



Navigating Negative Prices & Collapsing Demand

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Transforming global markets

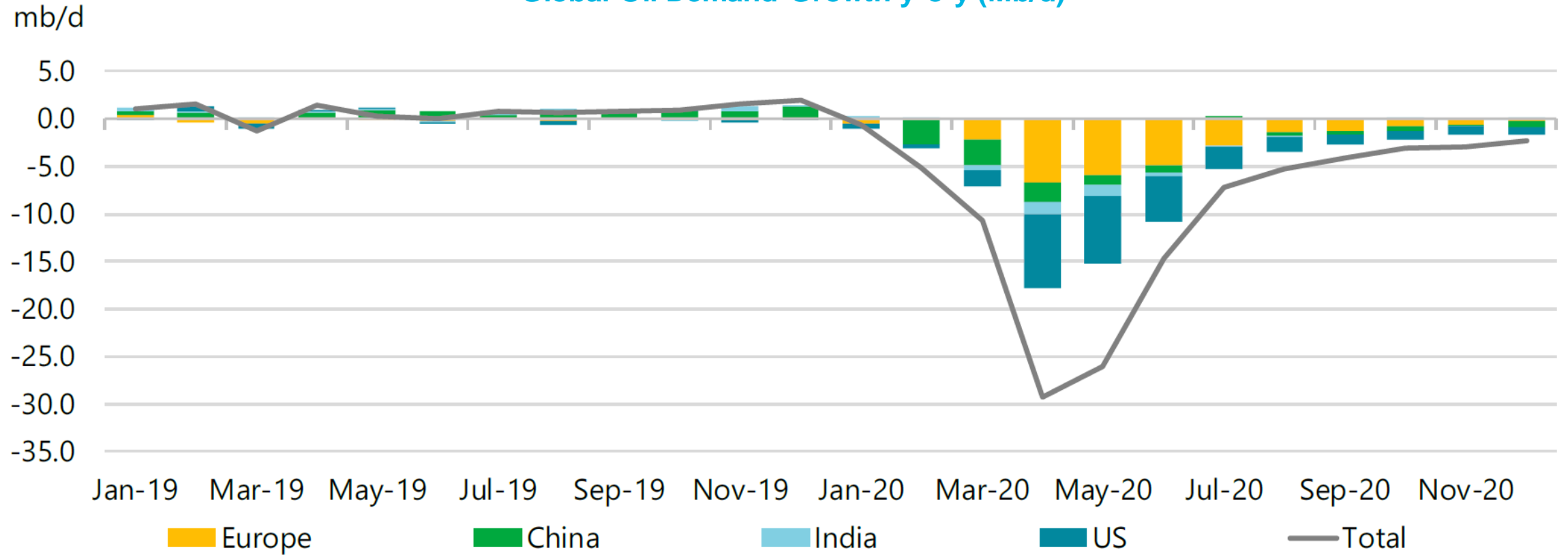
Today's topics

- Collapsing demand
- The recent OPEC+ production cuts
- Focus on US supply
- A self-reinforcing cycle: weak demand, low prices, and stockbuilds
- What are the differences between Brent and WTI?

