



**OIL: HOW WORRIED  
SHOULD THE RBA BE?**

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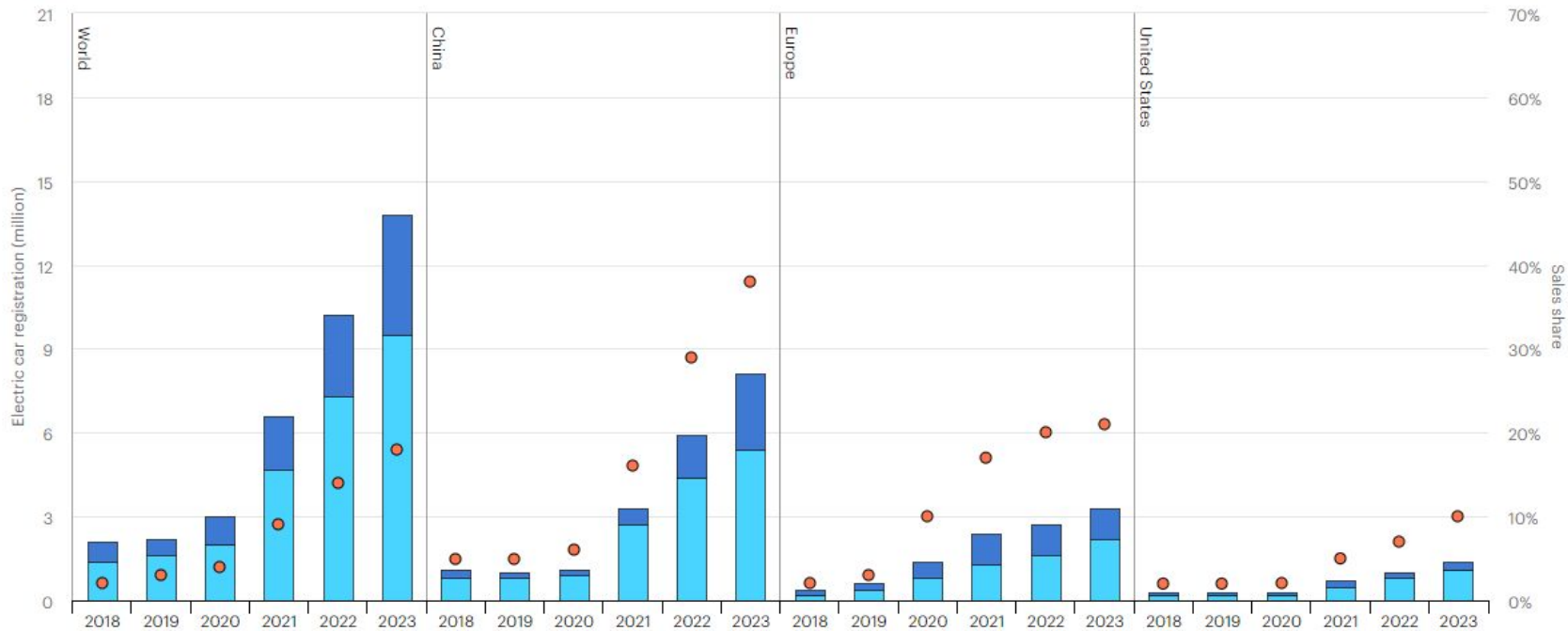
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## Agenda:

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- Oil Supply: OPEC / Russia / Fracking
- Chinese industrial demand
- Chinese retail demand
- Electric Vehicle impact

# EV Sales:



# Oil Displacement:

Oil displacement by mode, 2023-2035

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# Oil → Electricity switch:

