

# Super-Spiked

with Arjun Murti

*a messy energy  
transition era arrives*

presented by



# Trading Noise and Super Cycles

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# Navigating The Energy Crisis Era

# Trading Noise vs Super-Cycles

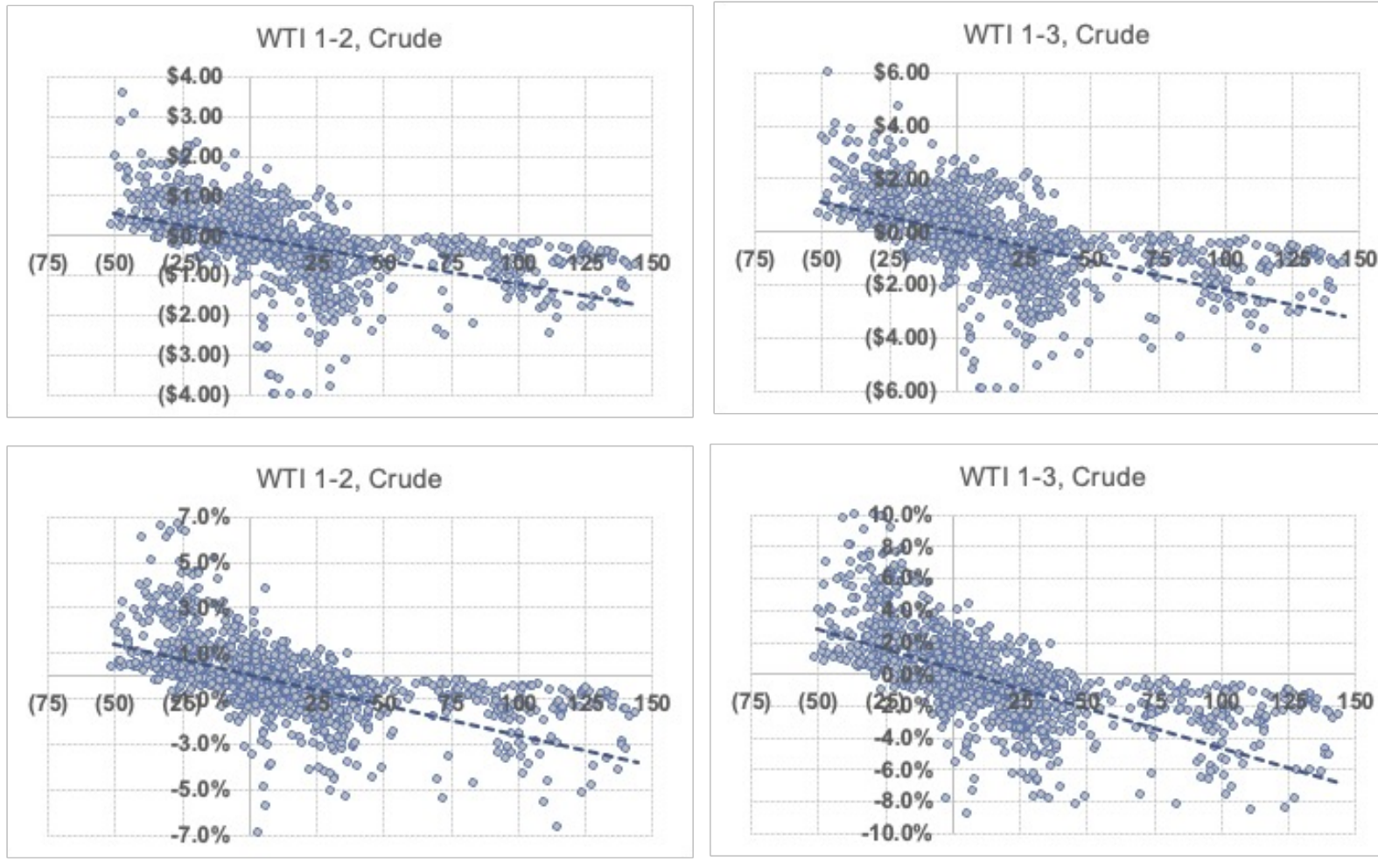
- Inventories drive front-end of oil curve
- Basin maturity, GDP strength drive back-end oil
- Current environment: Grind-it-out
- Goldilocks for ROCE sustainability?



