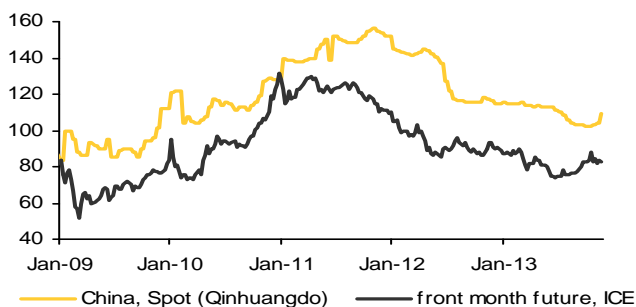
*Supply keeps pace*

The impact of increased demand on the price should be limited, however, as supply looks set to be plentiful – at least in the short term. Indonesia and Australia, the world's biggest exporters of coal, will probably further step up their exports next year. Columbia, an important supplier for the Atlantic market, is also likely to increase its coal exports after this year saw lengthy interruptions to shipments as a result of strikes. Only US exports are likely to fall, for the recovering demand from electricity producers is likely to meet with stagnating production, not least as a result of the low prices.

*Limited price potential*

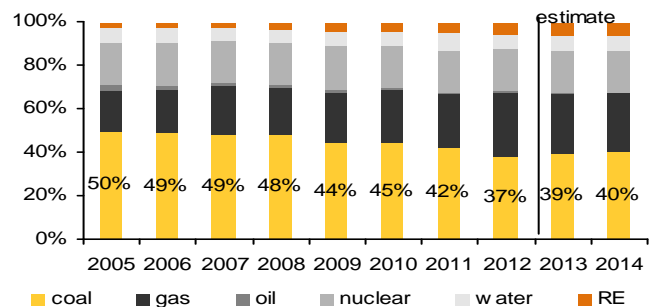
All in all, the worst should be behind us now given that demand is reviving – that said, the potential for any price recovery is limited. The coal price is only likely to rise to \$90 per ton again in the second half of the year.

**CHART 10: Hesitant recovery of coal prices from 3-year low USD per ton**



Source: ICE, Bloomberg, Commerzbank Corporates & Markets

**CHART 11: US electricity producers resorting more to coal again (power generation by energy source, EIA forecast)**



Source: EIA (STEO), Commerzbank Corporates & Markets

**EUA: Back-loading likely to boost further price recovery in emissions trading**

*Slight price recovery following massive collapse in first half of the year*

“There’s life in the old dog yet” is a popular saying which rather aptly describes the developments in EU emissions trading this year. Up until the spring, the price of a ton of carbon emissions had been under massive pressure. After all, for a while it looked as if the European Commission’s proposal to initially withhold 900 million allowances from the auctions and then to return them to the market at the end of the third trading period – a process known as back-loading – would not make it through the European Parliament. The prospect of another high supply surplus on the market in the foreseeable future sent the carbon price into a tailspin, causing it to plunge to a record low of €2.75 per ton in early April (Chart 12). The proposal was then passed second time around by the European Parliament in the summer, and the price climbed to €5.80 within five months, before falling slightly again recently.

*Backloading: now it’s just a question of how*

Meanwhile, back-loading is regarded as a (more or less) done deal. In a first step in early November, the Council approved an amendment to the ETS Directive, which now permits a one-off adjustment to the timetable for auctions to be made by the Commission. The European Parliament has just approved the law, this should be followed by the in the environment council next week. Specifically, the Commission is now distinguishing between two options when it comes to implementing the back-loading proposal: first, withholding the 900 million emissions allowances in the years 2014/2015, and second, a variant that would continue until 2016 – though both variants would involve 300 million emissions allowances being reissued in 2019 and 600 million in 2020. Which variant is chosen also depends on how quickly the plan can be implemented. The Commission points out that any actual implementation could be delayed until the second half of the year – in which case the second variant would offer greater flexibility.