Global demand

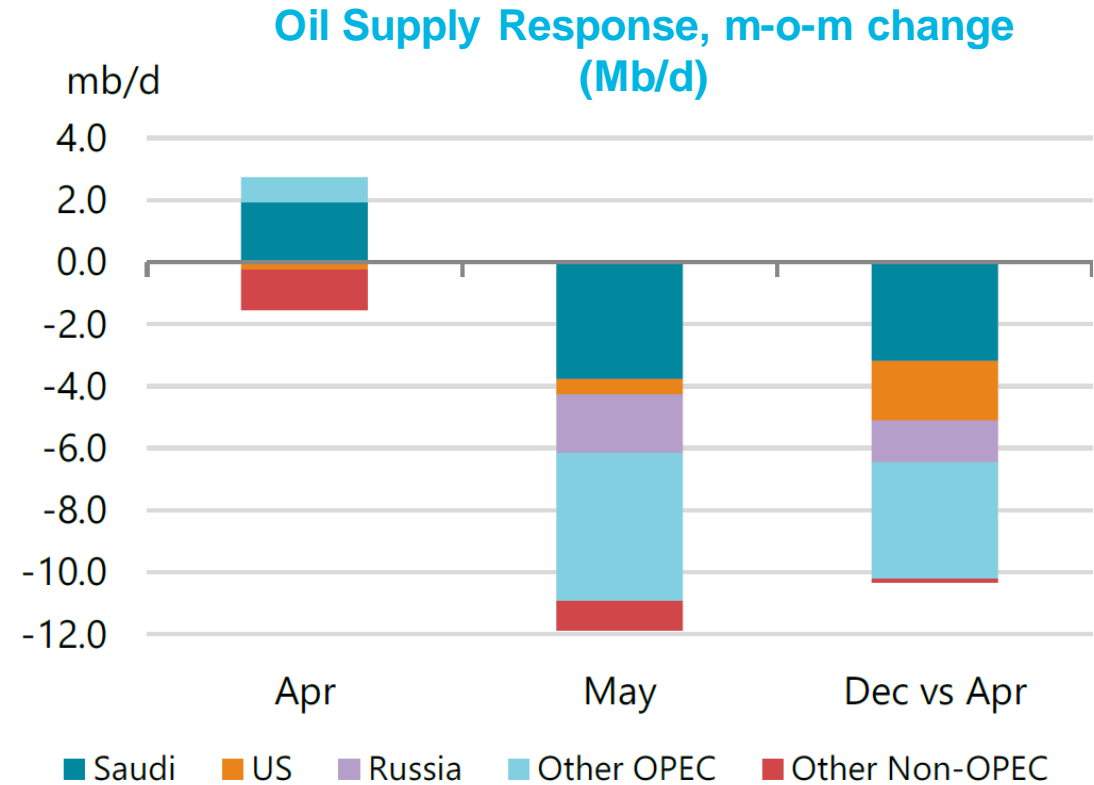
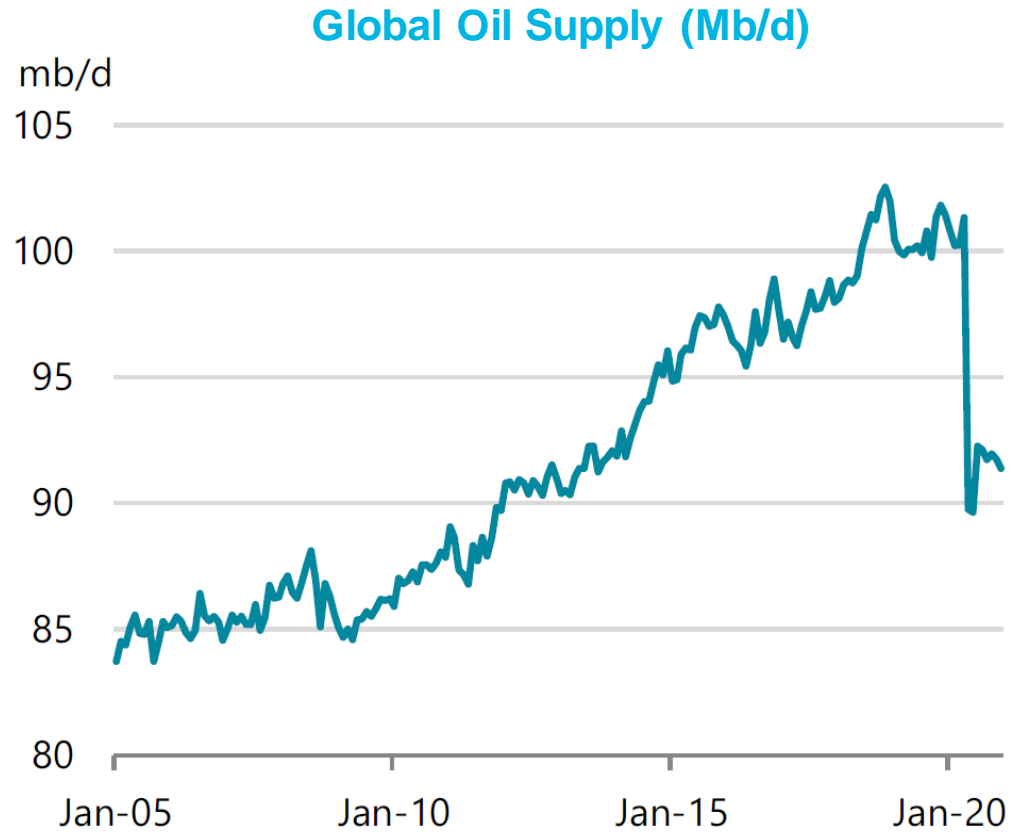
Coronavirus drives an unprecedented collapse in refined product demand

Global Oil Demand Growth y-o-y (Mb/d)



