

**Super-Spiked**  
*a messy energy  
transition era arrives*



## 2023 Big Qs, part 2: Free money bubble stocks, EV hockey sticks, and oil demand



# Five Big Questions at The Start of 2023

● If oil price falls in 2023, is structural ROCE upcycle over?

● Diversified or pure-play E&P business model when dividends preferred over growth?

● How do you add duration and diversity without upsetting investors?

● What does \$TSLA's valuation correction mean for EV growth projections?

● Does the ongoing retreat of Euro financials from traditional energy matter?



# Disclaimer About This Video



This video is about oil demand expectations, not \$TSLA



I have been a super happy Model S/3 owner for 7 years!



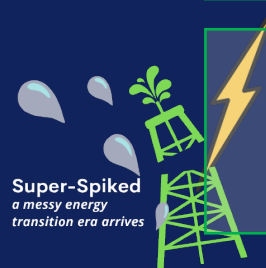
I expect EV sales to grow over next 5, 10, and 20 years...



...it's EV hockey stick hyper growth I am questioning



Growing recognition that peak oil demand is not imminent will drive XLE terminal value expansion



# I Love My Tesla



Source: Super-Spiked selfie.



# Bubble Stock Cycle

(1) Fundamental growth

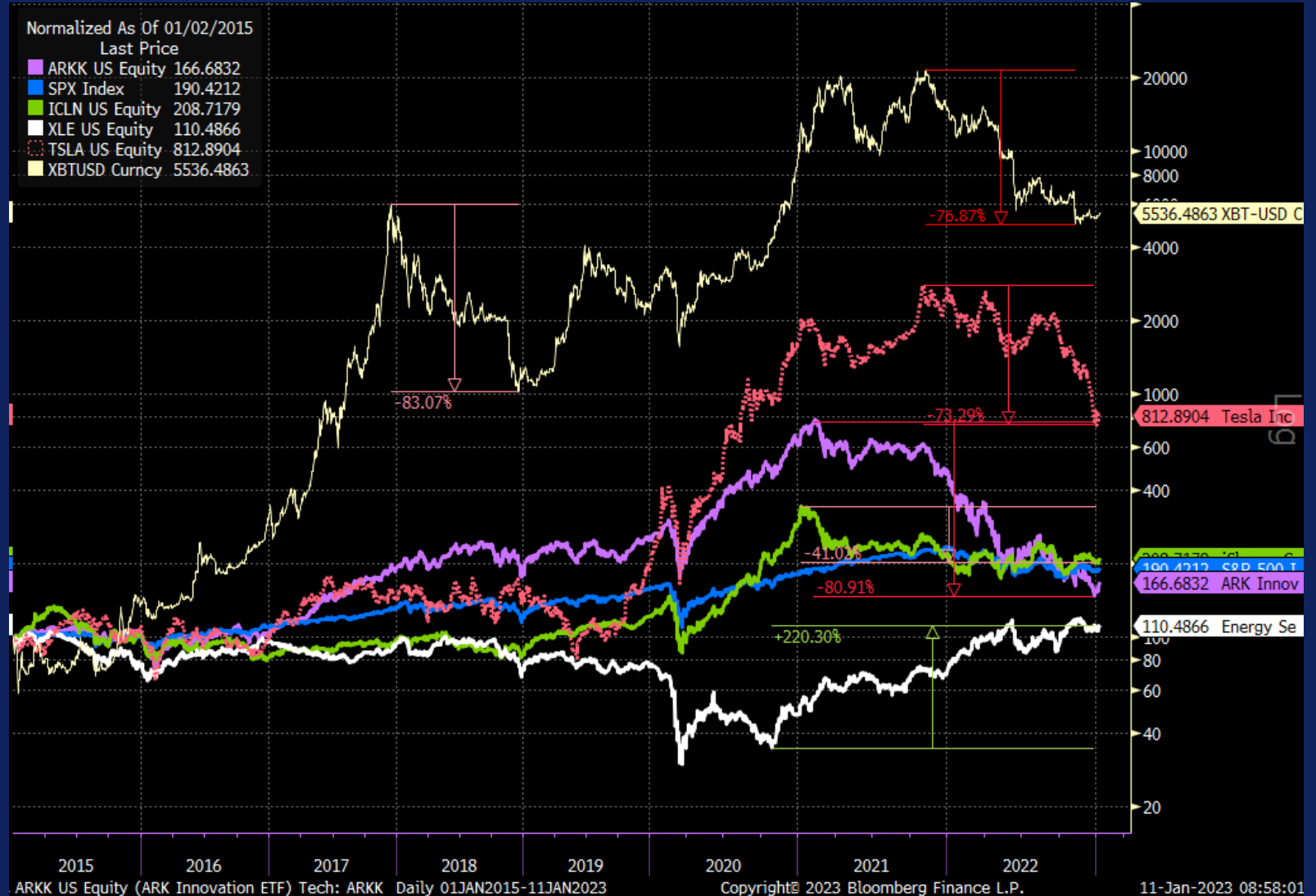
(2) Free money

(3) Climate ideology

(1) Energy pragmatism

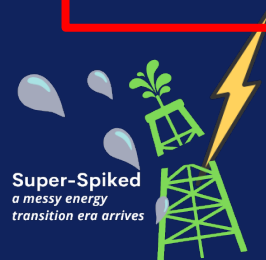
(2) End of free \$

(3) Deceleration



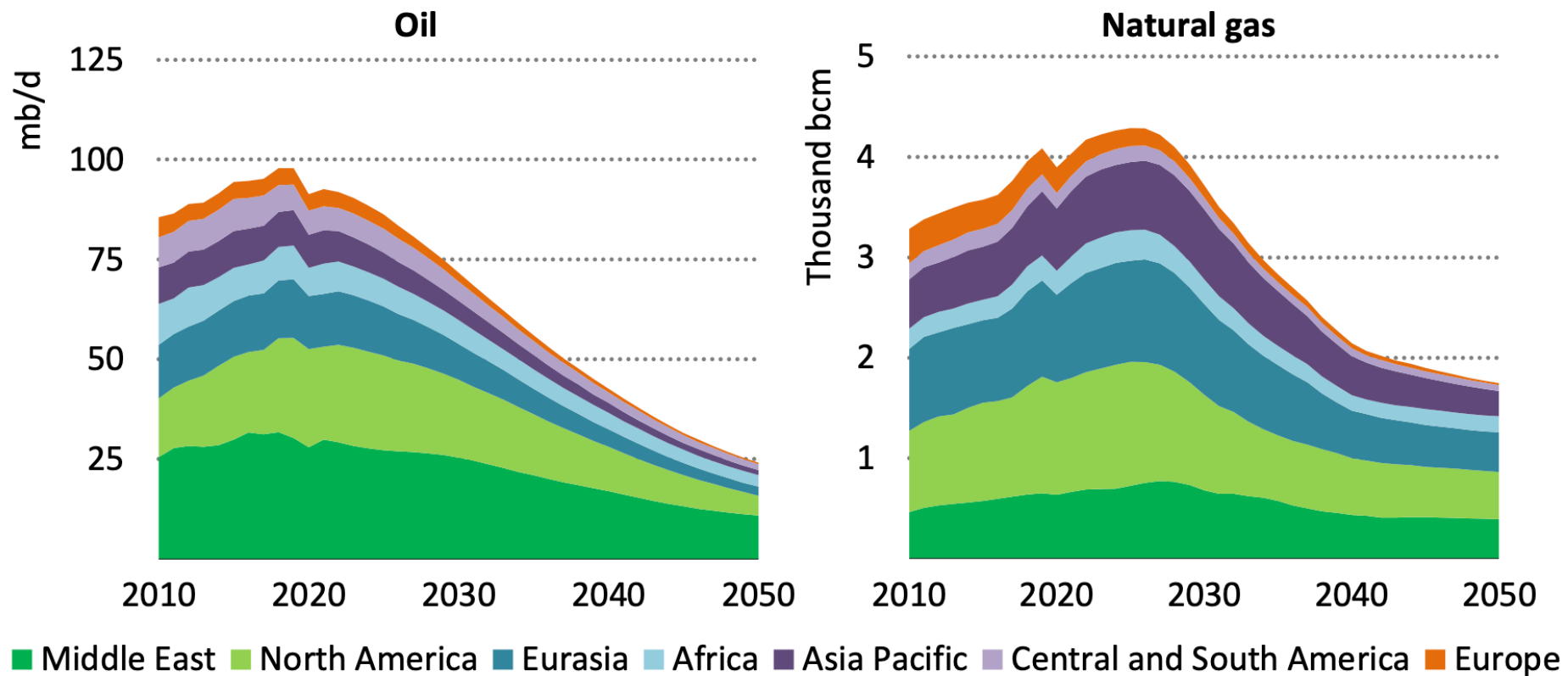
Source: Bloomberg.