# Inventories Drive Front-End Oil

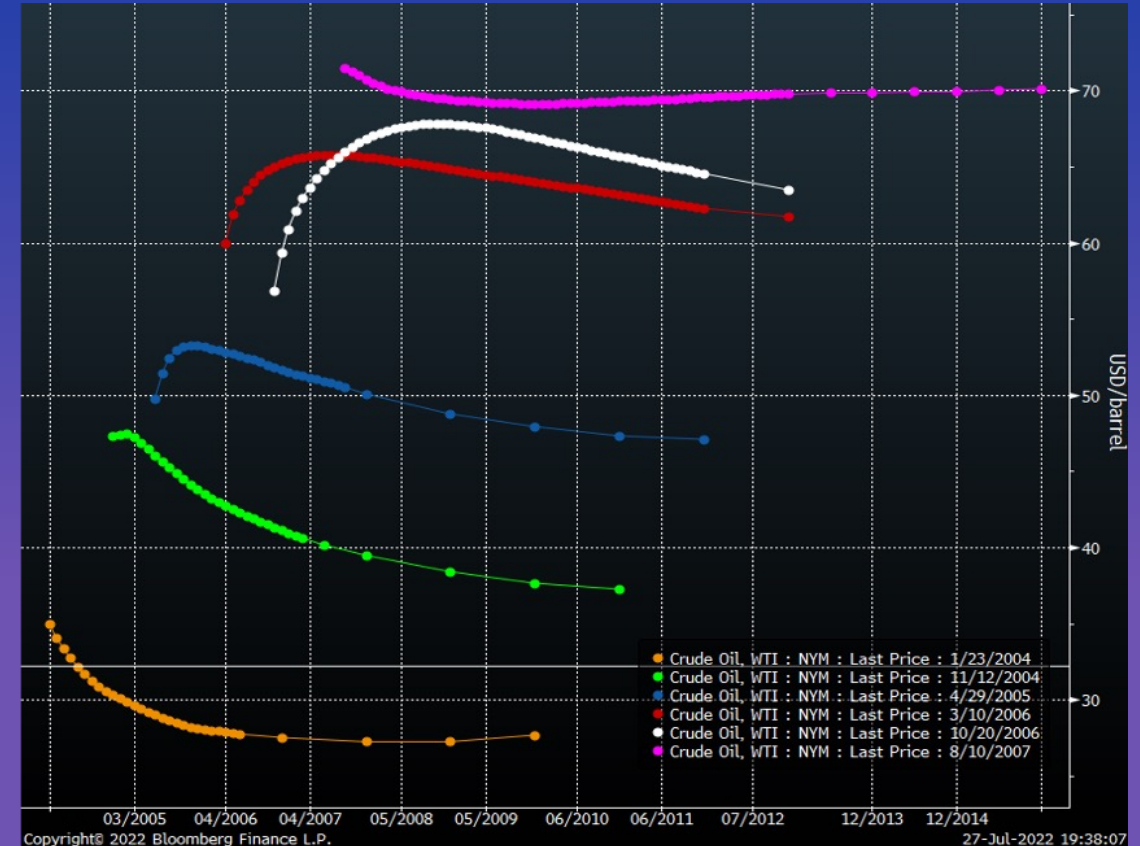