Global supply

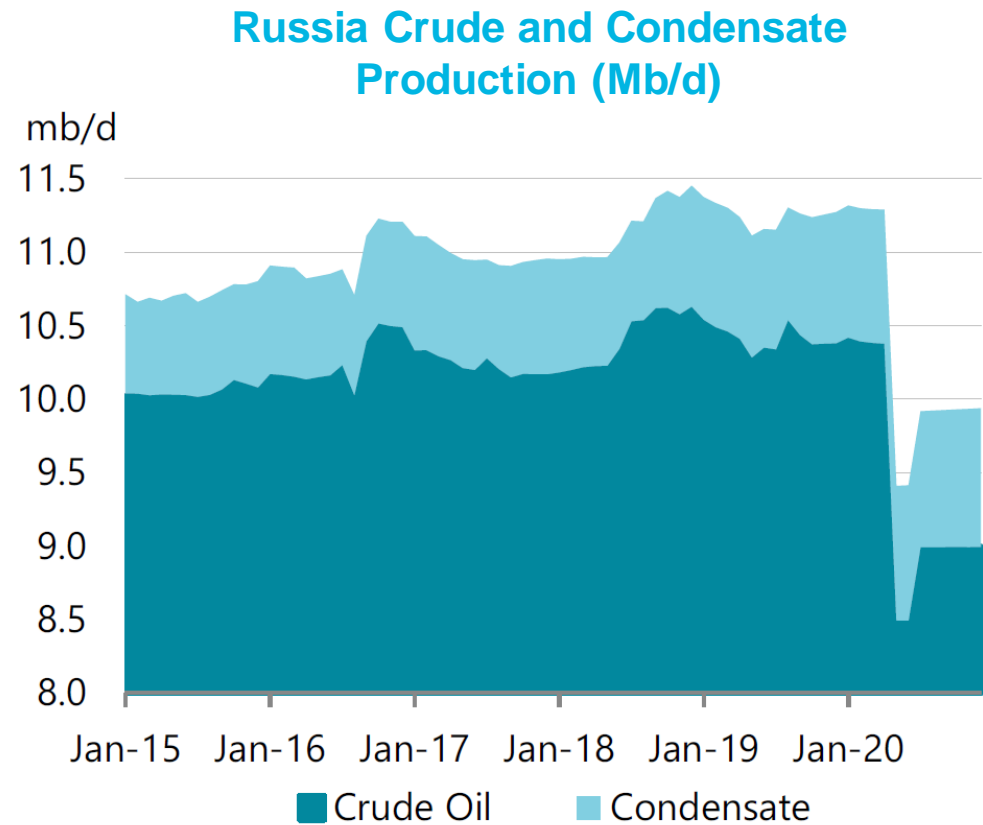
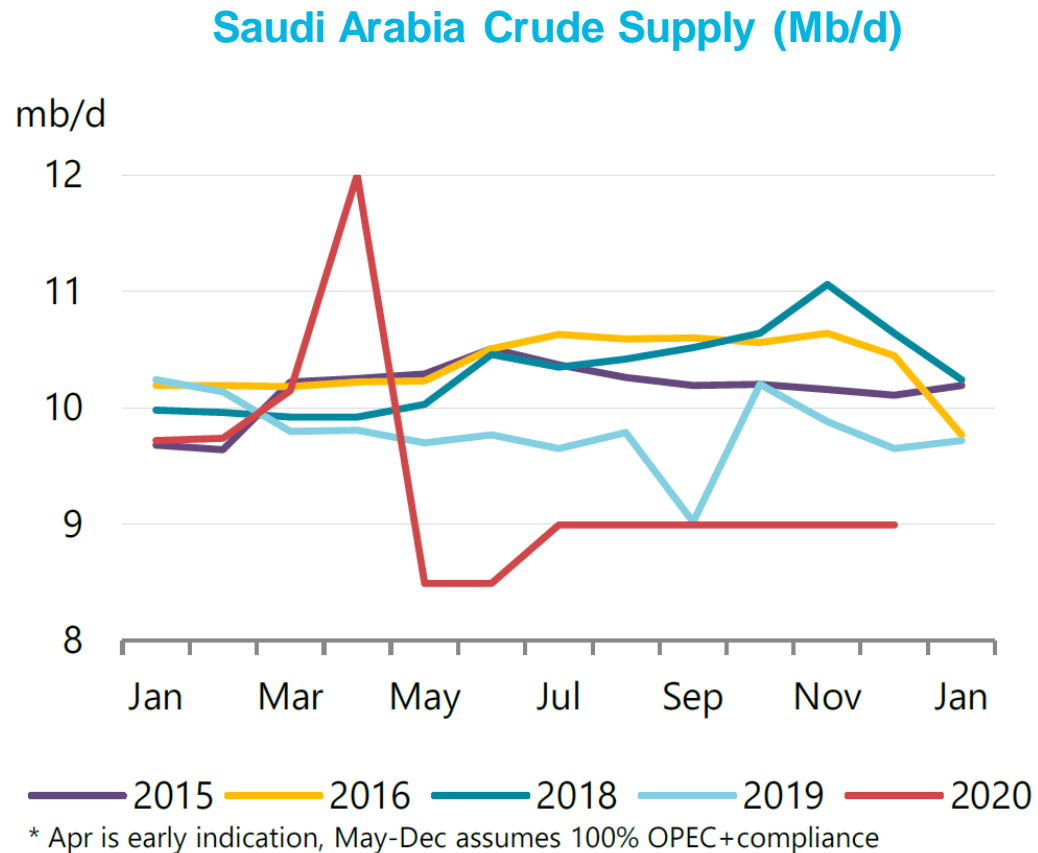
A rapid drop, but not as big and not as fast as the demand collapse



*Apr is early indication; May/Dec assumes 100% compliance with OPEC+ cuts

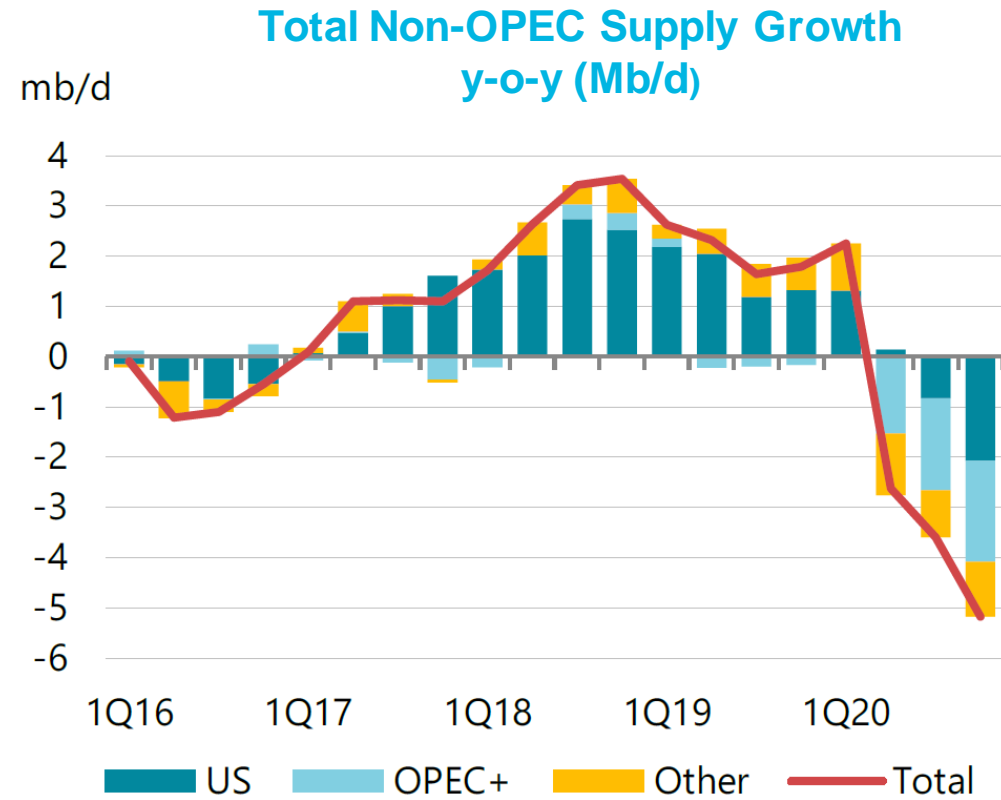
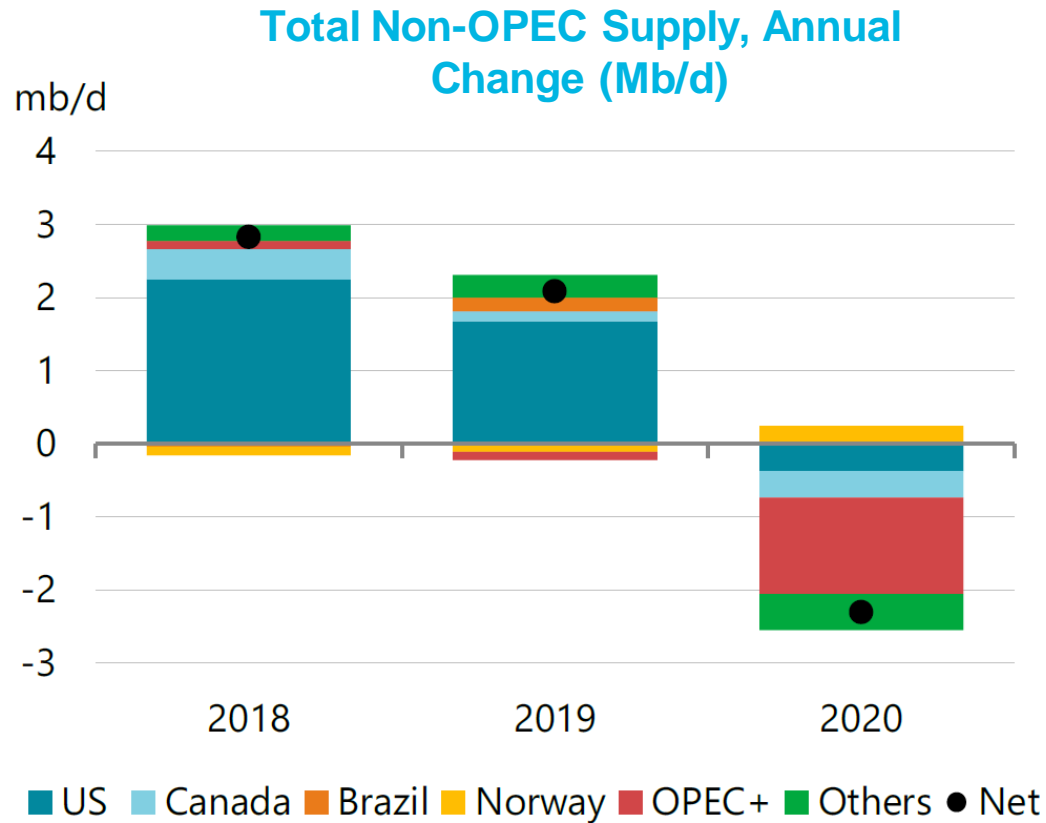
OPEC+ supply: cuts are too little, too late, at least for Q2