arjunmurti.substack.com



# IEA Net Zero: Goodbye oil demand?

**Figure 3.3** ▶ Oil and natural gas production in the NZE



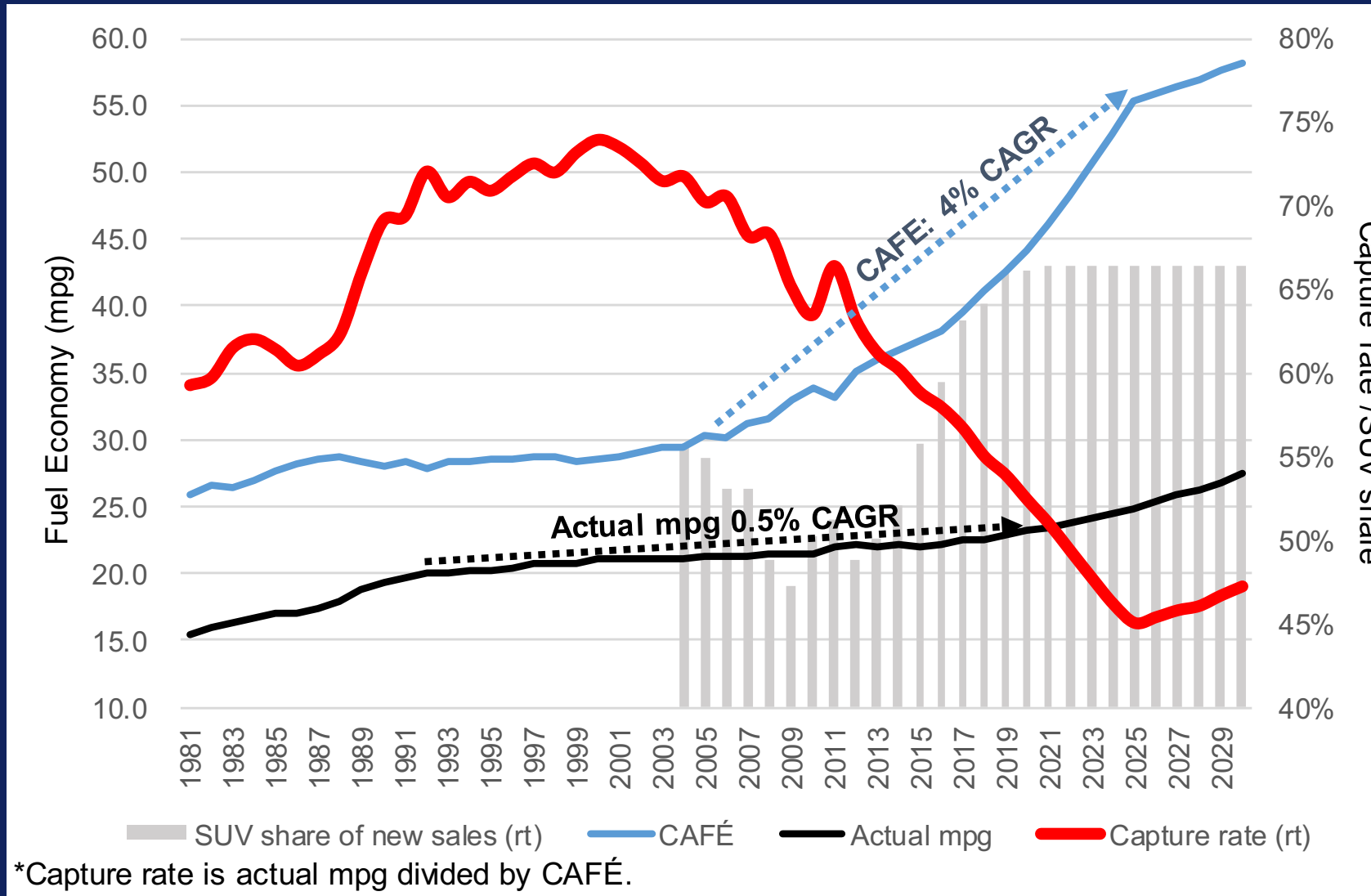
IEA. All rights reserved.

**No new oil and natural gas fields are required beyond those already approved for development. Supply is increasingly concentrated in a few major producing countries**

Source: IEA.