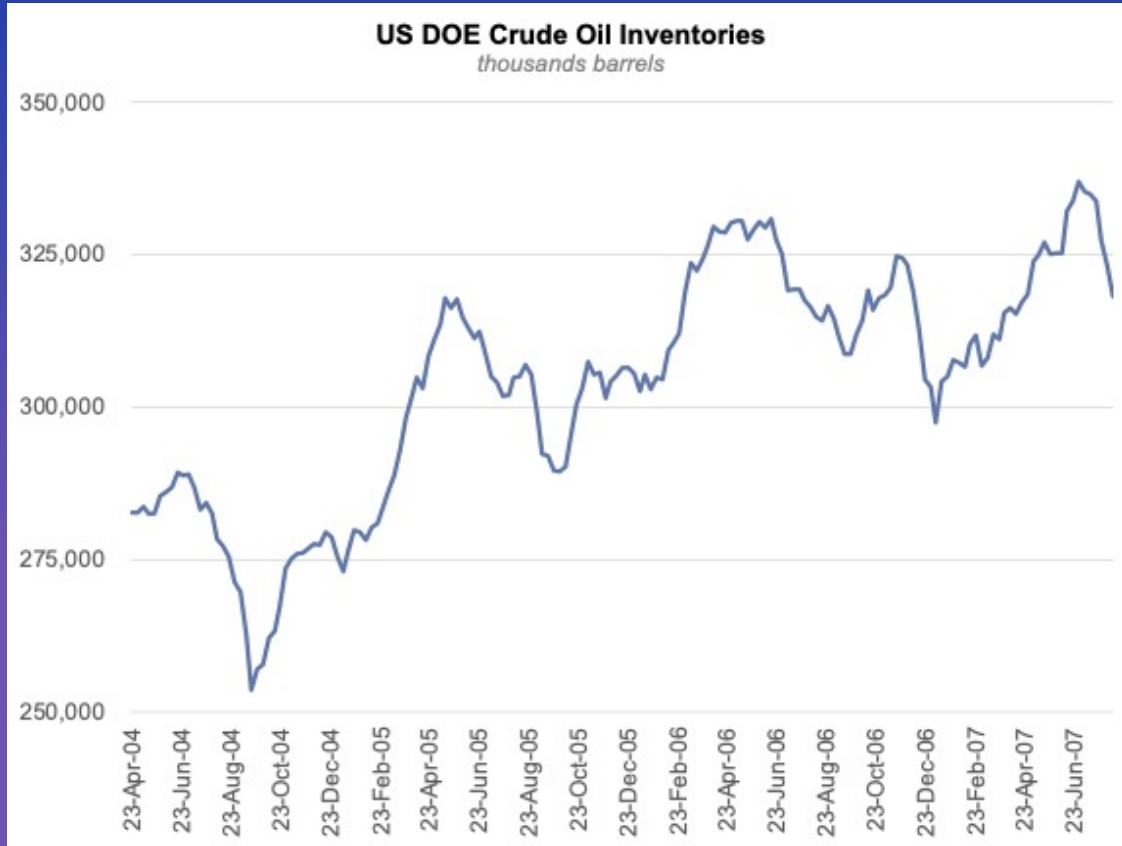
## WTI Time Spreads vs Inventories, 2000-present

