S&P Global
Commodity Insights

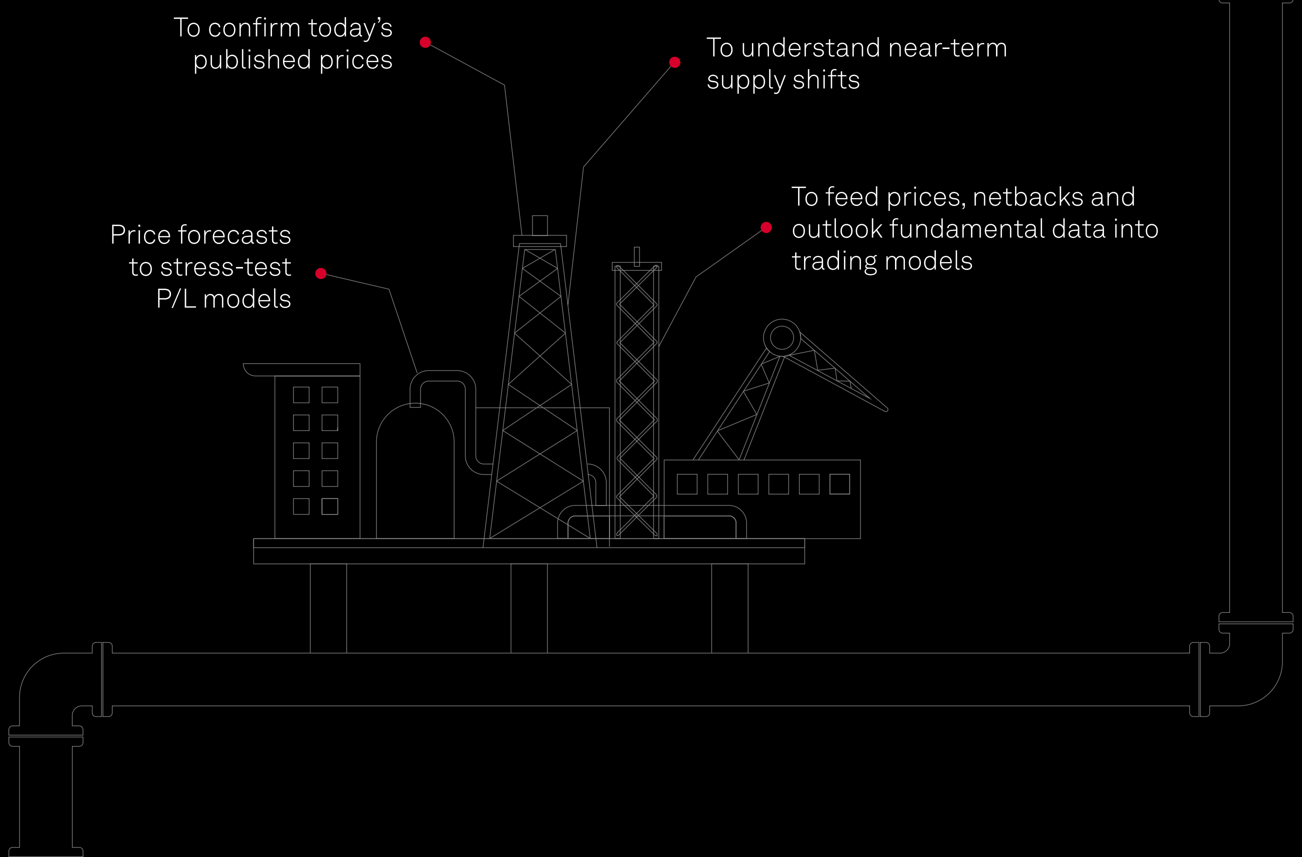
Crude Oil Market Insights
Use Cases

Start

Case Study

A Switzerland-based oil trader works for a global trading firm that specialises in Crude products. As he is preparing for a daily trading session in the European market, he notices a price discrepancy between two crude grades. He suspects one is currently undervalued and must decide whether to buy the crude grade and sell it into Northwest Europe.

Needs



Solution:

How Crude Market Insights CSM+ helps:

- **Near Real-Time Market Information** – Crude prices and spreads, trade updates, industry officials' commentary, future settlement prices, news and much more.
- **Near-Term and Short-Term Outlooks** – Weekly and monthly analysis of global and regional crude-market drivers, along with ready to export data.
- **Long-Term Outlooks** – 25-year outlook for crude and condensate demand, production and trade flows.

Workflow:

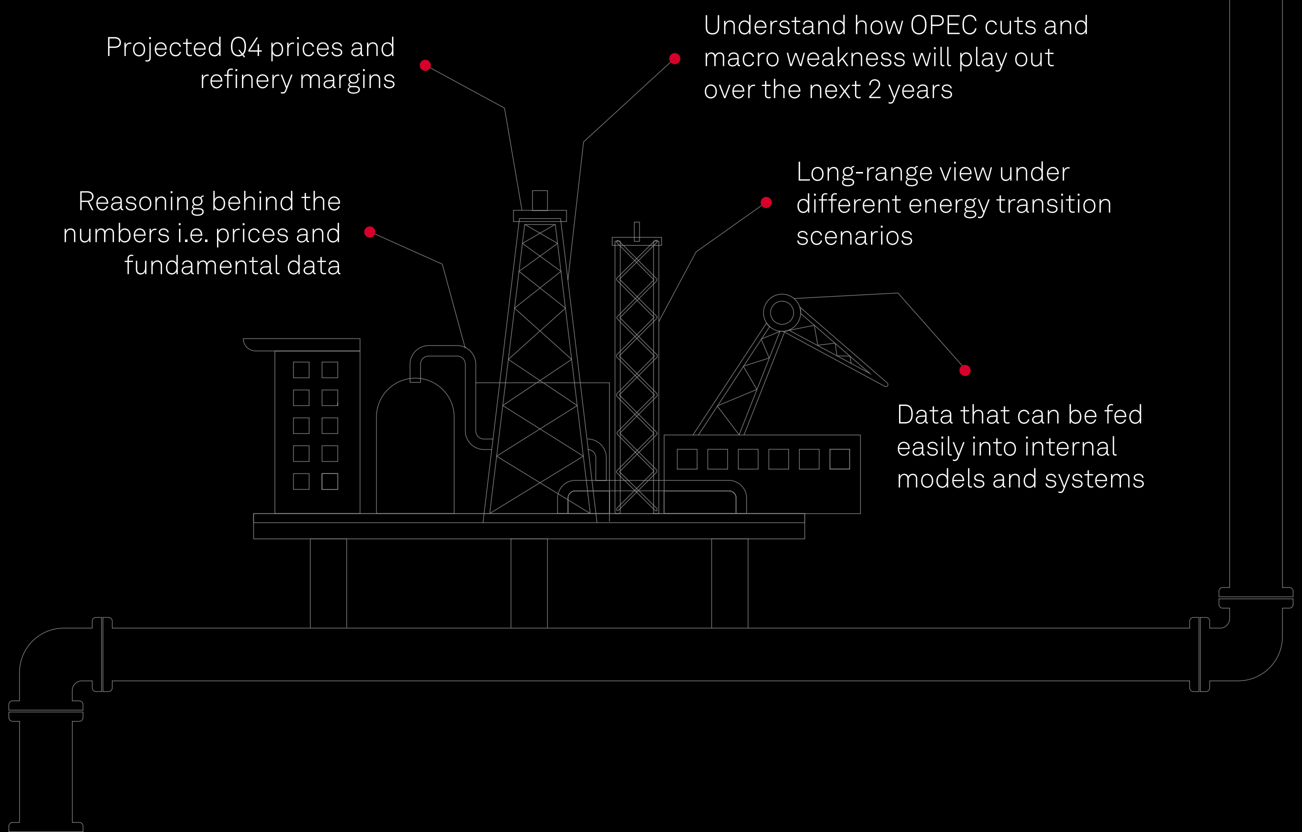
- The trader's model pulls in all pricing data via API, and the netback tables and arbitrage calculator confirm the crude grade in question is still cheaper even after freight to Europe.
- They want to understand the reason behind the gap and how long it may last, so read the news, market reports and short-term outlooks to find answers.
- To stress-test the trade, the trader uses the house view and AltView data to simulate worst-case spreads to see if the margin is still profitable.

Case Study

The executive leadership team of a major integrated oil company are having regular meetings to steer the company through a rapidly changing energy landscape and changing customer habits. At this particular moment, OPEC+ has just announced a fresh supply cut while recession signals flash in OECD economies. In 2 weeks, the team must:

1. Issue revised full year earnings guidance to investors.
2. Decide whether to still go ahead with a significantly costly offshore project or divert capital to ET projects.

Needs



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Workflow:

- The team opens up Platts Connect where they see an instant and fully curated snapshot of analysis and data relating to the OPEC+ announcement i.e. prices, spreads, news articles, FIRST TAKE analysis and much more.
- The team want to understand how this development will play out over the near-term so feed in price outlook data into internal models from both the house and AltView to see the best- and worst-case earnings scenarios.
- To get a comprehensive understanding of why prices are moving the way they are, they read the reports and attend client briefings to hear insights from our experts.
- To evaluate the significant investment in the offshore project, they utilise the Annual Strategic Workbook to explore plausible long-term scenarios and pricing.

Case Study

An integrated oil company has recently committed to investing more in renewable energy. Its Strategy Planning Manager has been tasked with coming up with a 10-year business plan that keeps the core oil business profitable and resilient whilst also scaling up renewable projects fast enough to hit the boards 2035 goal.

Needs

- To understand where crude oil prices, margins and carbon costs are right now
- How prices, spreads, supply and demand may swing over the future e.g. 2 years, 5 years, 10 years etc
- How do oil demand, trade flows and prices look out to 2050
- Drivers of swings
- To understand the renewable/ lower carbon' competitive landscape. To help decide whether to buy or build?

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- **Strategic Acquisition Assessment** – Evaluate potential acquisition targets based on their production assets, market positions and financial health.

Workflow:

- To get a snapshot of market conditions and prices the planning manager pulls benchmark price assessments i.e. Dated Brent, Dubai and WTI.
- Then pull forecast pricing and fundamental data from both House and AltView into internal P&L models, run various scenarios related to oil output capacity, carbon subsidies etc.
- Read Short-Term outlooks and speak with S&P analysts to understand changing market dynamics and translate the numbers into actionable insights.
- Stress-Test all operations against long-term scenarios provided in the Annual Strategic Workbook, to see which projects oil or renewable stay profitable under different futures.
- Screen outs market players that would raise unit costs if there was an acquisition.