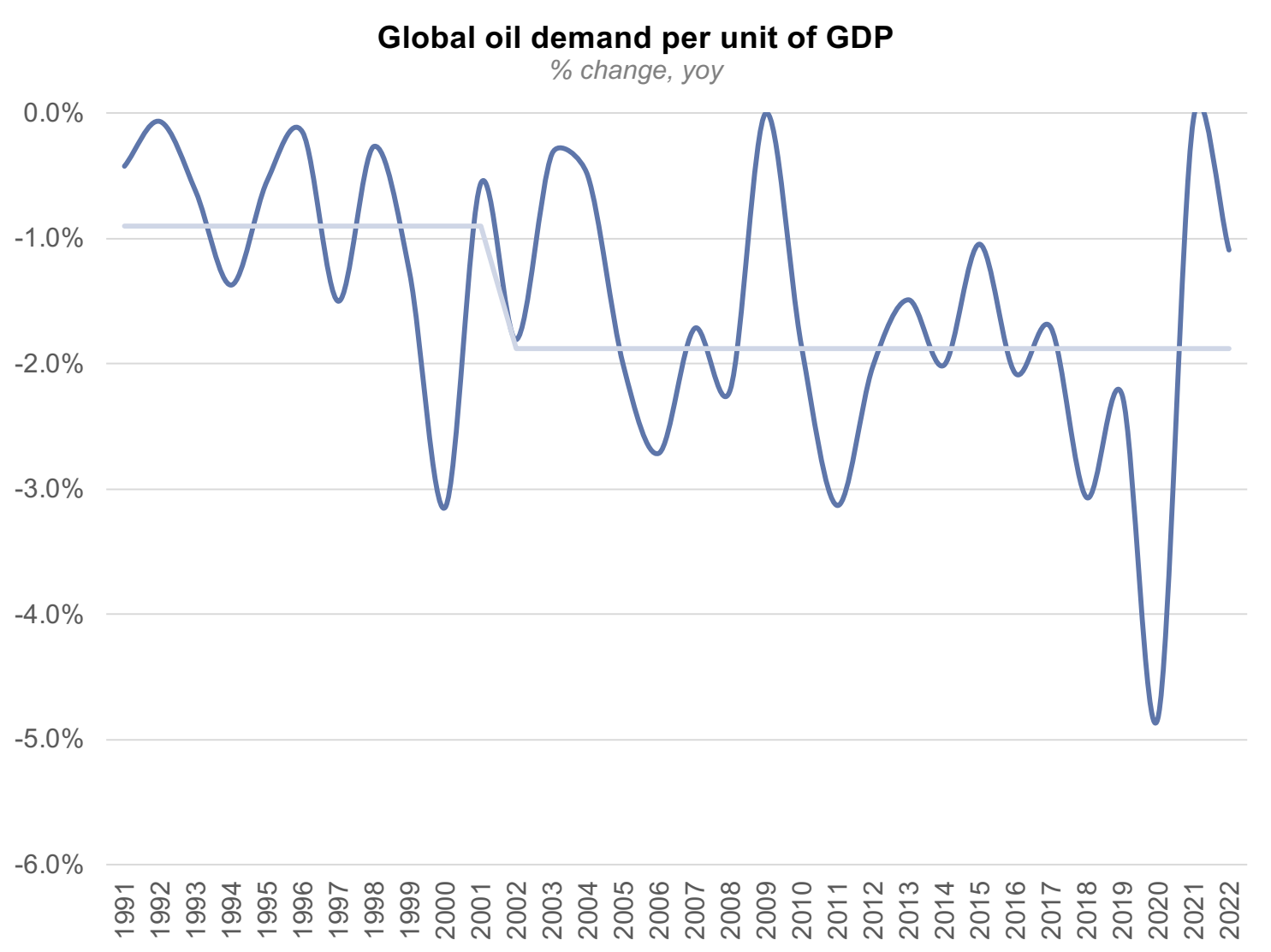
# Fuel Economy Has Badly Missed Targets



Source: EIA, Goldman Sachs Research, Super-Spiked.