Inventory variance with 5-year average in million of barrels (x-axis); Time spreads in \$/bbl or % (y-axis)



Source: Bloomberg, EIA.

# Back-End Curve Rally Drove Super-Cycle



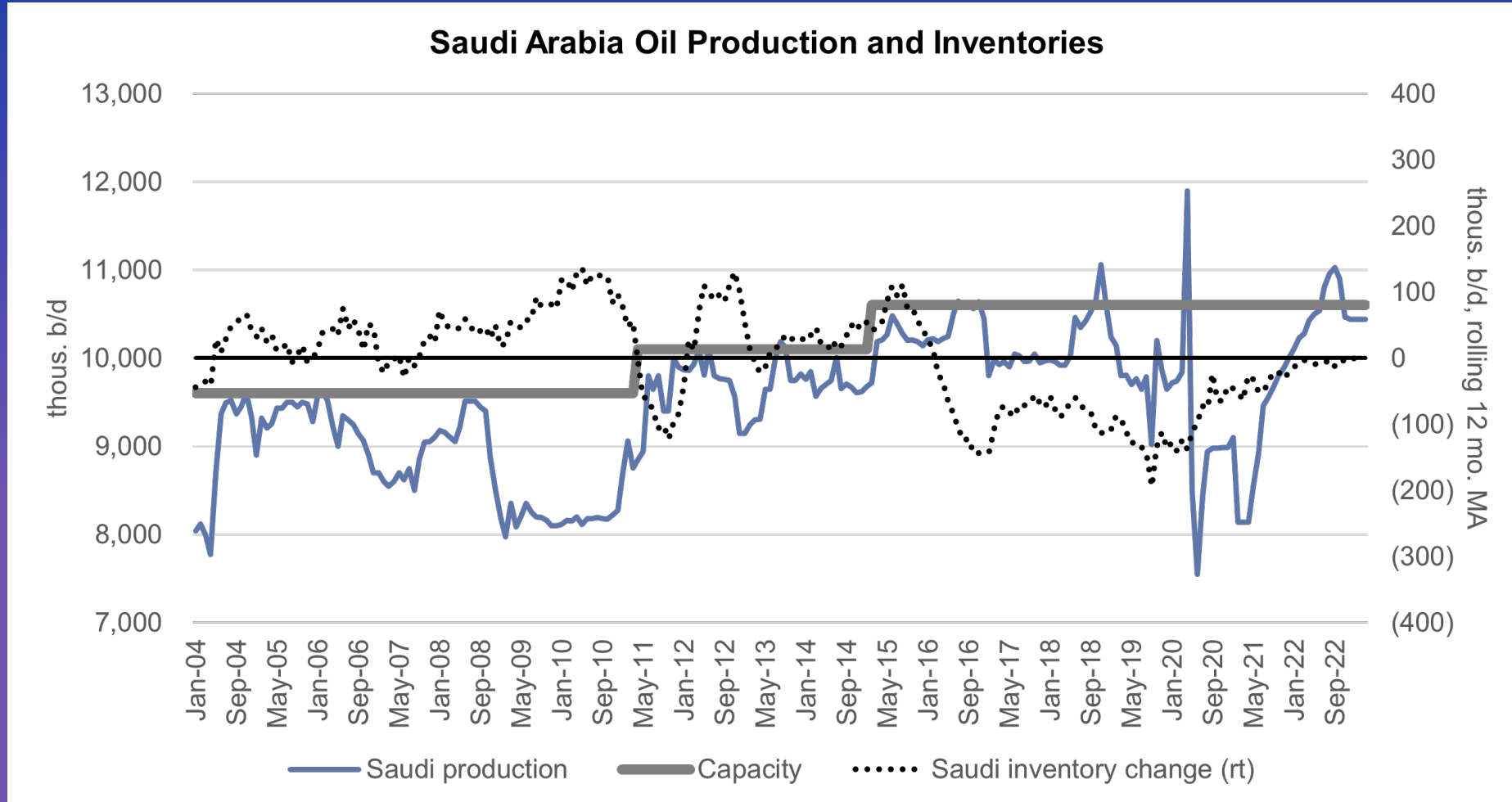
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Source: Bloomberg, EIA.

