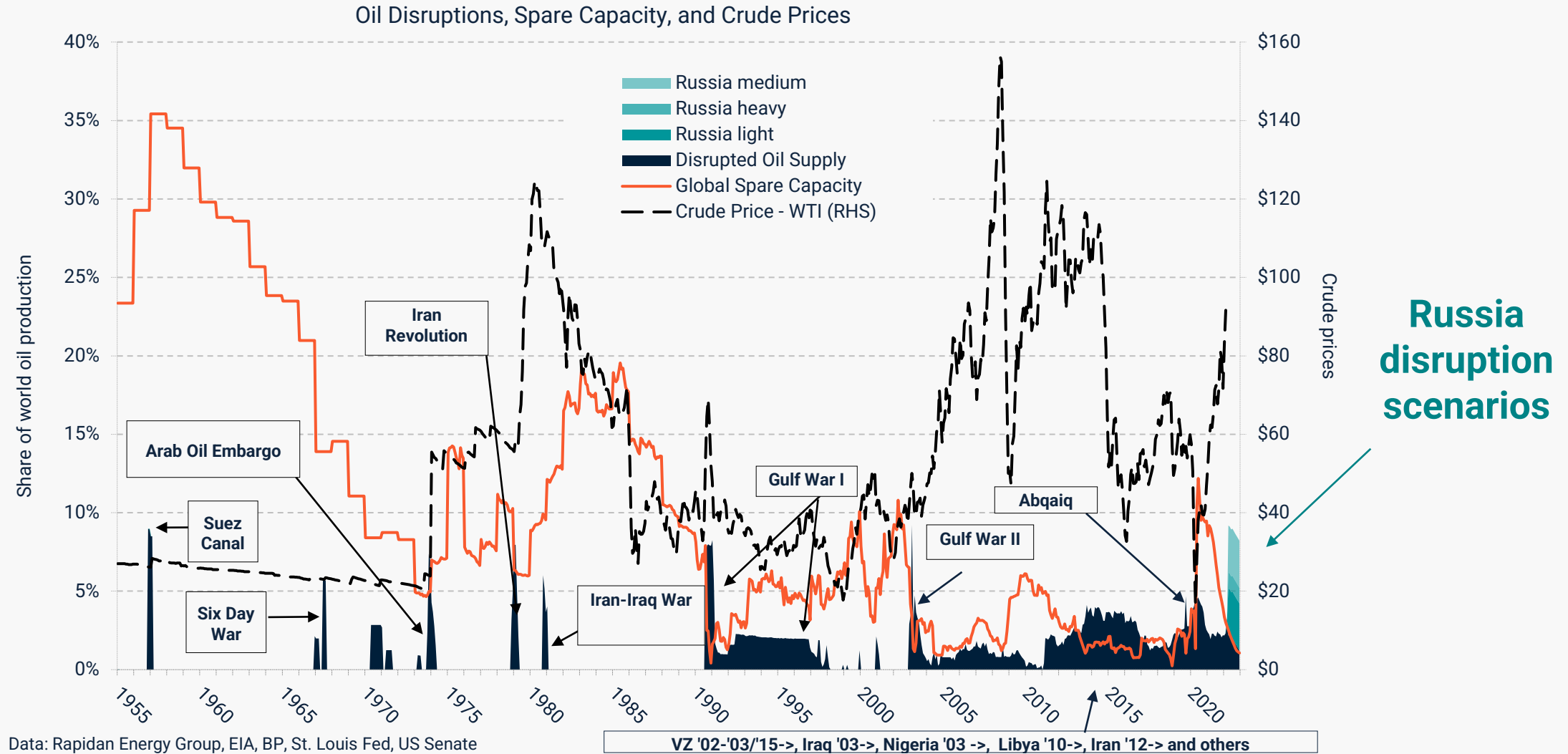


# **Oil Boom to Follow Bust**

## **Sooner (Russia) or Later (Delayed Peak