# No Evidence of Step Change in Efficiency

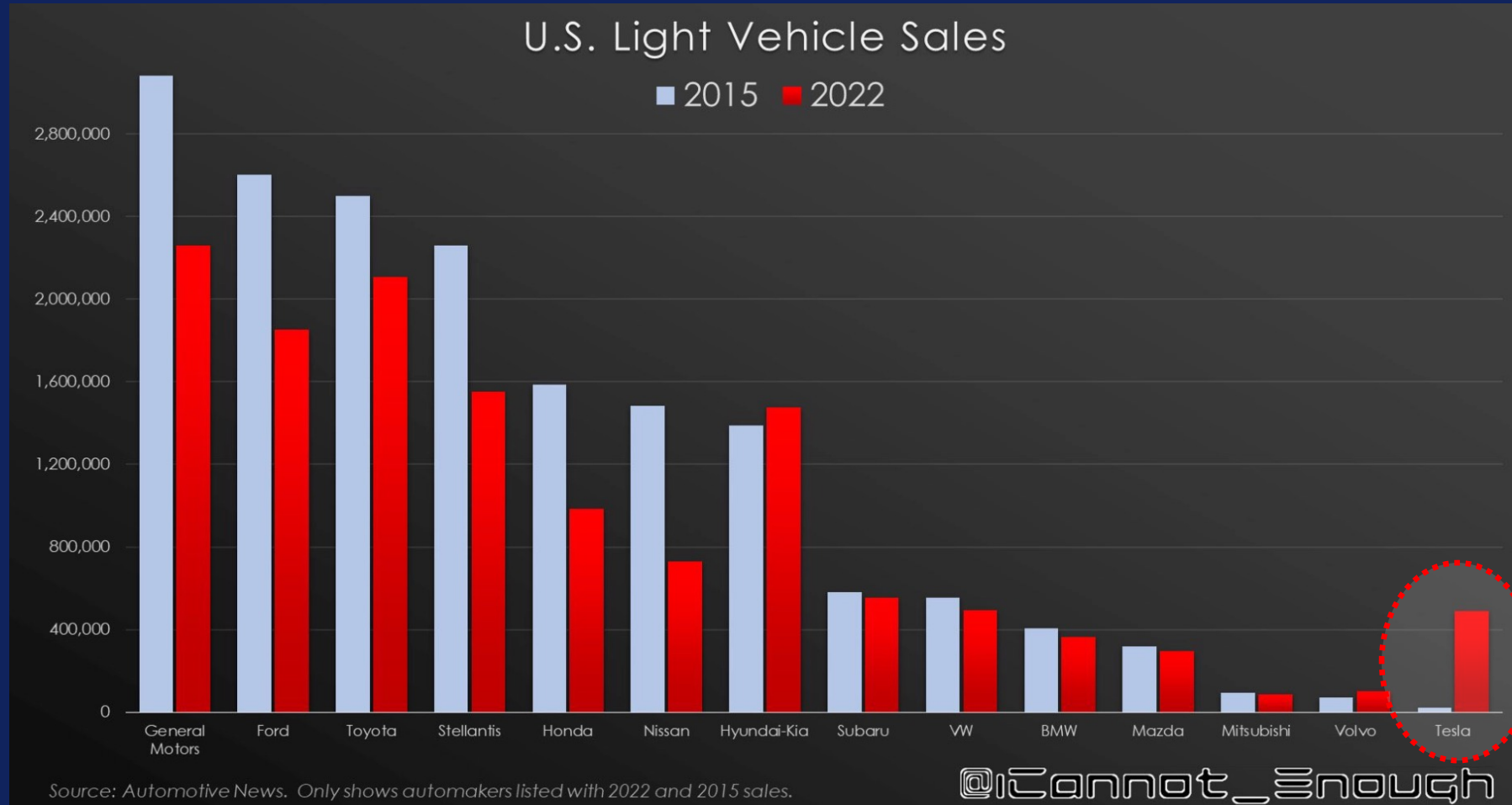


Source: IEA, Goldman Sachs Research, Super-Spiked.