# Saudi Production: Over-Analyzed?



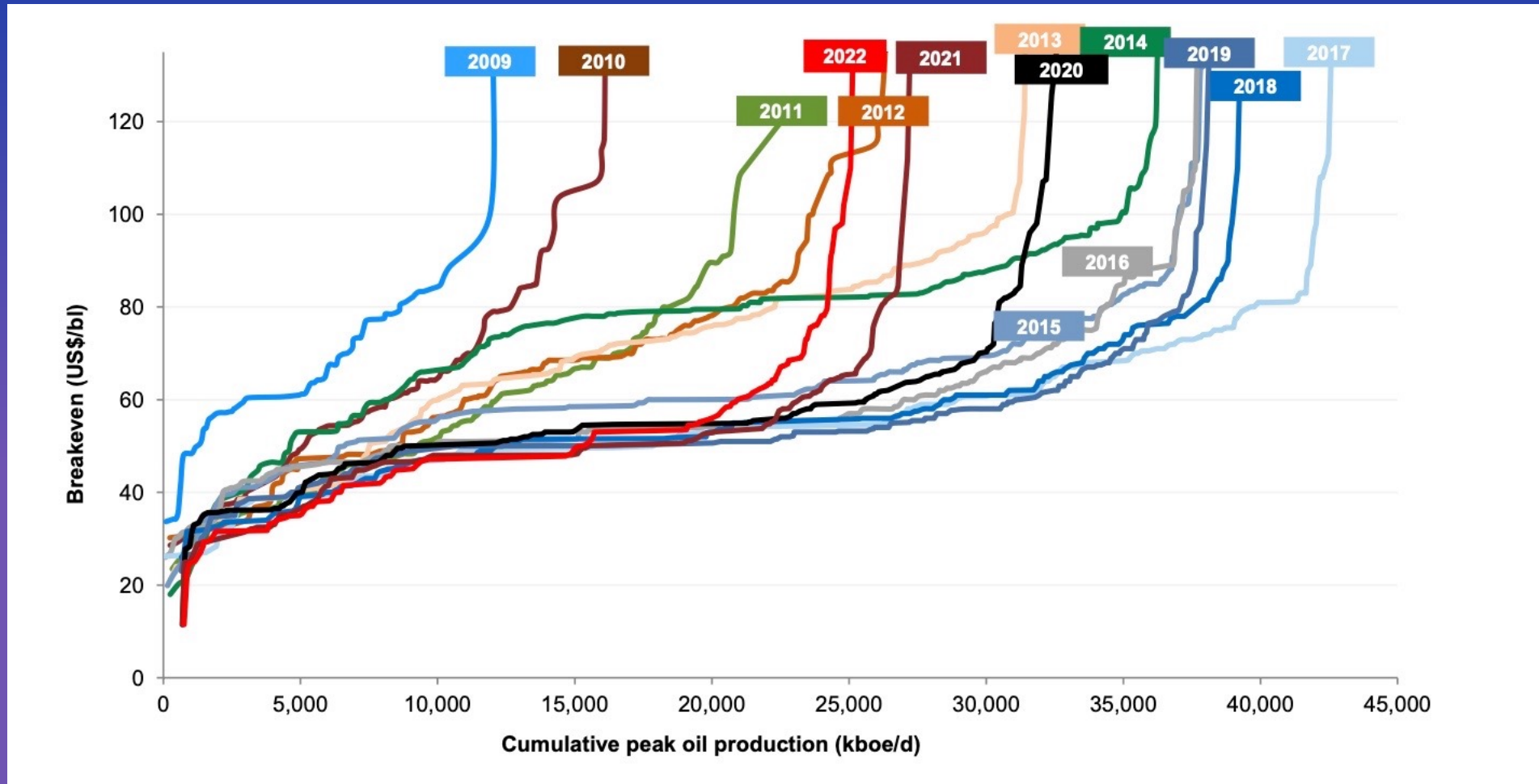
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Source: IEA, JODIData, Veriten.

# Cost Curve Steepening



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Source: Goldman Sachs Research.