*Structural reforms still needed*

Although back-loading makes an important contribution to reviving emissions trading, it is not sufficient on its own, for it merely postpones the problem of the high surpluses. This is why the focus is likely to shift gradually to the discussion of the Commission’s proposals for long-term structural reforms. The results of the consultation process will be presented at the beginning of next year, though this could be delayed by the European elections and subsequent nomination/confirmation of European Commissioners.

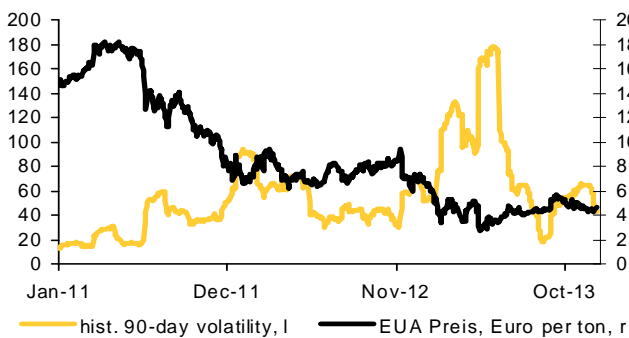
*Support in the form of fundamental factors*

Although the price trend will continue to be dictated primarily by Brussels, the underlying fundamental factors should not be entirely ignored. They quite clearly suggest a price recovery: for one thing, it looks like the upturn in the eurozone will gradually become more established. For five months now, the Purchasing Managers’ Index for the eurozone has been in territory that is indicative of expansion. For another thing, coal-fired power generation has become considerably more attractively priced, not least as a result of the price slide in emissions trading.

*No price recovery until spring*

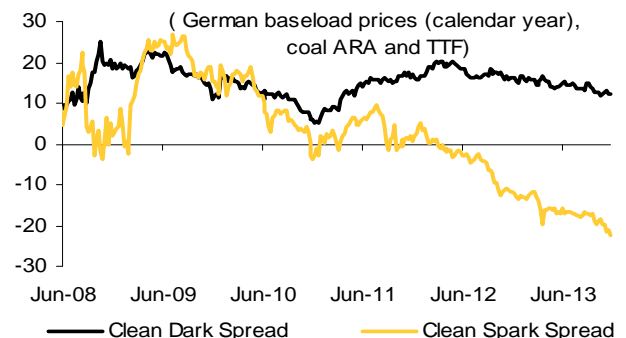
All in all, carbon prices are initially likely to trend sideways because the second sales phase of the New Entrants Reserve (NER 300) means that a total of 100 million additional emissions allowances will be on offer over the space of several months, right through until spring. In the medium term, however, the tightening of the supply of emissions allowances caused by back-loading should certainly have an impact. We see the carbon price at €6.5 per ton by the end of next year.

**CHART 12: Slight price recovery following steep nosedive in EU ETS (Euro per ton)**



Source: ICE, Bloomberg, Commerzbank Corporates & Markets

**CHART 13: Coal-based electricity production more attractive (Euro per Mwh)**



Source: Bloomberg, Commerzbank Corporates & Markets

## At a glance

**TABLE 1: Our Forecasts**

	09-Dec	Forecasts								Yearly Average		
		1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	2013	2014	2015
Brent Blend (\$/bbl)	109.4	108	105	105	107	107	109	111	113	109	106	110
WTI (\$/bbl)	97.3	97	99	100	102	102	106	108	108	98	100	106
Diesel (\$/t)	952	960	920	910	960	970	960	970	1010	939	940	980
Gasoline (95 ARA) (\$/t)	964	940	950	970	940	940	980	1020	980	987	950	980
Jet Fuel (\$/t)	1017	1000	970	960	1000	1010	1010	1020	1050	987	980	1020
Natural Gas HH (\$/mmBtu)	4.23	4.0	3.5	4.0	4.5	4.0	4.0	4.5	5.0	3.7	4.0	4.5
Coal (API #2) (\$/t)	81.8	85	85	90	90	90	95	95	100	82	88	95
EUA (€/ton)	4.9	5.0	5.5	6.0	6.5	6.5	6.5	7.0	7.0	4.5	6.0	6.8