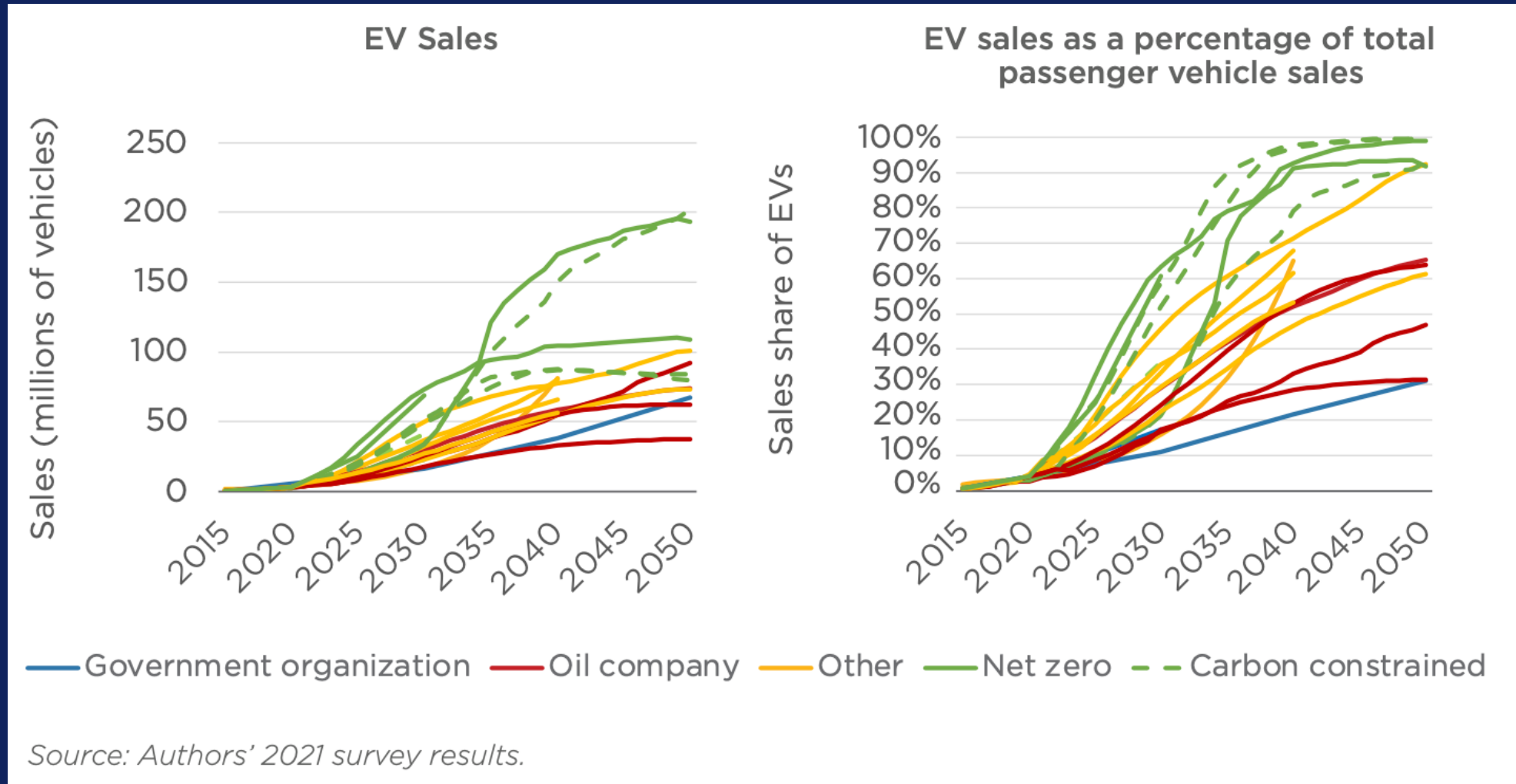
# Tesla US sales growth, crushing all others



Source: Twitter (@ICannot\_Enough).