The short Saudi vs Russia price war ends, and the biggest cuts ever are announced



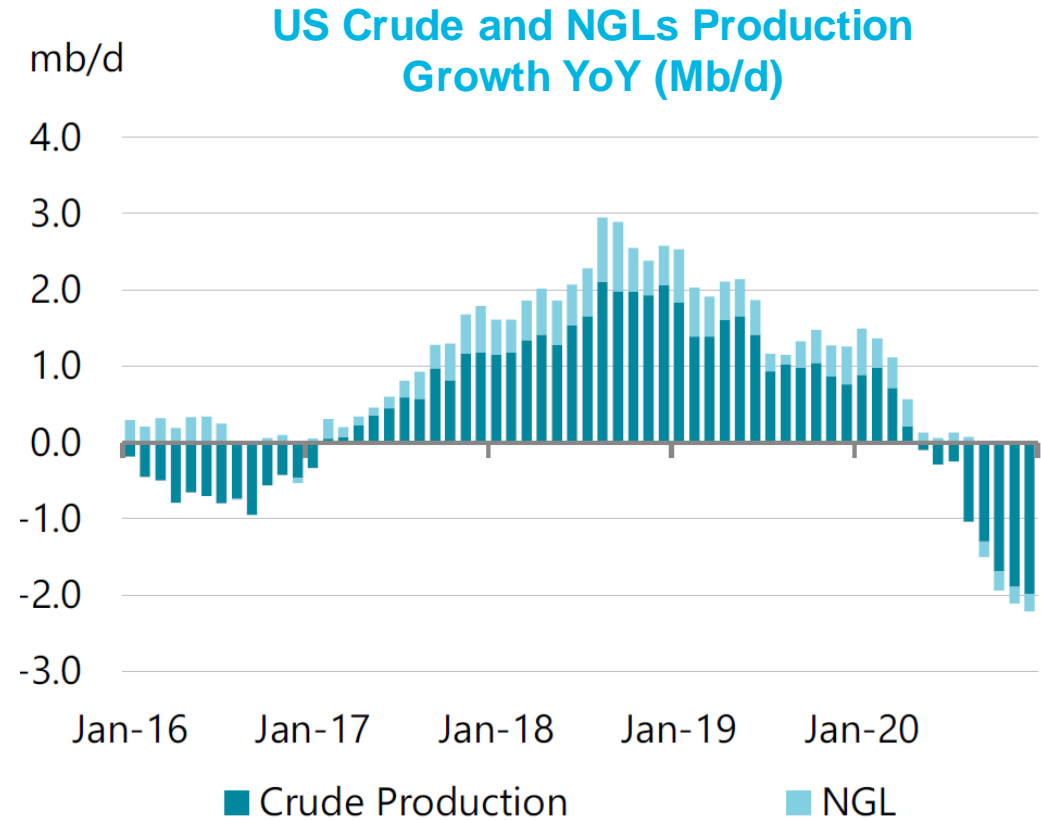
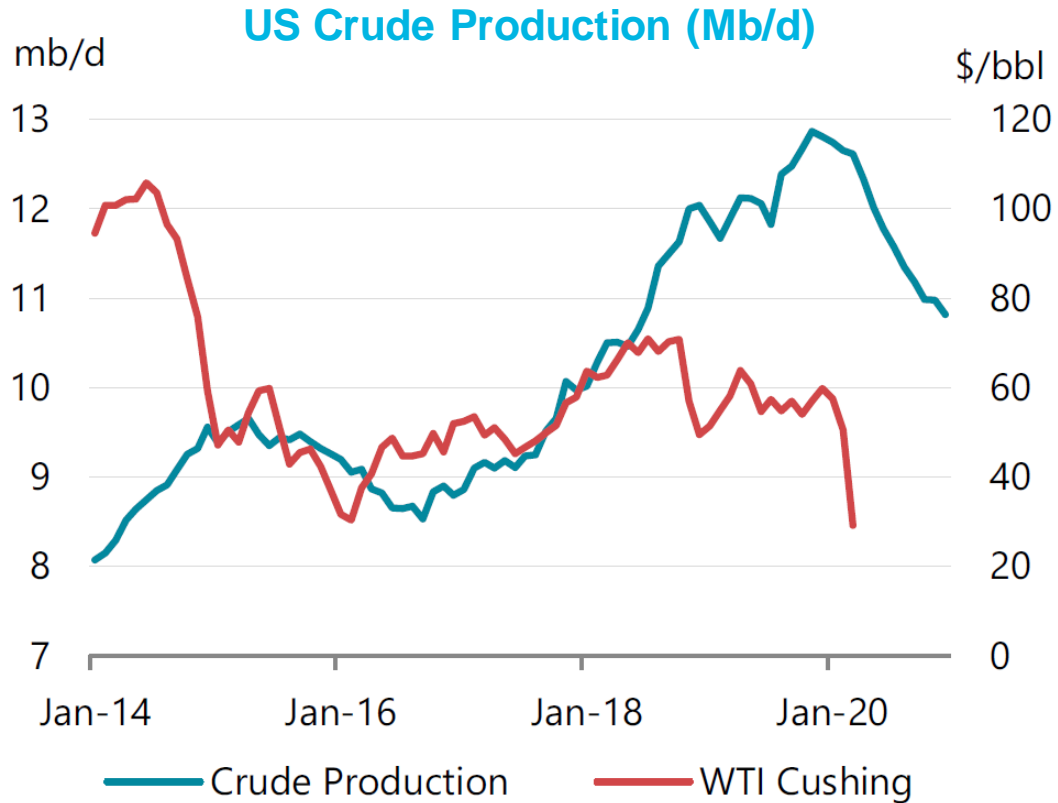
Non-OPEC supply