Source: Commerzbank Corporates & Markets, Bloomberg

**TABLE 2: Inventories and imports**

		Net change			% change		Comment
		1 month	1 year	vs. 5 -year-Ø	year	vs. 5 -year-Ø	
<b>US inventories (mm barrels)</b>							
Crude oil	385.8	2.0	14.1	43.9	3.8	12.8	US crude oil inventories at a very high level
of which: Cushing	40.6	5.1	-5.0	6.6	-11.0	19.4	
Gasoline	212.4	-1.4	0.3	-1.5	0.2	-0.7	Extraordinary low US distillate inventories at the beginning of the heating period
Distillates	113.5	-9.2	-1.5	-30.2	-1.3	-21.0	
Natural gas (bn cubic feet)	3614	-165	-190	-16	-5.0	-2.8	
<b>ARA inventories ('000 tons)</b>							
Gas oil	1673	-319	-125	-635	-7.0	-27.5	Gasoil stocks in Western Europe well below the seasonal usual level
Gasoline	641	51	67	-18	11.7	-2.7	
<b>Imports and production (mm bpd)</b>							
US imports	7.8	0.4	-0.4	-0.7	-5.1	-8.4	US oil production exceeds US oil imports for the first time in 18 years
US production	8.0	0.2	1.2	2.2	17.5	38.1	
Imports China	5.6	0.6	0.0	1.0	0.8	20.9	Chinese imports recover
<b>Refinery activity (mm bpd)</b>							
Processing USA	16.1	1.1	0.7	1.3	4.4	9.0	Strong increase in US crude oil processing
Processing China	9.5	-0.5	-0.3	1.1	-3.5	13.6	

Source: Commerzbank Corporates & Markets, Bloomberg, US Energy Information Administration

**TABLE 3: Historic prices of energy commodities**

Energy	Latest	% change				1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13
		1 Week	1 Month	ytd	year ago								
Brent Blend (\$/bbl)	109.4	-2.3	4.7	-0.9	2.5	118	109	109	110	113	103	110	109
WTI (\$/bbl)	97.3	2.7	4.2	7.4	15.2	103	93	92	88	94	94	106	96
Diesel (\$/t)	952	-0.3	5.0	0.4	2.5	1010	943	979	984	974	889	949	944
Gasoline (95 ARA) (\$/t)	964	1.5	7.5	0.6	1.9	1053	1034	1061	983	1029	963	1010	946
Jet Fuel (\$/t)	1017	-0.1	5.7	0.8	2.3	1062	995	1027	1025	1038	931	992	989
Natural Gas HH (\$/mmBtu)	4.23	6.8	19.4	26.8	22.8	2.5	2.3	2.9	3.5	3.5	4.0	3.6	3.7
Coal (API #2) (\$/t)	81.8	0.0	-2.1	-8.6	-9.1	101	91	91	89	86	80	77	84
EUA (€t)	4.9	7.1	6.9	-28.0	-34.7	7.9	7.0	7.7	7.6	4.8	3.9	4.6	4.7

Source: Commerzbank Corporates & Markets, Bloomberg

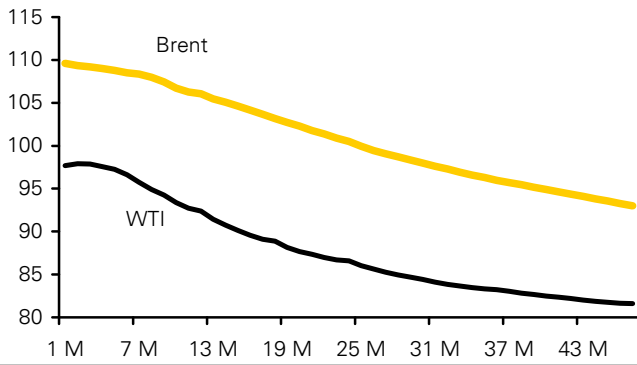
**TABLE 4: Upcoming events**

11 / 18 / 26 Dec	USA	US EIA oil inventory data
12 / 18 / 27 Dec	USA	US EIA gas inventory data
10 Dec / 16. Jan	INT	OPEC oil market report
10 Dec / 7 Jan	USA	EIA Short term energy outlook
11 Dec / 21 Jan	INT	IEA oil market report
11 June 2014	INT	OPEC meeting in Vienna, Austria