# So Far, Back-End Remains Range-Bound



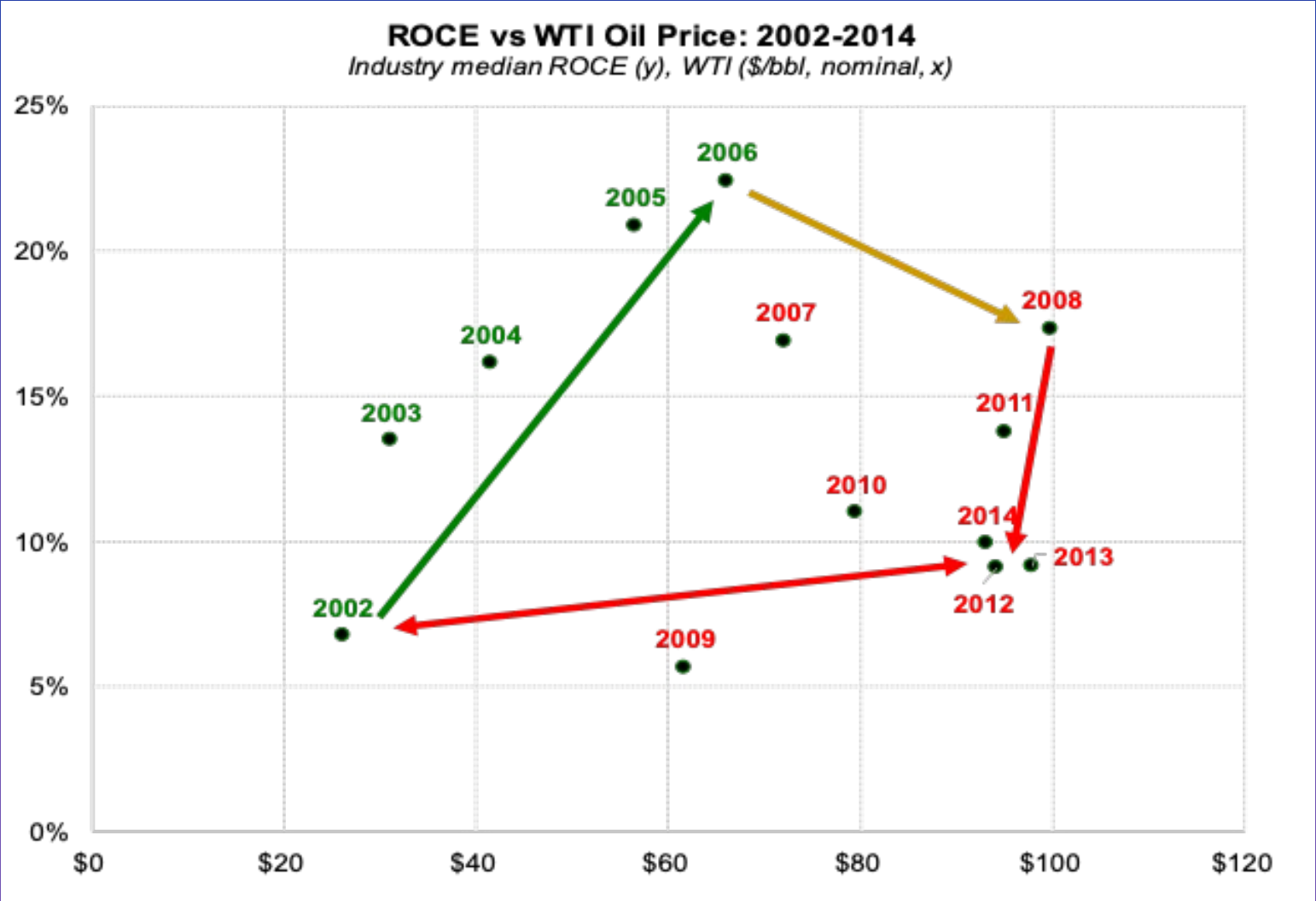
Source: Bloomberg.

