The Evolving Geo-Petro-Political Landscape

September 29-30, 2020

Thomas A. Petrie, CFA
Petrie Partners, Chairman
Topics

- Global Supply / Demand Perspective

- 21st Century Geopolitical Landscape

- The Evolving Pacific Rim Landscape

- Possible Pacific Rim Drivers

- The Evolving Middle East / North African Landscape

- Possible Middle East / North African Drivers

- Concluding Observations
Near-term production surplus continues to put downward pressure on commodity prices along with high inventories

Global power alliances are shifting / creating new systemic stresses
The Evolving Pacific Rim Landscape

China’s Manmade and Militarized South China Sea Islands

These moves could significantly alter the Pacific Rim power balance for Middle East and other oil exporters
Possible Pacific Rim Drivers

“The China Vise Tightens on Hong Kong”

“Five China Questions for Candidate Biden”

“China Has Troubles Too”

“Xi’s New Economy – Don’t Underestimate It”

“The Pentagon is Prepared for China”

“China Helps Power Saudi Nuclear Push”
The Evolving Middle East / North African Landscape

The “2011 Arab Spring” Skipped “Summer” and Morphed Into “Winter”

- Traditional relations between the US, NATO, Saudi Arabia, Egypt, Turkey, and Iran are in serious flux.

The “2011 Arab Spring” Legacy

- Three failed states
- Saudi-Iran still in a Cold War state
- Iran-Iraq virtual merger possible post Sistani?
Possible Middle East / North African Drivers

“At Long Last, Iraq is Getting Back on Track”

“Foreign Powers Face Off in Libyan Civil War”

“Turkey, Rivals Square Off Over Gas Finds”

“Pompeo Encourages More Arab-Israeli Pacts”

“Inside the Rise of a New Saudi Leader”

“A Tenuous Saudi Oil Alliance Could Melt Down”
Recent rises in geopolitical uncertainties remain at high levels

US / Chinese trade and hegemony issues could prove severely challenging post COVID 19

Russian / Chinese close collaboration on shared global objectives is broadly evident

North African tensions (especially Libya) are complicating traditional strategic alliances for the US, Europe, and the Middle East nations

While oil prices have demonstrated significant resilience in the past quarter, longer term prospects remain somewhat fragile

In sum, strategic opportunities are likely to present themselves to enterprises that successfully navigate this new geopolitical landscape