Demand)**

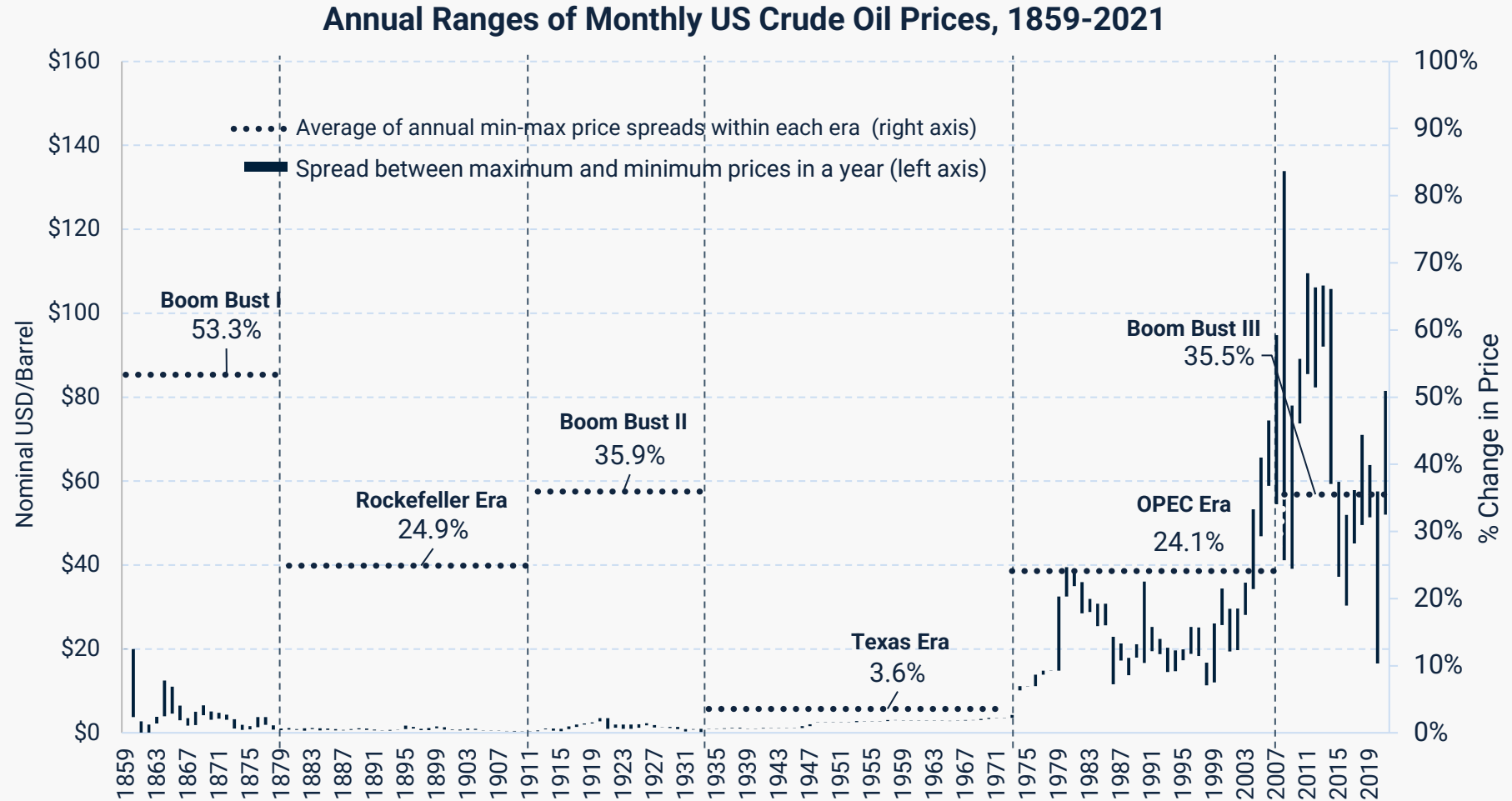
Bob McNally | National Association of Business Economists | March 21, 2022

