

OIL AND GAS INDUSTRY DYNAMICS



4

KEY GLOBAL TRENDS

ENERGY IS THE LIFEBLOOD OF THE GLOBAL ECONOMY. UNDERSTANDING THE DYNAMICS OF THE OIL AND GAS INDUSTRY IS MORE IMPORTANT THAN EVER FOR THE PROFESSIONAL INVESTOR.

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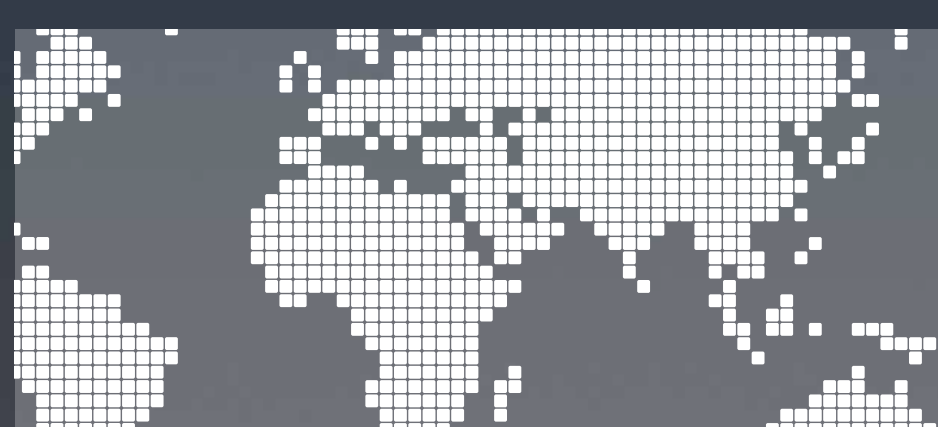
1

DEMAND SPIKES COME FROM DEVELOPING REGIONS IN ASIA

UP FROM
50%
TODAY



65%
OF OVERALL
DEMAND



China, India, and other non-Organization for Economic Cooperation and Development (OECD) Asian countries will account for 65% of overall demand by 2035, up from 50% today.¹

2

INCREASED DEMAND FOR CLEANER ENERGY SOURCES, SUCH AS NATURAL GAS

Significant demand for gas is coming from the Middle East, which is switching from oil-fired power generation to gas-fired turbines.

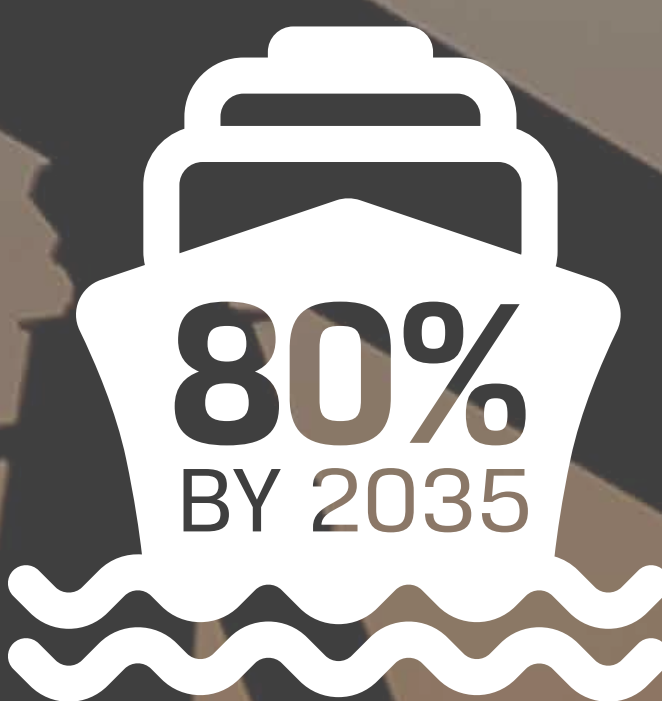


Over the next two decades, global gas demand is expected to grow 3X faster than demand for oil or coal.¹

3

TRANSPORTATION DEMAND CONTINUES TO GROW

The industry is responsible for 72% of global oil demand today. That's expected to approach 80% by 2035.¹

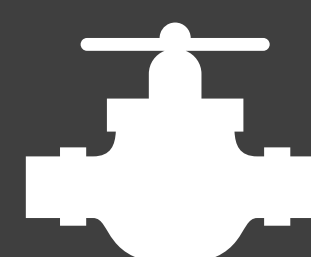


4

US SHALE ENERGY INNOVATION IS SHIFTING THE GLOBAL SUPPLY BALANCE²



United States will become a net natural gas exporter by 2017³ (See #2).



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THERE'S MUCH MORE TO LEARN ABOUT THE OIL AND GAS INDUSTRY

Build a strong investment knowledge base with the CFA Institute Oil and Gas Industry Guide. Download now cfainstitute.org/oil_gas_guide



¹ CFA Institute Industry Guides: The Oil and Gas Industry, Jens Zimmermann, CFA, 2016
² <http://www.energytomorrow.org/blog/2015/12/09/us-oil-exports-and-the-global-market>
³ <http://www.eia.gov/todayinenergy/detail.cfm?id=20992>