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# Quadrilateral of Death: To Be Avoided



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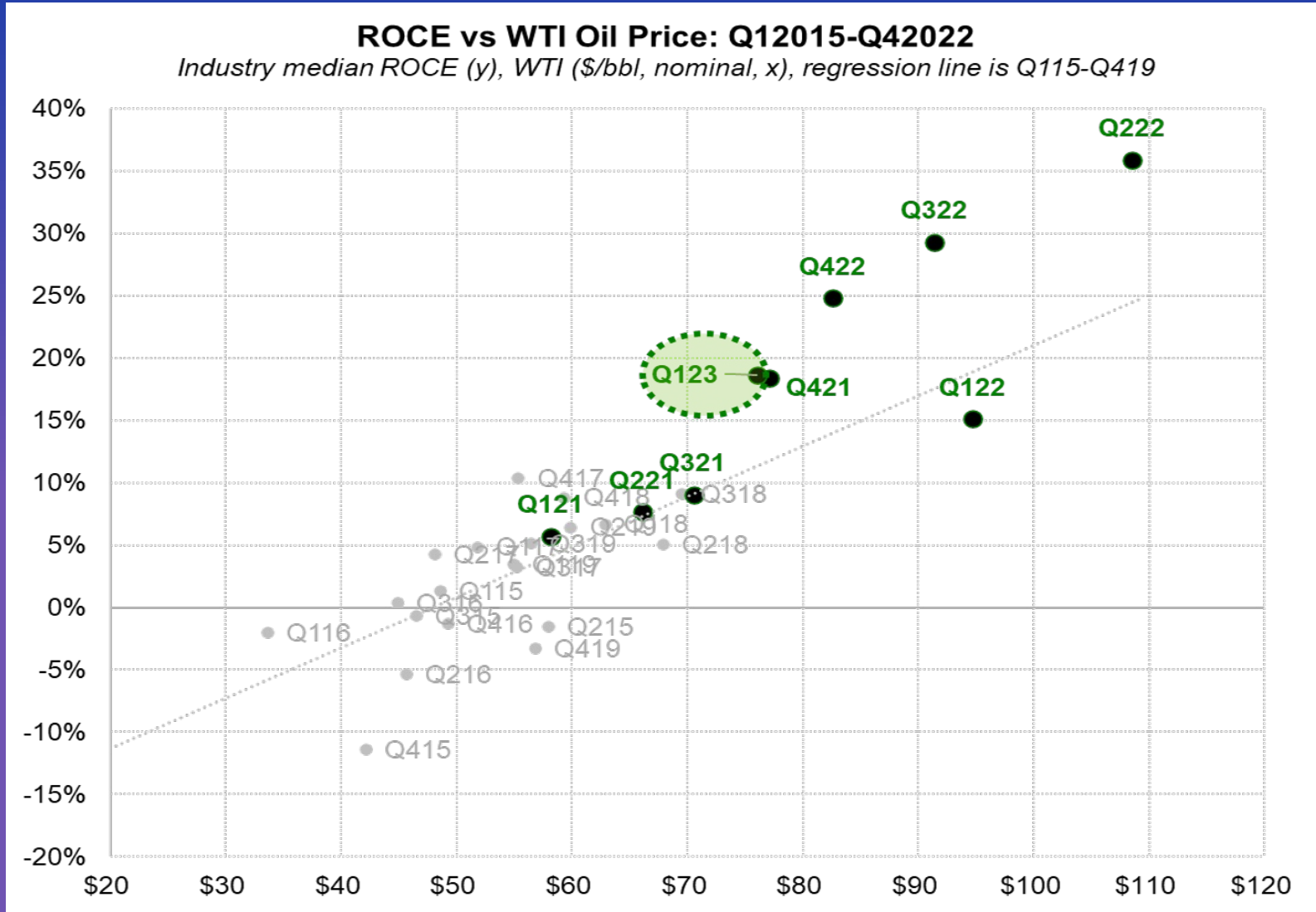
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Source: S&P CapitalIQ, Veriten.