# Russia's Invasion of Ukraine Threatens the Most Severe Oil Disruption in Modern History



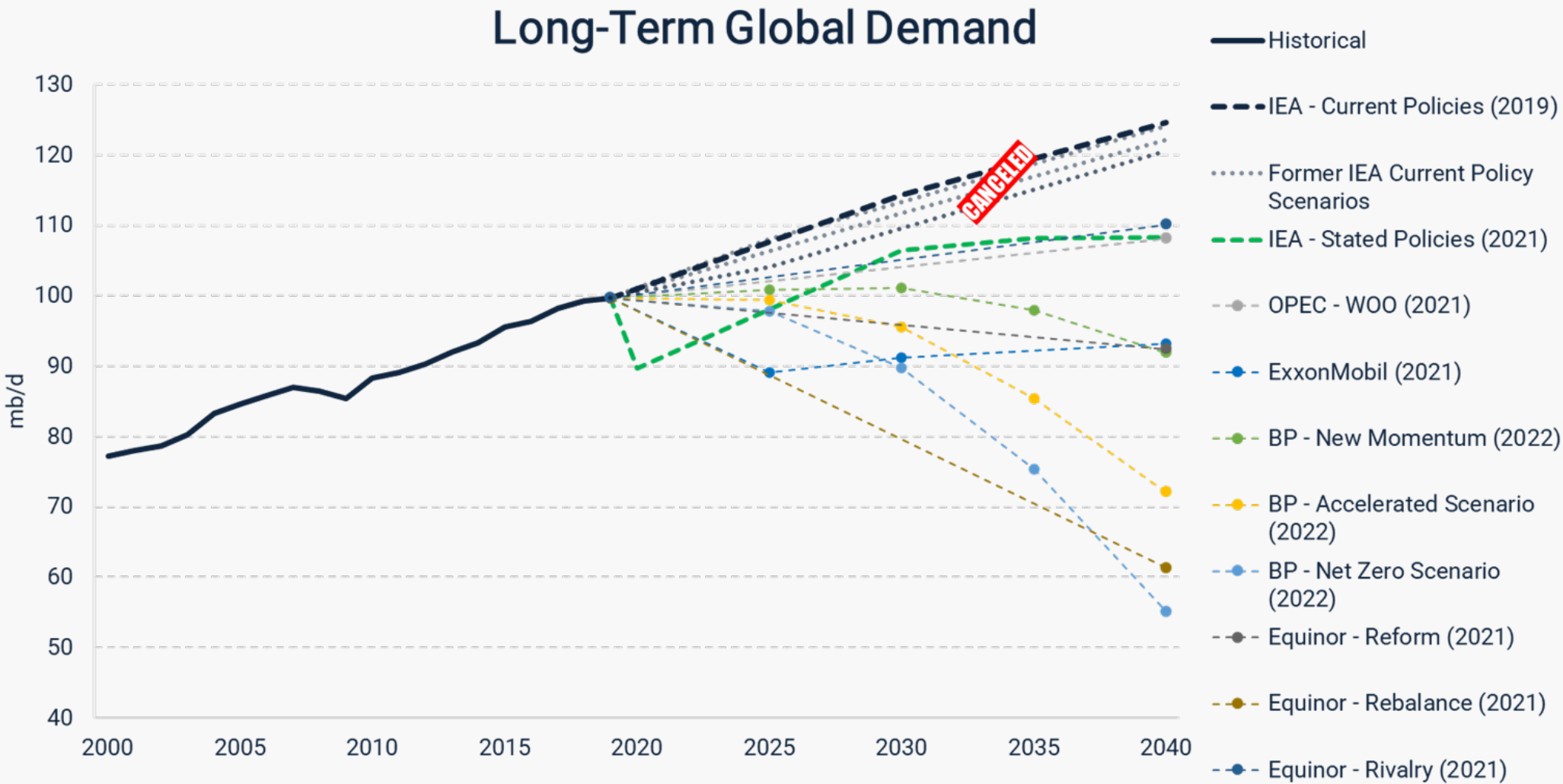
# Defining Feature of Today's Oil Market: No Durable Swing Producer