Source: EIA, IEA, OPEC, Bloomberg, Commerzbank Corporates & Markets, Bloomberg

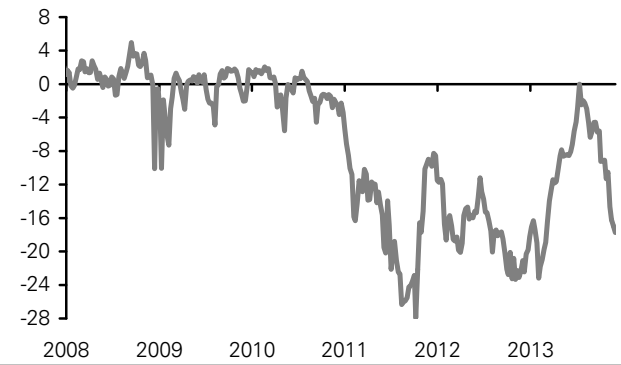


**CHART 14: Crude Oil - Forward Curves in US\$ per barrel**



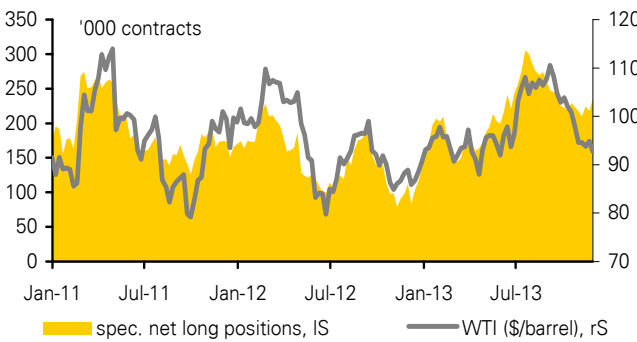
Source: Bloomberg, Commerzbank Corporates & Markets

**CHART 15: Price spread WTI and Brent Blend in US\$/bbl**



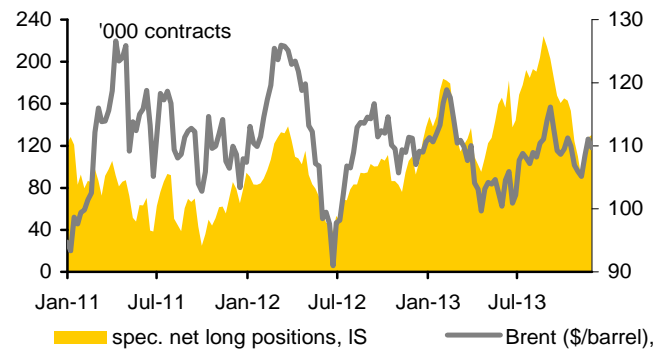
Source: Commerzbank Corporates & Markets

**CHART 16: WTI: managed money net-long positions**



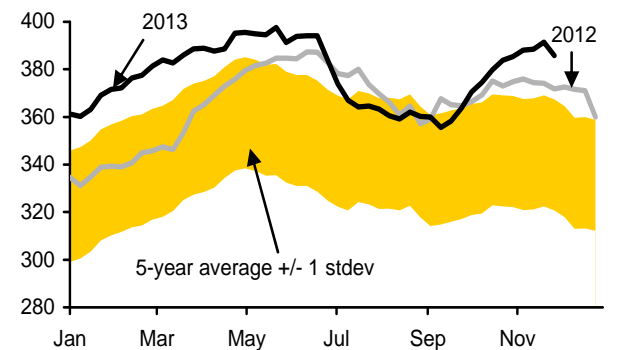
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