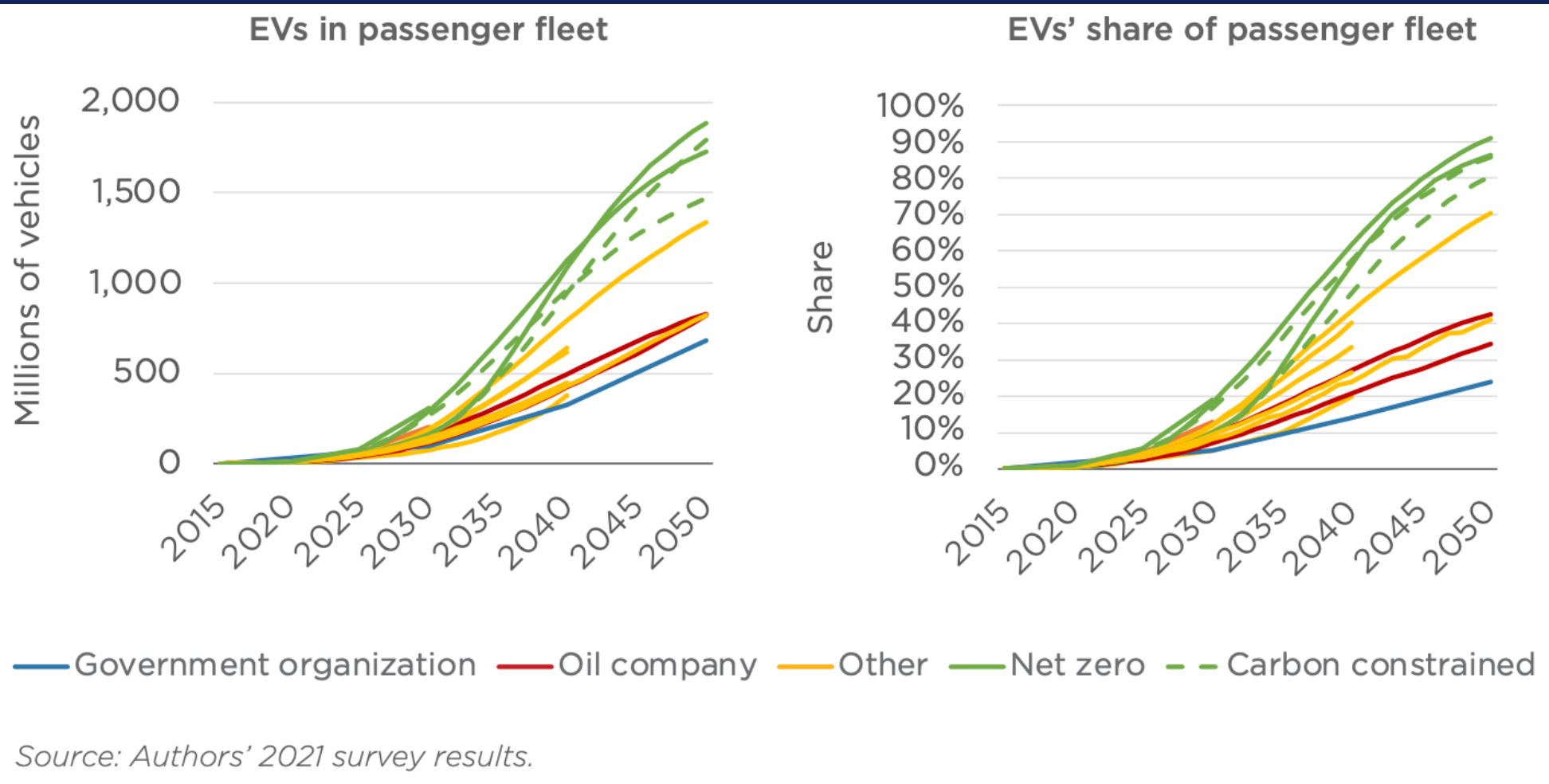
# EV Hockey Stick Forecasts: Sales



Source: Center on Global Energy Policy.



# EV Hockey Stick Forecasts: Fleet



Source: Center on Global Energy Polic.



