Rabobank

The End of an Era

Energy Markets Update

RaboResearch
Global Economics & Markets
mr.rabobank.com

Joe DeLaura
Global Energy Strategist
+1 917 697 5584

Florence Schmit
Energy Strategist
+44 7766423658

Summary

- In August we lowered our Brent forecasts for Q4 2024 to $82 from $86. Additionally, we also moved our 2025 full-year forecast down to $85/bbl from $92/bbl as the market moved into balance from deficit according to our estimates.
- Recent confirmation of poor Chinese and US demand data and a looming glut of supply with a long-term demographic shift have caused us to revisit our models and forecasts: we now expect Brent to average $71 in Q4 2024. Further out, we forecast 2025 prices to average $70, 2026 to rise to $72, and 2027 to trade around the $75 mark.
- According to our sensitivity analysis, a half-million barrel per day oversupply implies a $10 shift in Brent prices. Markets look to be oversupplied next year by about 700,000 barrels per day, which reflects the dramatic move in our forecasts.
- We still await the flattening and decline of US tight oil production in 2025 alongside Russian compensation cuts to inject some price appreciation later in the year and in 2026, but overall the market looks to be on a longer-term flat trajectory. Lower prices in the US will discourage new drilling.
- Geopolitical issues in the Middle East still support upward price risk in the long term.

Crude Oil & Refined Products: Many Paths to Consider

The last three weeks have witnessed a dramatic sell-off in oil prices. The final trading day of August saw Brent close at $78.80, and by September 10, Brent traded down to $68.68! Prices have bounced since then, with current prices about ~$74/bbl. A new yearly low is a huge marker for more downside to come, and we foresee that crude is likely to test the Fibonacci extension point at $66.10 at some point this year. The main driver has been the news narrative of weaker-than-expected Chinese demand data, confirming that the world's largest crude importer was still mired in economic weakness filtering into the construction, shipping, and energy markets.

We wrote in our major oil report from August that:

> *If crude retests the YTD low from the first week of January and breaks lower, we see $70 to $72 as the next point of resistance and imminent OPEC+ responses walking back the Q4 production returns. If demand continues at its current meager pace, then we will continue to see Brent trading in the $70s until either demand picks up, US production flattens and declines, or Guyanese and Brazilian production is able to cause a surfeit.*

Crude's price action has since confirmed our statements, and the market remains at risk of a supply glut if OPEC+ proceeds with plans to return some of its sidelined production. For context, at the beginning of June, OPEC+ extended their current production cuts of 2.2m b/d until Q4 2024, when they expected to bring back about 180,000 b/d of crude supply in each month (Oct-Nov-Dec). Shortly after Brent traded below $70, OPEC+ delayed the October and November supply hikes back into 2025.

So, for now, 2.2m b/d of OPEC+ supply still remains sidelined, and the December output is likely going to be reduced or pushed back. However, non-OPEC+ supply growth is expected to be about 700k b/d next year, with the US (by our forecasts) decreasing production down to 13.2m b/d (-200k b/d), and gains coming mainly from Canada (+240k b/d), Guyana (+120k b/d) and Brazil (+400k b/d). We forecast that gasoline, diesel and jet fuels demand is going to total up to +430k b/d next year, marine fuels +100k b/d, and petrochemicals to 420k b/d for a total of .85m b/d of demand growth, leaving 150k b/d of imbalance. It would not take very much demand weakness to keep the market oversupplied, and OPEC still wants to bring back that sidelined supply!