**CHART 17: Brent: managed money net-long positions**



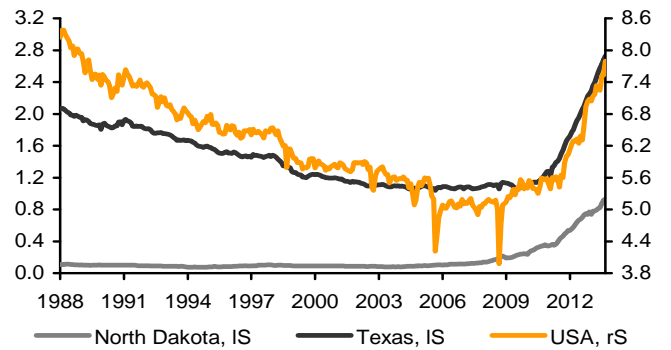
Source: ICE, Bloomberg, Commerzbank Corporates & Markets

**CHART 18: Crude oil: US inventories in mm barrel**



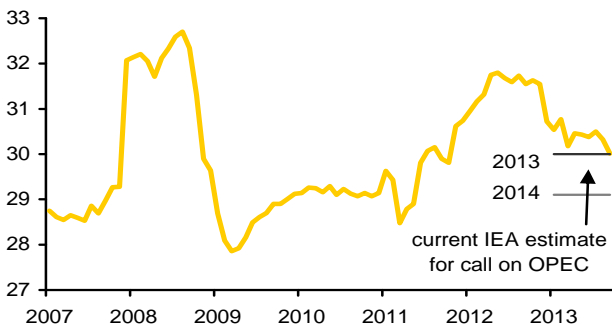
Source: EIA, Bloomberg, Commerzbank Corporates & Markets

**CHART 19: US oil production in mm bpd**



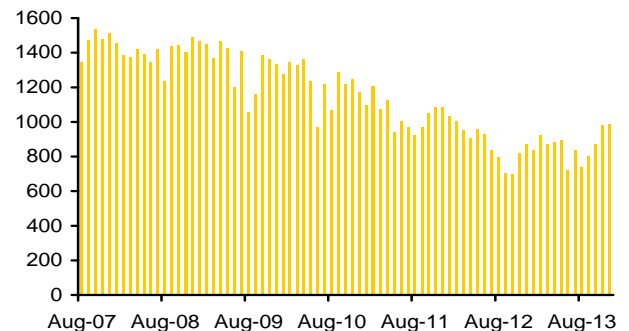
Source: EIA, Bloomberg, Commerzbank Corporates & Markets

**CHART 20: OPEC oil production in mm bpd**



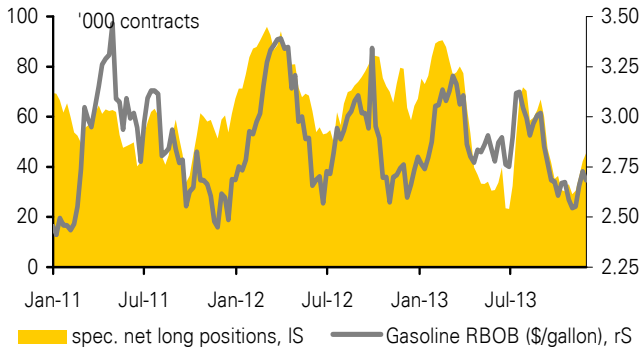
Source: Reuters, Bloomberg, IEA, Commerzbank Corporates & Markets

**CHART 21: Monthly loadings of North Sea crude oil (Brent, Forties, Oseberg and Ekofisk) in '000 bpd**



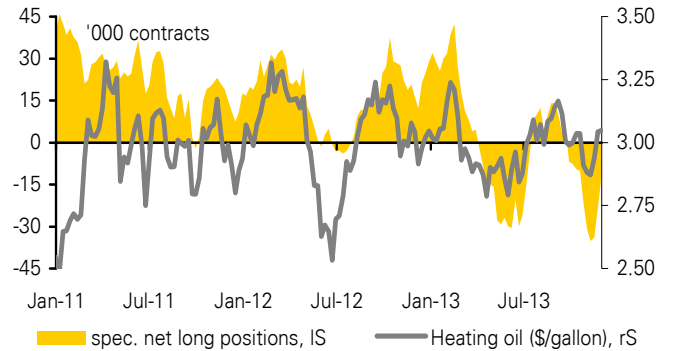
Source: Bloomberg, Commerzbank Corporates & Markets