That means oil prices will gyrate between recession and shut in



Data Sources: Rapidan Energy Group, based on The Derrick, API, St. Louis Fed, EIA, and Bloomberg

# Consensus Recently Adopted Peak Demand as Base Case...



Source: Rapidan Energy Group, IEA, OPEC, BP, Equinor, ExxonMobil

# ...Despite No Evidence for It

Recent Consumer Trends and Outlook for Transportation		
	Consumer Vehicle Preferences	Fuel Efficiency/EV Policies Currently in Place
EU	ICE Light Trucks	Strong*
China	ICE Light Trucks	Weak
US	ICE Light Trucks	Weak

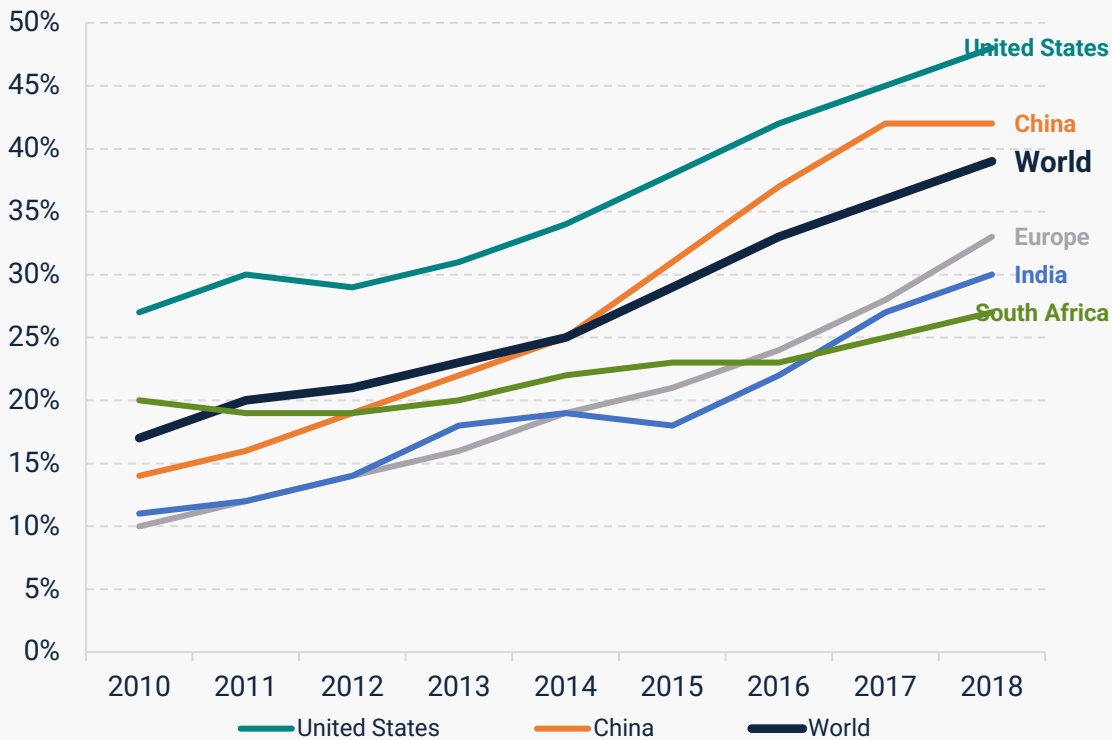
\* Political will to impose transition costs TBD

Global SUV sales set another record in 2021, setting back efforts to reduce emissions



Laura Cozzi, Chief Energy Modeler  
Apostolos Petropoulos, Energy Modeler  
Commentary — 21 December 2021