Figure 1: A new YTD low in Brent will likely shift prices into a new trading range with $66 as our low floor and $77 as the high; we forecast prices to average in low $70s for the rest of the year and 2025

Source: Bloomberg, RaboResearch GEM

Our call for US production growth to flatten is controversial, so let us outline our case for flattening (and later decreasing) US production, and why we expect it to begin in 2025. US oil well productivity (by estimated ultimate recovery, or EUR) has been declining for four straight years. Total US production is currently 13.3m b/d, of which ~9.2m b/d (70%) comes from the tight oil plays pioneered in the early 2010s. The Permian basin accounts for 6.2m b/d of production, and oil wells in the Permian are now producing 40% less oil over a theoretical 3-year EUR (estimated ultimate recovery) lifetime than they were pre-Pandemic! There are similar drops for the Bakken and Eagle Ford shale regions. The much-touted gains in efficiency the US has witnessed are merely a front-loading of production into the first six months, with sharp declines as the play matures. Think of the technological advancements as using a larger straw to drink a milkshake. The cup is the same size, you're just able to drink it faster! A bigger straw does not create additional oil.

To keep production constant as older wells drop off, either more drilling must occur, or drilled but uncompleted well inventories must completed out. Yet rig counts are dropping from a peak in Q4 2022. Recent drilling rig counts show less than 500 active oil rigs according to the Baker Hughes survey. DUC backlogs are also down. It's the perfect confluence of factors all pointing one way. Current oil economics point toward the US as the last (large-scale) marginal producer, with most domestic break-evens below $60/barrel WTI. This sets the stage for a repeat of 2014, where OPEC is losing market share, has 6m b/d of headline spare capacity (though likely less than this in actuality, especially in Saudi Arabia), and can force American barrels off the market with supply hikes.

This is how the stage is set for US production to flatten and decline. If prices drop further, then American drillers will be forced out, the decline in US production will pick up, which will help stabilize prices at lower levels, most likely in the high $50s to low $60s. But there still remains a much bigger fundamental shift.

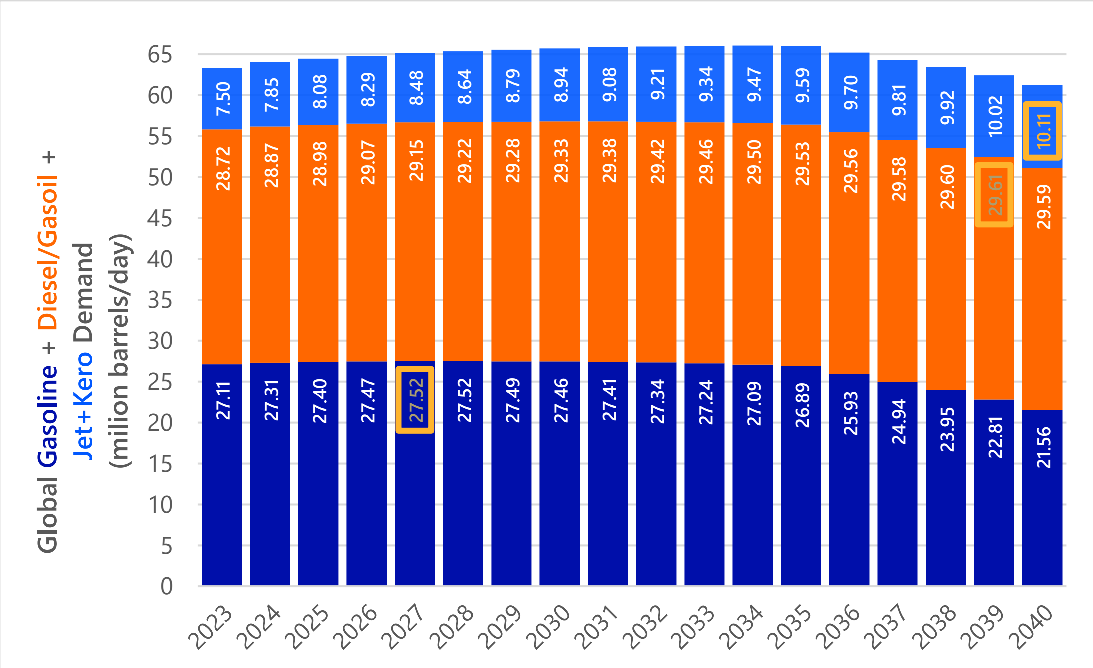
The Revision: Population Trends Are Negative For Oil Growth

The recent drop in crude prices—driven by fears about Chinese demand growth and a weakening overall economy—has caused us to revisit our assumptions about the nature of growth going forward.