**CHART 22: Gasoline: managed money net-long positions**



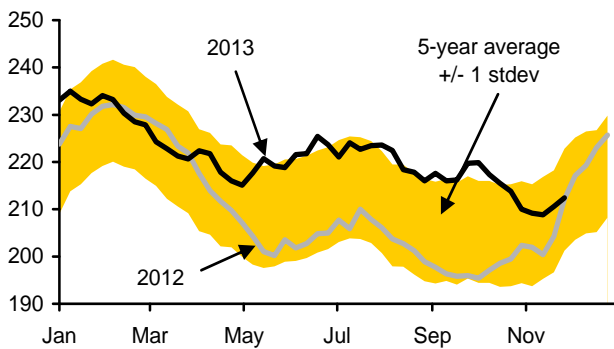
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

**CHART 23: Heating oil: non-commercials' net-long positions**



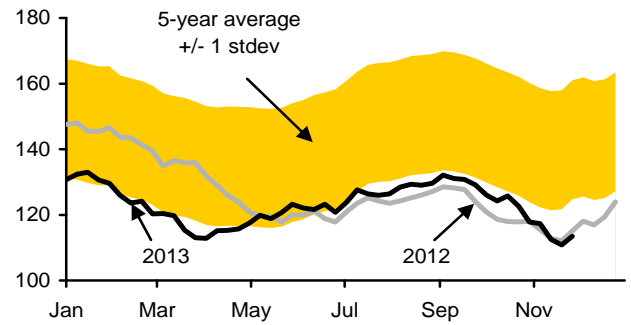
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

**CHART 24: Gasoline: US inventories in mm barrel**



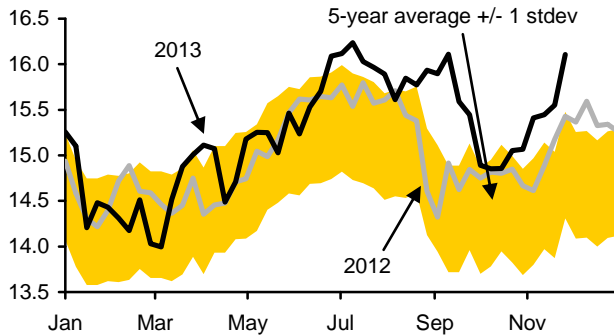
Source: EIA, Bloomberg, Commerzbank Corporates & Markets

**CHART 25: Distillates: US inventories in mm barrel**



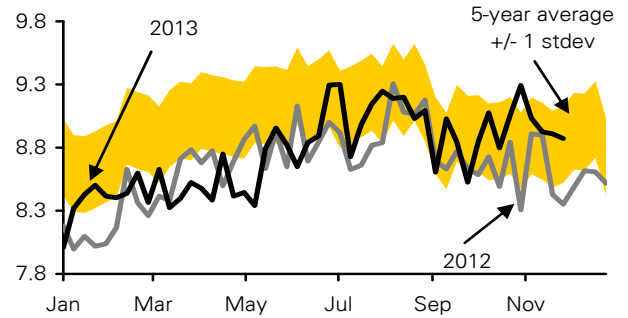
Source: EIA, Bloomberg, Commerzbank Corporates & Markets

**CHART 26: US crude oil processing in mm bpd**



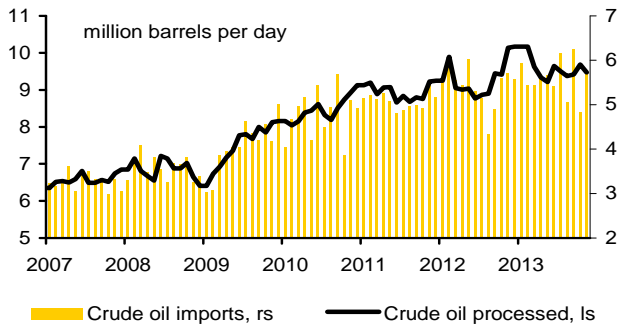
Source: EIA, Bloomberg, Commerzbank Corporates & Markets