Market-driven output declines, led by the US, Canada and Brazil



US supply

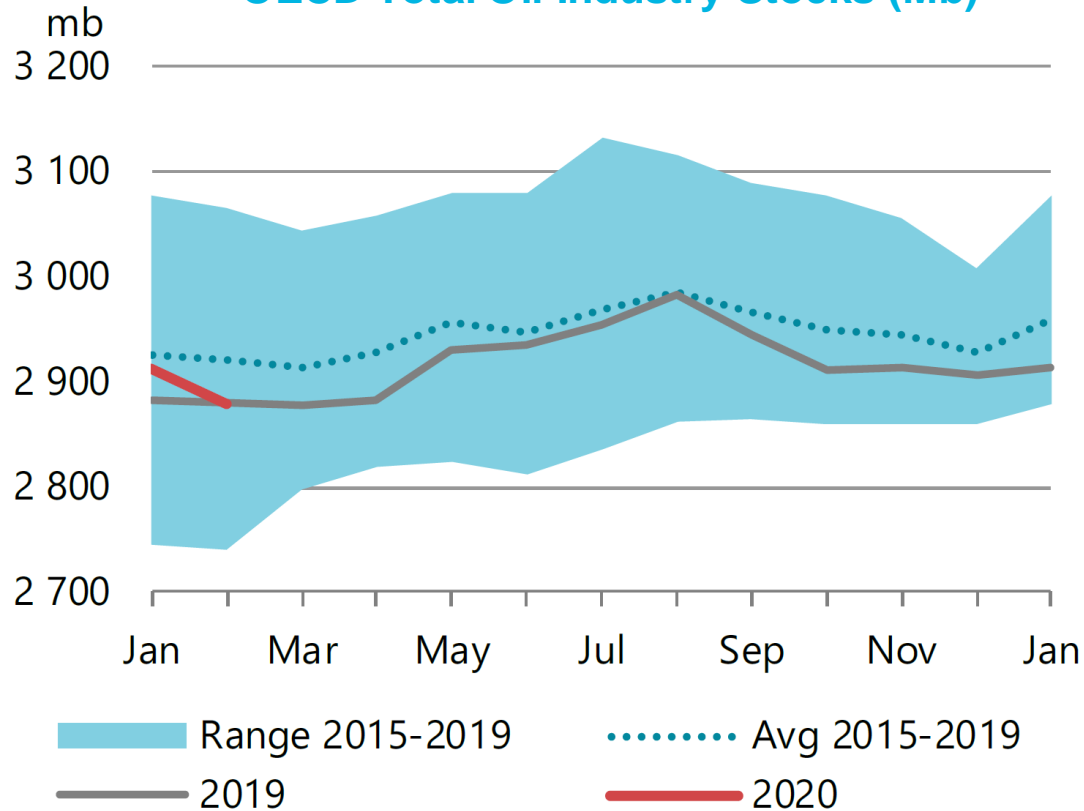
Dropping output is a reaction to prices: a combination of outright shut-ins and steep spending cuts