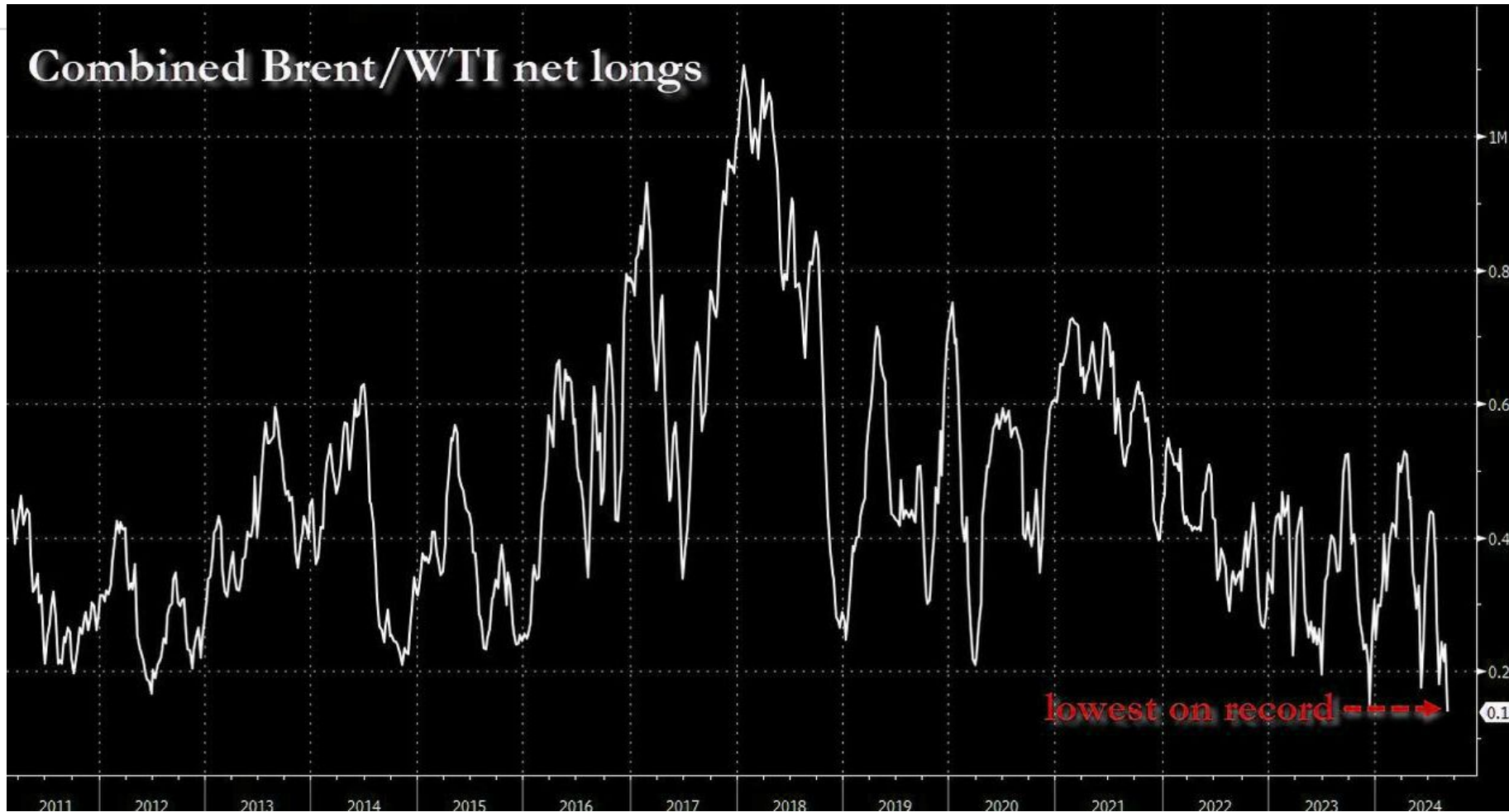
## Share of electricity consumption from electric vehicles relative to final electricity consumption by region and scenario, 2023 and 2035

Country/region	2023	Stated Policies Scenario 2035	Announced Pledges Scenario 2035
China	0.7%	6.8%	6.9%
Europe	1.1%	13.7%	14.5%
United States	0.6%	14.2%	15.6%
Japan	0.1%	3.1%	5.5%
India	0.2%	6.0%	8.7%
Global	0.5%	8.1%	9.8%

Note: Non-road electricity consumption is taken from the World Energy Outlook 2023 (<https://www.iea.org/reports/world-energy-outlook-2023>).