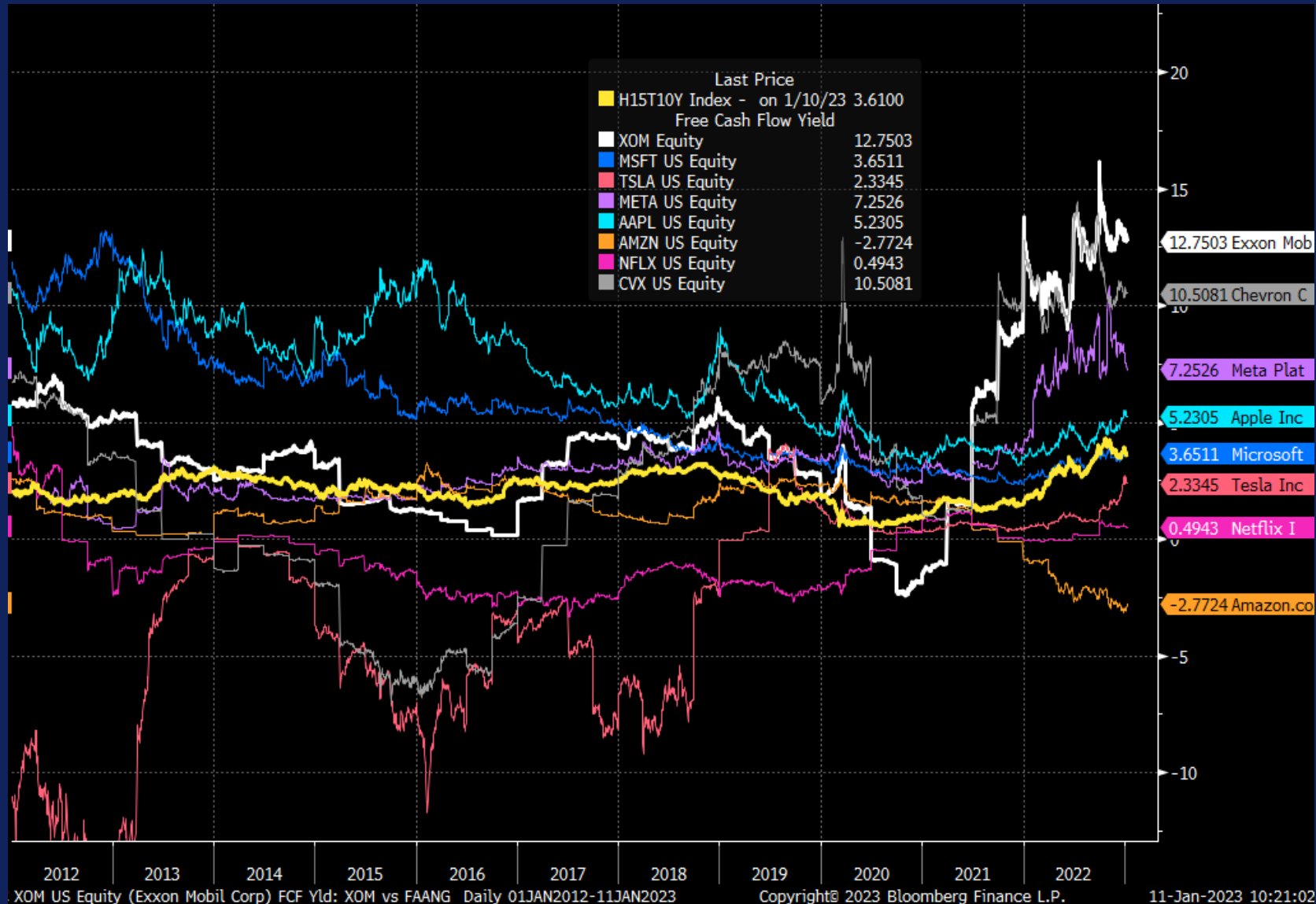
# \$TSLA Valuation Envy

	Name	Ticker	Mkt Cap (USD)	EV/BE Sales Curr Yr	BEst P/E:1FY	EV/BE EBITDA Curr Yr	T12M FCF Yld
	Median		52.72B	0.35	6.57	3.03	17.35
	Average		90.97B	0.88	14.00	5.88	17.11
101)	TESLA INC	TSLA US	375.30B	4.40	29.17	18.87	2.38
102)	GENERAL MOTORS CO	GM US	52.72B	0.35	5.17	3.03	15.36
103)	FORD MOTOR CO	F US	51.62B	0.27	6.57	2.72	5.10
104)	NISSAN MOTOR CO LTD	7201 JP	13.70B	0.12	8.55	1.82	41.09
105)	TOYOTA MOTOR CORP	7203 JP	226.15B	1.41	9.56	12.37	1.06
106)	RENAULT SA	RNO FP	11.77B	0.14	9.00	1.05	19.04
107)	HYUNDAI MOTOR CO	005380 KS	28.09B	0.93	5.14	9.19	15.71
108)	TATA MOTORS LTD	TTMT IN	18.38B	0.77	66.65	7.82	--
109)	BAYERISCHE MOTOREN WERKE AG	BMW GR	64.53B	0.71	3.86	4.56	21.15
110)	MERCEDES-BENZ GROUP AG	MBG GR	78.57B	0.32	5.38	1.73	18.99
111)	VOLKSWAGEN AG	VOW GR	79.88B	0.25	4.94	1.46	31.20

Source: Bloomberg.



# Majors FCF vs Market



Source: Bloomberg.



# ⚡ On A Personal Note...

\$TSLA vs \$TSLAQ on Twitter 

**\$TSLA Fan boys (and girls):**

@garyblack00

@CathieDWood

**\$TSLAQ:**

Motorhead@BradMunch

@GordonJohnson19



# Disclaimer

I certify that these are my personal, strongly held views at the time of this presentation. My views are my own and not attributable to any affiliation, past or present. This is not an investment presentation and there is no financial advice explicitly or implicitly provided here. My views can and will change in the future as warranted by updated analyses and developments.



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