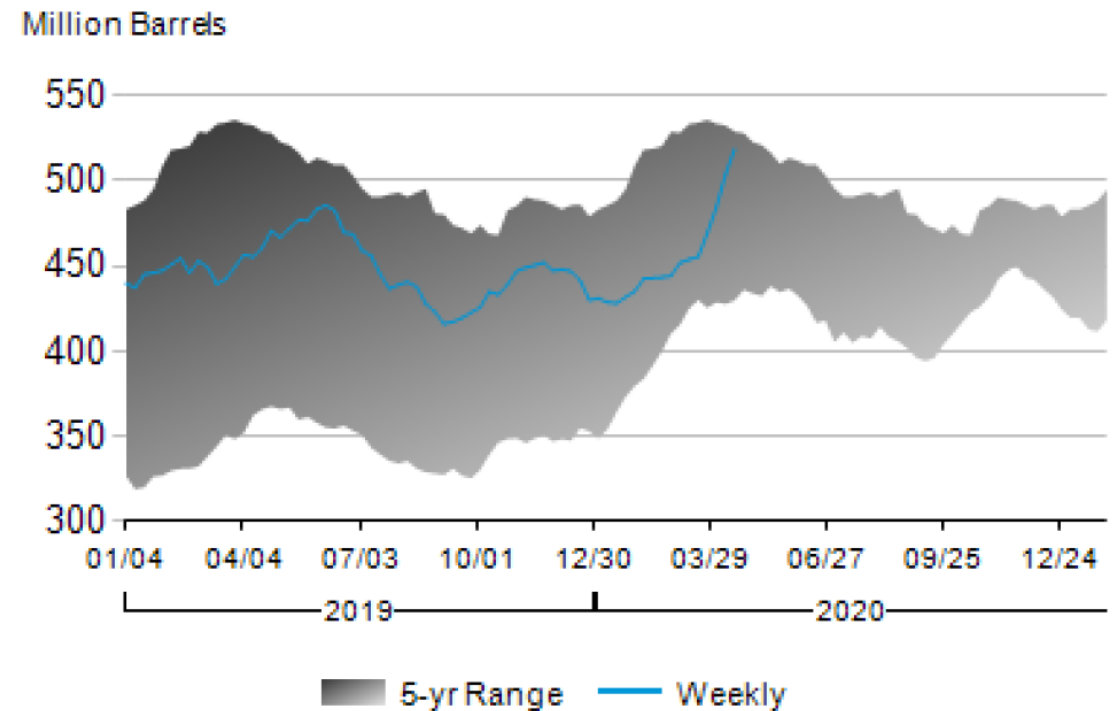
Inventories

Pre-crisis starting point was average but stocks are building rapidly. Remaining capacity is limited.

OECD Total Oil Industry Stocks (Mb)



US Crude Stocks (Mb)

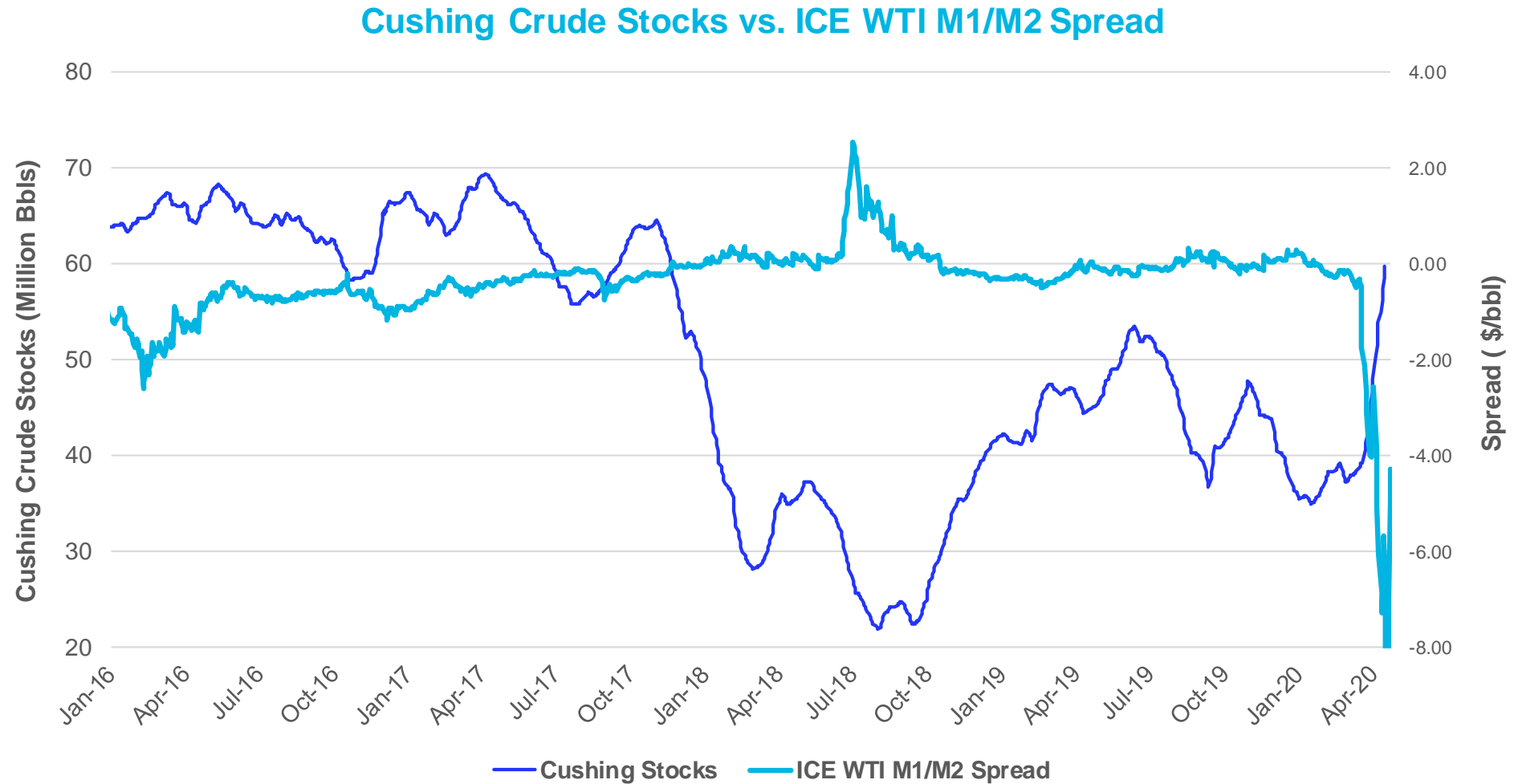


Source: International Energy Agency, Oil Market Report; released 15 April 2020 (left-hand chart)