There is oil demand and oil demand *growth*. Oil demand growth usually tends to follow the rate of population growth, with a multiplicative factor for industrializing countries. China and India have generated the vast majority of oil demand growth over the last decade, while OECD countries made up the bulk of overall demand, but have experienced tepid growth in fuel markets and stronger demand growth from petrochemicals.

Where will the future growth of fuel demand come from? Globalization of trade and manufacturing accelerated crude oil usage in the 1980s. First Japan and South Korea, then China's rapid ascents, and now India. India's demand growth is still high comparatively, but a few years or perhaps a decade (for the most bullish) behind China in terms of demand maturity. **World gasoline and diesel consumption will continue to rise, but the rate of increase is slowing.**

Figure 2: Global gasoline demand will peak in the next few years, but jet fuel and diesel usage will continue to increase. This divergence will cause a shift in crack spreads and refining profitability.



Source: EIA, IEA, RaboResearch GEM

Nothing lasts forever, and we are headed into a new era. Simply put, China and India will not see the same fuel demand growth as witnessed in the past. Global population growth is expected to continue upward over the next 50 years, but the rate of population growth has fallen since 2014. China's population is even shrinking. There simply are no countries on the scale of China and India regarding population and baseline development growth. Brazil and Indonesia are populous and developing into high-income industrialized countries, but they are far denser and more urbanized due to their respective geographic limitations. 87.8% of Brazilians live in urban areas, and 56% of Indonesians live on a single island, Java, that has nearly three times the population density of Honshū, the foremost island of Japan. Urban areas and density are huge limiting factors for transportation fuels, especially gasoline for private cars, and then on an absolute scale these countries are simply ~1/7th the population of India or China. The global economy has reached a level of industrial maturity in which there are still many regions where growth will remain strong and development is underway, but **the fact remains that the largest countries in the world are past the high-acceleration growth phase. Overall, world oil demand growth will shrink, flatten, then decline.**

A complimentary factor that financial news has latched onto is China's (and to an extent, Europe's) battery-electric vehicle sales. About 40% of new cars sold in China are BEVs or PHEVs, up from 35% last year. The total Chinese car market has BEVs and PHEVs representing 16% of all vehicles. European new car sales are also high, led by Germany at 30% of all vehicles (before subsidies expired in August 2024), an average of 20% across the region. The overall market share of BEVs and PHEVs in the EU plus the UK is about 14 to 15%.

These are important numbers—BEVS and PHEVs are already driving down gasoline demand. Just last week, two smaller Chinese refineries declared bankruptcy off of weak margins.

About 45% of a refinery's output is gasoline (~20% in Europe), 25% is diesel (~40% in Europe), 9-10% is jet fuel and kerosene, and the last 15% (approximately) are heavy fuel oils (including bunker/marine fuels), naphthas, lubricants, waxes, NGLs, petrochemical feedstocks, asphalt, and miscellaneous products. Weak margins tend to imply weak gasoline crack spreads! Another note is that the majority of the oil demand growth of the last three years has come from the petrochemical and NGLs sectors. That last 15 to 20% of "other oil products" often have very low crack spreads or profitability, despite their widespread usefulness and centrality to the consumer and industrial economies.

These factors are the basis for our revisions downwards. Currently, we foresee several price path scenarios:

First, let us address the elephant in the room: the flow of oil through Strait of Hormuz remains the major point of significance in terms of geopolitics. About 17-20 million barrels per day of crude oil plus 3.5 billion cubic feet of natural gas, ~20% of world petroleum and gas shipments, travel through the narrows on tankers. According to the EIA and Vortexa, about 80% of the crude oil and condensates moving through the Strait head east to Asia, while about 11% of US petroleum imports originate from the region. The refiners and consumers in the US, China, India, Japan, and South Korea, along with the major oil trading hub of Singapore, all have a vested economic interest in keeping the trade lanes open. Any escalation of conflicts in the Middle East is allowed up to the big, red, dotted line of economic devastation (closure of the Strait). **The ~~spice~~ oil must flow**. Notice how the media has sidelined the Houthi attacks in the Bab el-Mandab strait; they are annoying to world trade but tolerable to the world powers; diverting vessels around the Cape of Good Hope just increases costs, nearly doubles the shipping time, and pushes up marine fuel usage – but it *doesn't impact the flow of oil*. Any attempt at a blockade of the Strait or Persian Gulf would have a cataclysmic effect on oil and LNG prices, and we secretly suspect that there are numerous agencies in consistent communication about that event. Risk premiums are a futile attempt by the market to gauge the probability of this risk. What's a few dollars, or even ten dollars per barrel against the risk of $200 crude if 20% of world supply is removed, even temporarily? In this scenario, oversupply and demand matter little compared to the sheer amount of crude oil that is taken from the market. Whatever escalation happens between Israel, Hamas, Hezbollah and Iran is (*hopefully)* going to be contained with hard lines about the Strait of Hormuz by the dominant world economic powers. We as a species are staking that rationality wins out over ideology.

Second, the short-term demand vagaries of the economy and interest rates will only instigate noise in the next few quarters of oil and refined products prices. The US and China have both experienced weaker-than-average gasoline and diesel demand YTD. There's a reason we publish and forecast trading ranges here at Rabobank. Markets don't move in straight lines. Financial markets are notoriously given over to hype and despair. We estimate that Brent will likely trade between $77 and $66 for the rest of 2024, with the current hype cycle focusing on China's announcement of a round of economic stimulus plans to shore up the domestic real estate market. Markets have rallied since the September 10 lows, despite there being little substantial change in actual physical markets. The next downswing will likely center around OPEC returning supply in December.

Lower interest rates will spark some demand for the construction season in 2025, which is likely to elevate diesel crack spreads for next year. This plays into our next point: as the world embarks on an energy transition, gasoline markets will be hit harder than others, especially jet fuel and diesel. We've already talked about the rise of BEVs and PHEVs on gasoline demand, but there is not a similar effect for other refined products. There is a physical engineering problem to replacing diesel and jet fuel: energy density and storability. Battery weight makes it nearly impossible to power aircraft and is a huge limiting factor for long-haul trucking. Construction and agricultural equipment need to run constantly on heavy machinery for ten to twelve hours per day – something that current battery technology cannot perform. We expect diesel demand to continue growing slowly well into the late 2030s (Figure 2). If diesel and jet fuel demand are growing, but gasoline is declining, diesel crack spreads must rise relative to gasoline. This will support prices for the next decade, especially given the low global stockpiles of diesel inventories.

Furthermore, the growth of renewable and biodiesel will not save the day. Currently, about 495k b/d of global diesel demand are made from renewable and biodiesel, and if all current projects under construction & planning are finished by 2030, the total capacity will rise to 809k b/d of diesel out of a market using 29 million b/d. We see this as admirable in goal but negligible in scope concerning pricing for diesel, with a distorting effect on soybean and other food oil feedstocks.

In summary, we foresee Brent prices averaging $70 in 2025, $72.25 in 2026 and $75 in 2027 off of these factors. Additionally, NY Harbor Diesel and ICE Gasoil prices will trade lower along with crude, but pick up in the late spring and onward as crack spreads remain elevated. A summary table of our forecasts and the current forward futures curves follows on the next page.