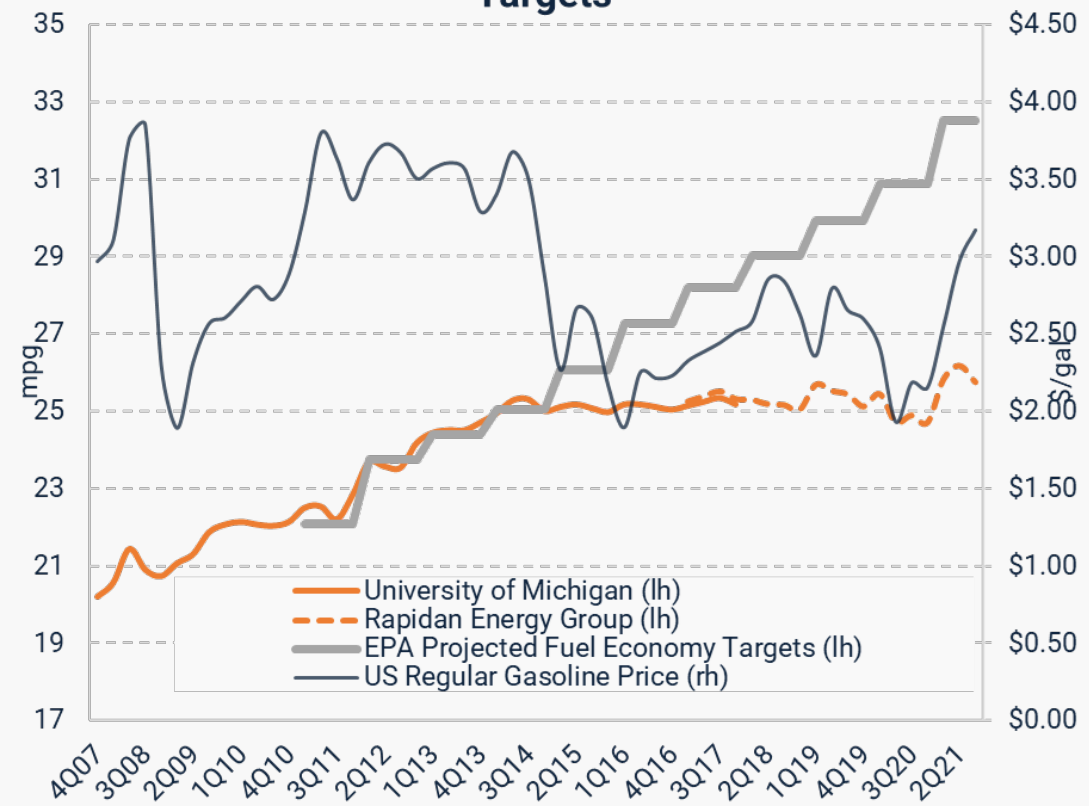
SUV Sales as a Percentage of Total Car Sales