# Oil Traders

Combined Brent/WTI net longs

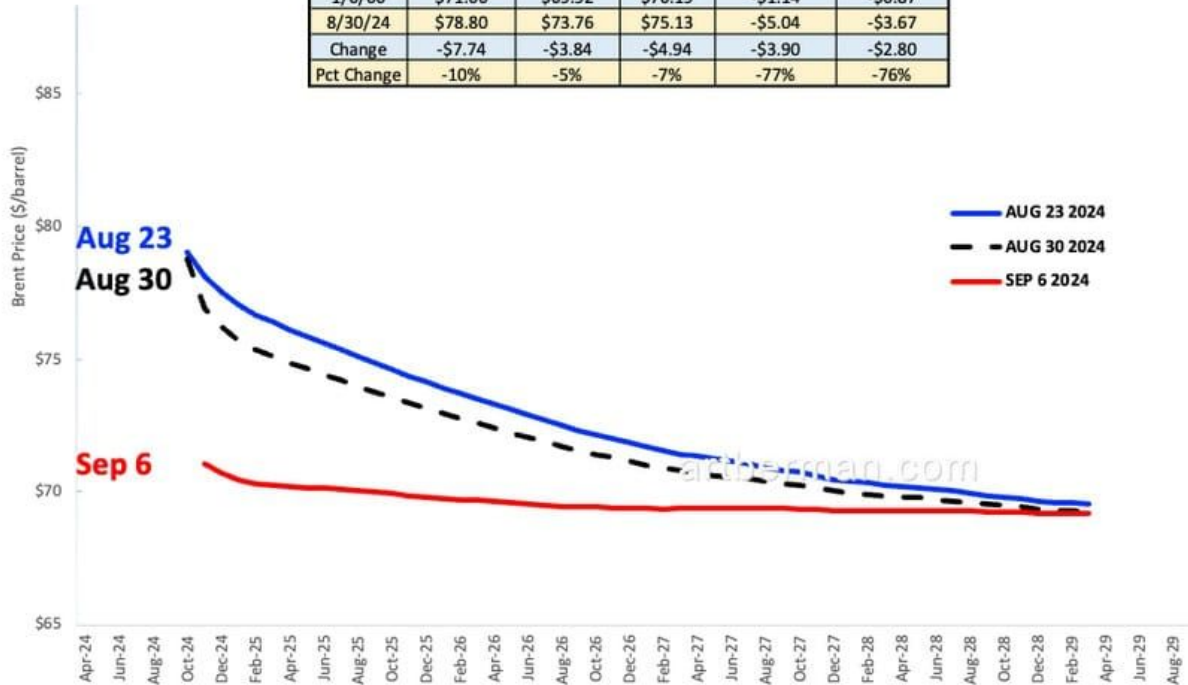




# Oil backwardation

**Steep Brent backwardation last week possibly transitioning to contango**  
**Brent 12-month spread dropped -\$3.90 (-77%) and 6-month spread fell -\$2.80 (-76%)**  
**Front-month price decreased -\$7.74 from \$78.80 to \$71.06**