Source: US Energy Information Administration, WPSR; released 22 April 2020 (right-hand chart)

A self-reinforcing cycle

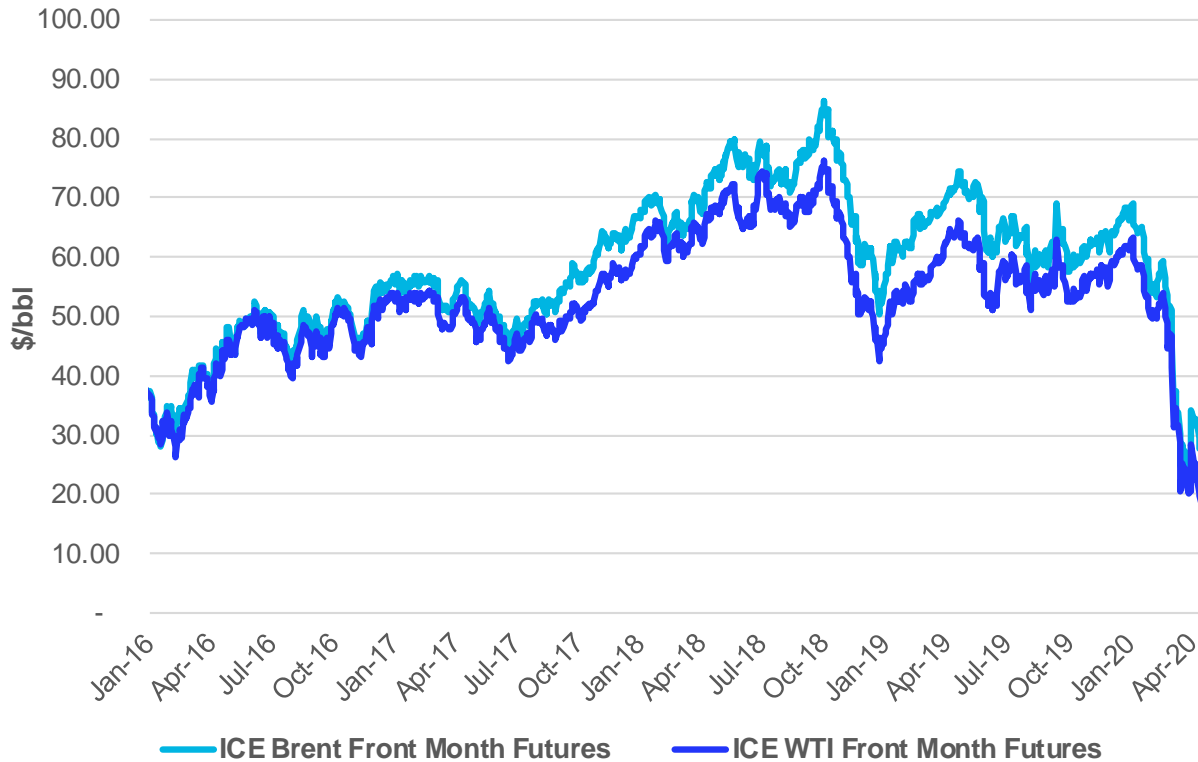
Weak demand, low prices and stock builds



Brent and WTI crude

What are the differences?

ICE Brent and ICE WTI Front Month Prices



ICE WTI/Brent Spread - 5 Day Average

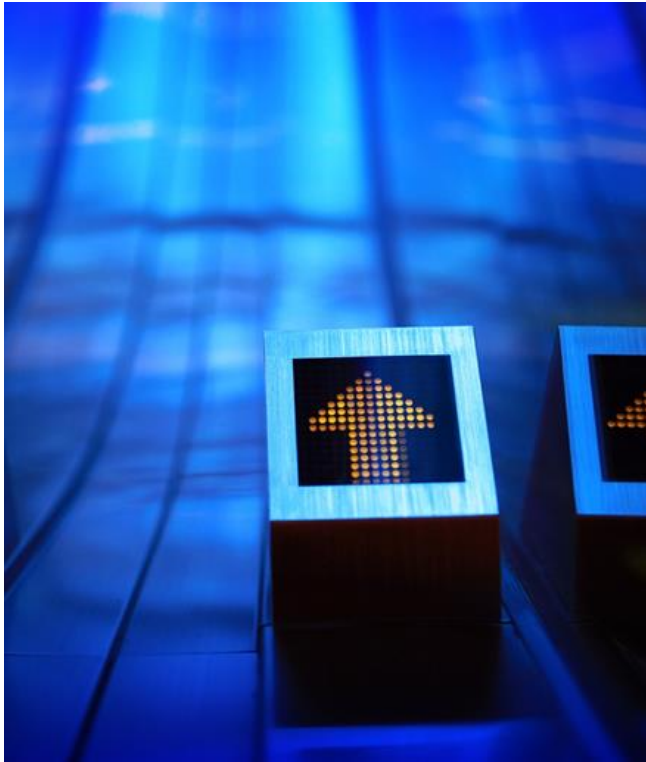


Conclusions



ICE Futures Singapore

Purpose built for the Asia Pacific investor – lowering barriers to market access



We built ICE Singapore around the idea that Asia Pacific clients would be drawn to a trading ecosystem that features:

- **No fees for market data**
- Cash settled mini contracts derived from our successful ICE US and ICE EU product offering
- Low exchange fees
- The same high quality infrastructure and matching engines available in our other exchanges
- Regulated as an Approved Exchange and Approved Clearing House in Singapore by the MAS.