**CHART 27: US gasoline demand in mm bpd**



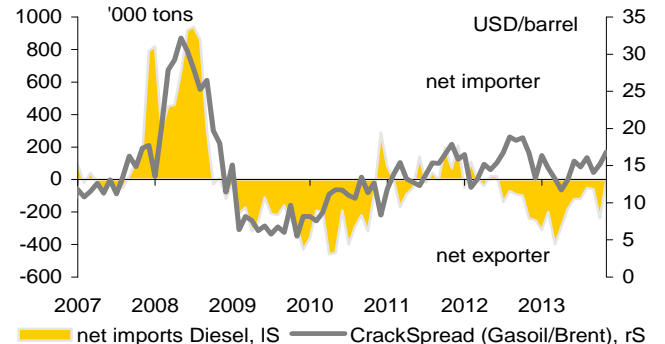
Source: EIA, Bloomberg, Commerzbank Corporates & Markets

**CHART 28: China: crude oil processed and imports**



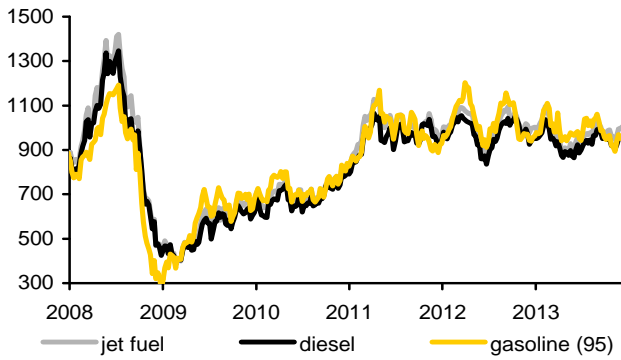
Source: China NBS, Chinese Customs, Commerzbank Corporates & Markets

**CHART 29: China: Diesel imports and gasoil crackspread**



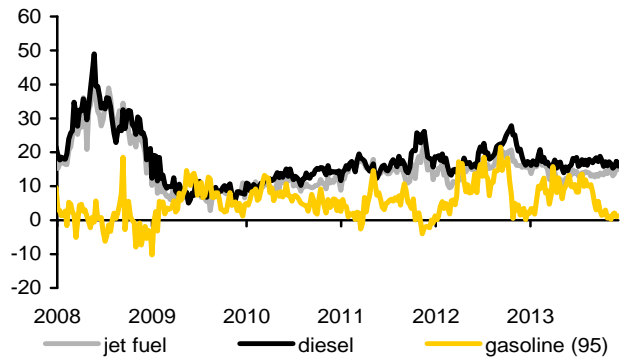
Source: Chinese Customs, Commerzbank Corporates & Markets

**CHART 30: Prices of oil products in US\$ per ton**



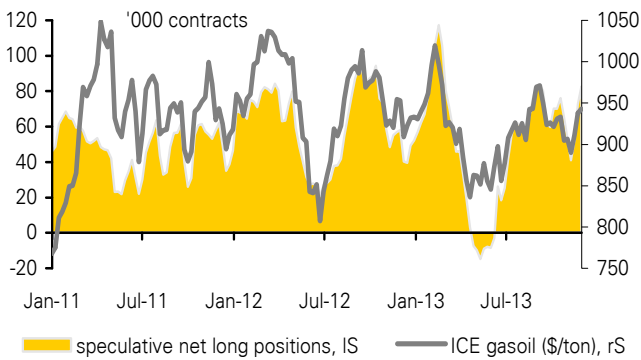
Source: Commerzbank Corporates & Markets

**CHART 31: Price spread products to Brent in \$ per barrel**



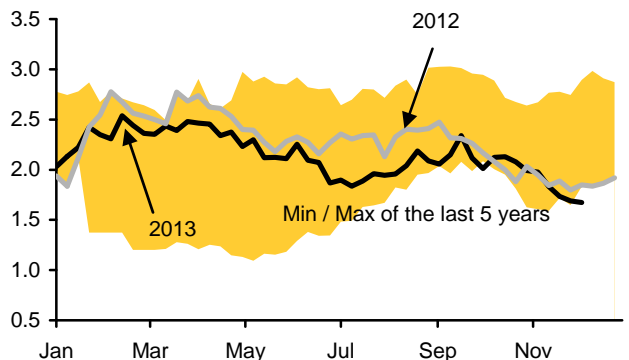
Source: Bloomberg, Commerzbank Corporates & Markets