# Grind-It-Out an ROCE Goldilocks?



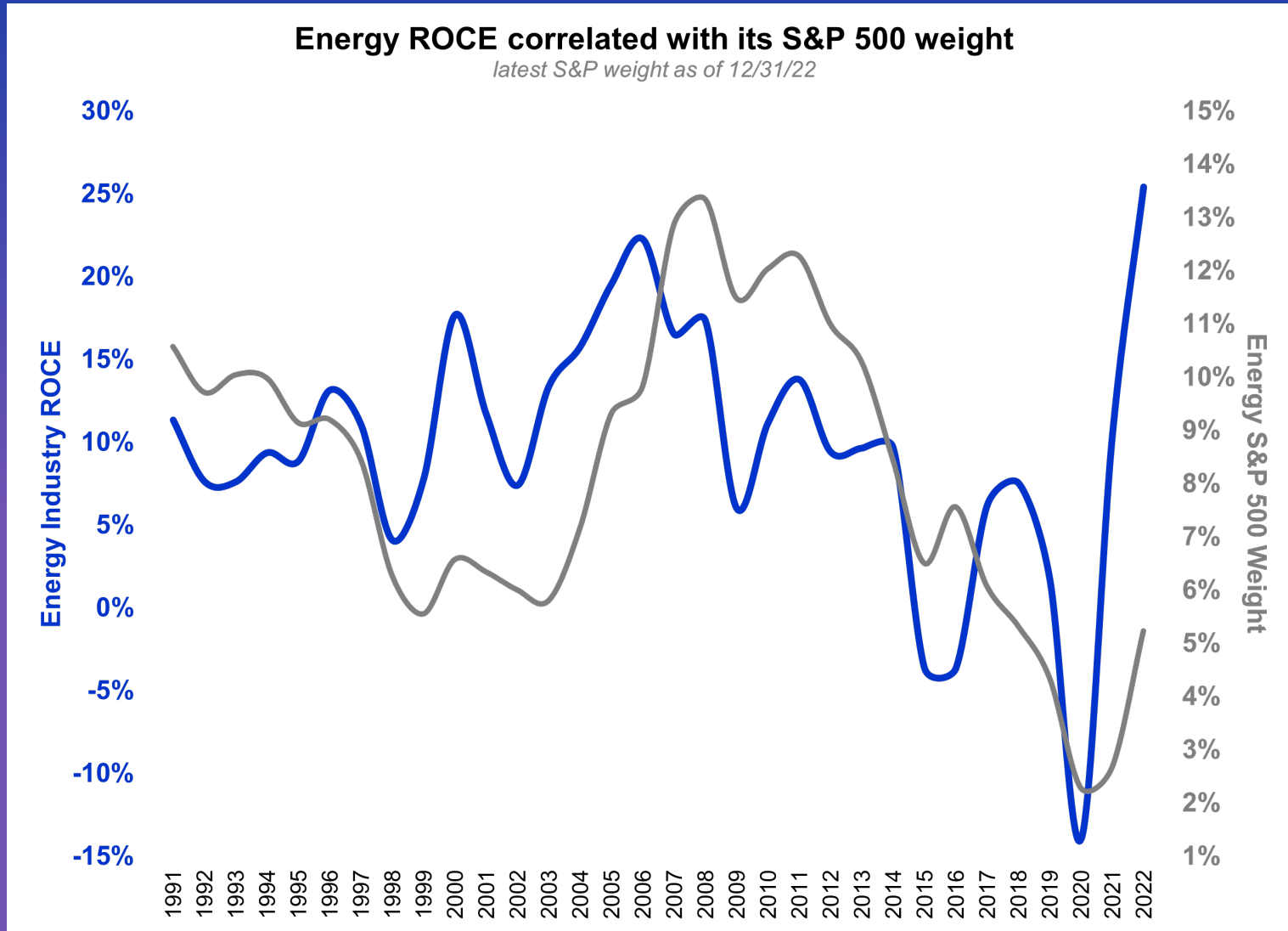
Source: S&P CapitalIQ, Veriten.

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# Investors Dis-Believe ROCE Sustainability



Source: S&P CapitalIQ, Veriten.

# ⚡ On A Personal Note: Berry Henson, 2



# Disclaimer

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