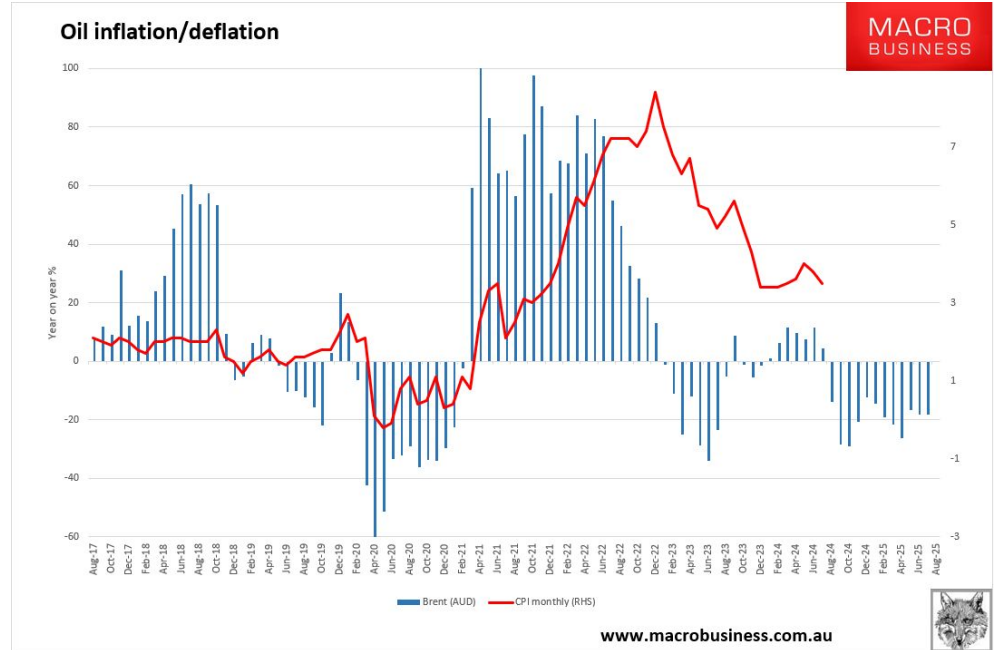
	Front Month	12-Mo Price	6-Mo Price	12-Mo Spread	6-Mo Spread
1/0/00	\$71.06	\$69.92	\$70.19	-\$1.14	-\$0.87
8/30/24	\$78.80	\$73.76	\$75.13	-\$5.04	-\$3.67
Change	-\$7.74	-\$3.84	-\$4.94	-\$3.90	-\$2.80
Pct Change	-10%	-5%	-7%	-77%	-76%





# Oil in Australia

- 3% direct, 11% transport
- Spillovers everywhere
- LNG oil-benchmarked but gas cartel will rape on



## Market implications

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- RBA to cut earlier
- RBA to cut deeper as oil drags down commodities
- AUD can't get far
- Buy bonds
- Sell banks

## Choose themes to screen from your portfolio away from (i.e. remove stocks)

Climate Change

War

Human Rights

Health

Vices

Animal Rights

Religion

Asset Class

Thematic

### Climate Change

- No Fossil Fuels (Worst Offenders) 
- No Fossil Fuels (Any) 
- No Coal Seam Gas or Fracking 
- No Nuclear Power 
- No Old Growth Forest Logging 

# Personalise Your Portfolio

## Screens

You can exclude the below to customise your portfolio

Climate Change	War	Human Rights	Health	Vices
Animal Rights	Religion	Asset Class	Thematic	

- No Fossil Fuels (Worst Offenders) ?
- No Fossil Fuels (Any) ?
- No Coal Seam Gas or Fracking ?
- No Nuclear Power ?
- No Old Growth Forest Logging ?

## Tilts

You can add the below to customise your portfolio

Investment Style Factors	Climate Change	Technology	
Consumption	Commodities	Military	GICS Sectors

- Quality Stocks ?
- Value Stocks ?
- Growth Stocks ?
- Defensives ?



Personalise your portfolio now >



# Build Your Portfolio

Need help with this page? Video Tutorial

Account Selection

Investment Choice

Risk Profile

**Build Your Portfolio**

Ethical Overlay

Review

Applicants

Bank Details

Compliance

Final Review

## Portfolio Tilts



Quality Stocks

Value Stocks

Growth Stocks

Oil & Gas Stocks

Gold Stocks

Agribusiness

Large Technology Stocks

Cloud Computing Stocks

Robotics/AI

Video Gaming

Cybersecurity

Clean Energy

Defensives

Battery Supply Chain

Nuclear Power

Defense Contractors

Travel

Luxury Goods

Logistics

Global Communication Services

Global Consumer Discretionary

Global Consumer Staples

Global Energy

Global Financials

Global Health Care

Global Industrials

Global Information Technology

## Slide title: (bigger title compared to the rest of the slides)

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