**CHART 32: Gasoil: managed money net-long positions**



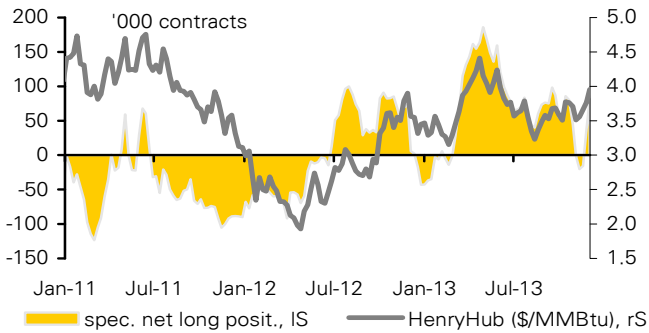
Source: ICE, Bloomberg, Commerzbank Corporates & Markets

**CHART 33: ARA Gasoil inventories in million tons**



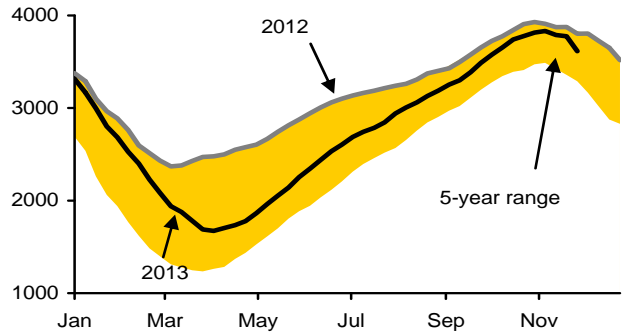
Source: PJK International, Bloomberg, Commerzbank Corporates & Markets

**CHART 34: Nat. gas: non-commercials net-long positions (Futures and swaps)**



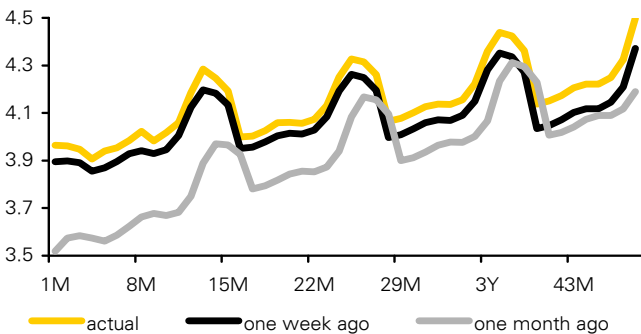
Source: CFTC, Bloomberg, Commerzbank Corporates & Markets

**CHART 35: Natural gas: US storage in bn cubic feet**



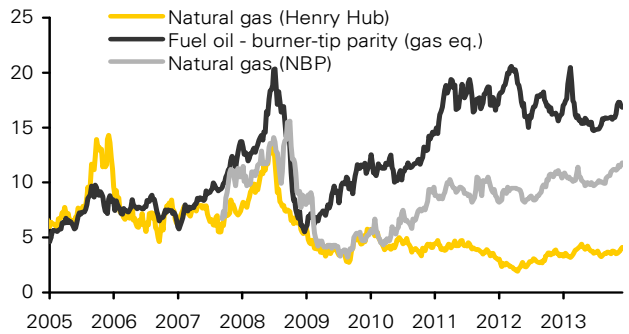
Source: EIA, Bloomberg, Commerzbank Corporates & Markets

**CHART 36: Natural gas – forward curve (Henry Hub) in USD per mmBtu**



Source: Bloomberg, Commerzbank Corporates & Markets

**CHART 37: Burner-tip parity (natgas vs. fuel oil no.6) in USD per mmBtu**



Source: Bloomberg, Commerzbank Corporates & Markets

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