ICE Futures Singapore

Industry leading technology offering

- Colocation available for members and non-members alike. Offered on a fair basis as a regulated service
- ICE Singapore & ICE US servers located in the same data centre
- DMA Access, VPN Access, WAN Access readily available
- ICE Co-Lo is the lowest-latency solution for market access. SGX Data Centre to Cermak in as low as 103ms*
- Close proximity to CME in the Aurora data centre enables arbitrage opportunities, with Cermak → Aurora .30ms*
- Ultra-high Security with dedicated connections secured via private network

**Latencies are indicative, measured one-way in milliseconds*

Multiple ISV's available:

- WebICE
- **Phillip Nova**
- Trading Technologies
 - CQG
 - PATS

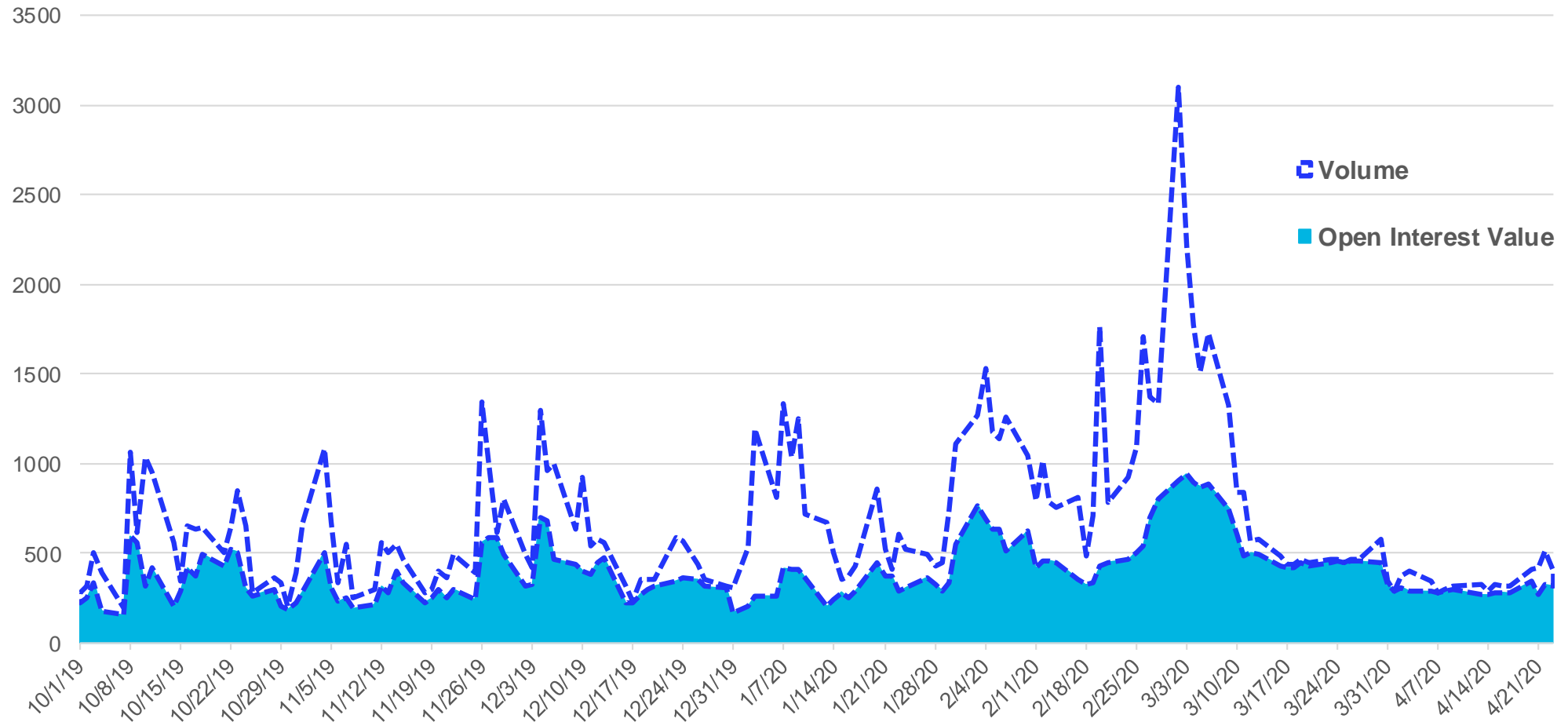
ICE Futures Singapore

Mini Brent crude futures

Mini Brent Crude Futures (100 BBL)	
UNDERLYING	Cash-settled contract based on the ICE Futures Europe Brent Crude Futures contract
CONTRACT SIZE	100 Barrels
CONTRACT MONTHS	Contract series to reference ICE Futures Europe Brent Crude Futures
PRICE QUOTATION	USD and cents (USD 0.01) per barrel
TICK SIZE	One cent (USD 0.01) per barrel (USD 1.00 per contract)
TRADING HOURS	Trading 8:00 AM to 6:00 AM Pre Open 7:45 AM
LAST TRADING DAY	Cash-settled against the ICE Brent Index price as published by ICE Futures Europe on the next trading day following the last trading day for the contract month..
CENTRAL COUNTERPARTY	ICE Clear Singapore
DAILY SETTLEMENT	Price will reference ICE Futures Europe Brent Crude Futures..
POSITION LIMITS	Expiry Limit 60,000
BLOCK ENABLED	100 lots Block Minimum Quantity

ICE Futures Singapore

Mini Brent crude volumes



Questions