Source: Rapidan Energy Group, IEA

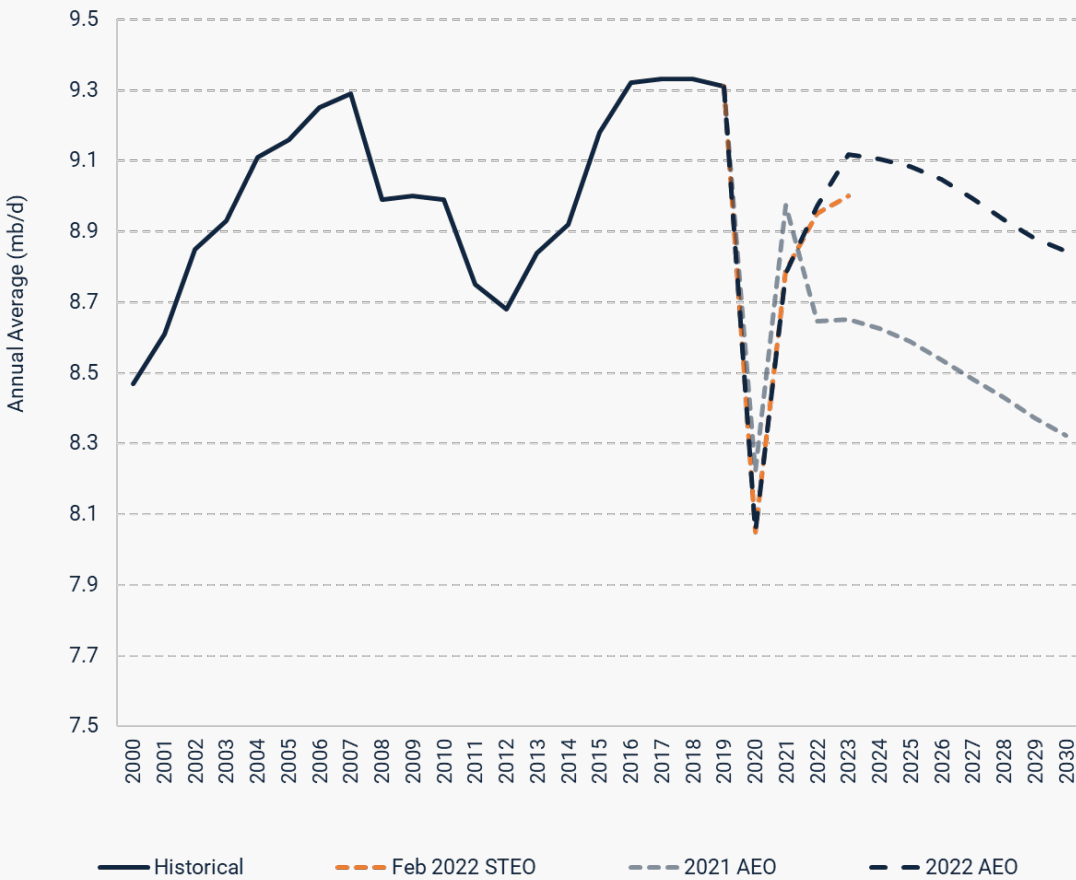
# US Gasoline Demand – Canary in the Coal Mine for the Peak Demand Consensus

Sales-Weighted Fuel Economy Ratings Compared to EPA Projected Fuel Economy Targets



Source: Rapidan Energy Group, EPA, Bloomberg, NHSTA, UMTRI

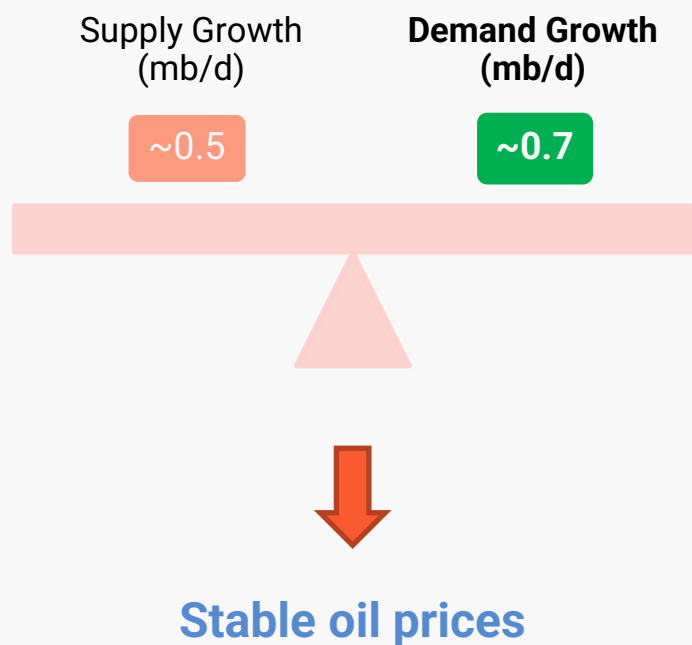
Diverging EIA Forecasts for US Gasoline Demand



Source: Rapidan Energy Group, EIA

# If Peak Demand Consensus Proves Wrong, Buckle Up

## Consensus View



## Rapidan Energy Group's View