Rabobank Energy Forecasts

Crude Oil			Q3 24	Q4 24	Q1 25	Q2 25	Q3 25	Q4 25
Brent		Forecast	$77.93	$71.00	$68.00	$71.00	$69.50	$70.50
	$/BBL	Forward	$77.93	$72.84	$72.25	$71.99	$71.67	$71.34
WTI		Forecast	$75.20	$68.00	$64.50	$67.00	$65.50	$66.25
	$/BBL	Forward	$74.34	$69.75	$68.64	$68.06	$67.55	$67.13
NY ULSD		Forecast	$2.31	$2.19	$2.18	$2.24	$2.23	$2.24
	$/GAL	Forward	$2.28	$2.18	$2.18	$2.18	$2.20	$2.22
Gulf Coast Diesel		Forecast	$2.16	$2.12	$2.13	$2.21	$2.19	$2.20
	$/GAL	Forward	$2.12	$2.11	$2.14	$2.14	$2.17	$2.18
DOE On-Highway Diesel		Forecast	$3.65	$3.64	$3.65	$3.72	$3.71	$3.71
	$/GAL	Forward	$3.62	$3.63	$3.65	$3.66	$3.68	$3.69
ICE Gasoil		Forecast	$733	$654	$644	$669	$661	$667
	$/MT	Forward	$684	$658	$658	$659	$664	$665
RBOB		Forecast	$2.39	$1.95	$1.88	$2.15	$2.09	$1.90
	$/GAL	Forward	$2.24	$1.96	$2.01	$2.12	$2.02	$1.87
Natural Gas			**Q3 24**	**Q4 24**	**Q1 25**	**Q2 25**	**Q3 25**	**Q4 25**
HH Natural Gas		Forecast	$2.05	$2.95	$3.00	$2.65	$2.75	$3.35
	$/MMBtu	Forward	$2.07	$2.99	$2.97	$3.01	$3.21	$3.85
TTF Natural Gas		Forecast	€ 36.0	€ 38.0	€ 41.0	€ 31.0	€ 29.0	€ 37.0
	€/MWh	Forward	€ 35.4	€ 35.2	€ 35.3	€ 34.1	€ 34.2	€ 35.7
NBP Natural Gas		Forecast	88.34	97.80	105.94	75.64	71.60	99.01
	GBp/Therm	Forward	84.01	88.80	89.38	83.09	84.43	93.71
JKM Natural Gas		Forecast	$12.97	$13.22	$12.54	$11.81	$11.72	$12.52
	$/MMBtu	Forward	$13.00	$13.26	$12.52	$12.17	$12.18	$13.02
Power			**Q3 24**	**Q4 24**	**Q1 25**	**Q2 25**	**Q3 25**	**Q4 25**
German Baseload Power		Forecast	€ 78	€ 86	€ 101	€ 66	€ 68	€ 93
	€/MWh	Forward	€ 77	€ 79	€ 87	€ 72	€ 80	€ 90
Carbon			**Q3 24**	**Q4 24**	**Q1 25**	**Q2 25**	**Q3 25**	**Q4 25**
EUAs		Forecast	€ 69.5	€ 71.0	€ 80.0	€ 82.0	€ 90.5	€ 95.2
	€/MT	Forward	€ 66.2	€ 62.8	€ 63.5	€ 64.1	€ 64.4	€ 65.0

RaboResearch
Global Economics & Markets
mr.rabobank.com

Global Head

Jan Lambregts
+44 20 7664 9669
Jan.Lambregts@Rabobank.com

Macro Strategy

Global

Michael Every
Senior Macro Strategist
Michael.Every@Rabobank.com

Europe

Elwin de Groot
Head Macro Strategy
Eurozone, ECB
+31 30 712 1322
Elwin.de.Groot@Rabobank.com

Bas van Geffen
Senior Macro Strategist
ECB, Eurozone
+31 30 712 1046
Bas.van.Geffen@Rabobank.com

Stefan Koopman
Senior Macro Strategist
UK, Eurozone
+31 30 712 1328
Stefan.Koopman@Rabobank.com

Erik-Jan van Harn
Senior Macro Strategist
Germany, France
+31 6 300 20 936
Erik-Jan.van.Harn@Rabobank.nl

Maartje Wijffelaars
Senior Economist
Italy, Spain, Eurozone
+31 88 721 8329
Maartje.Wijffelaars@Rabobank.nl

Americas

Philip Marey
Senior Macro Strategist
United States, Fed
+31 30 712 1437
Philip.Marey@Rabobank.com

Christian Lawrence
Senior Cross-Asset Strategist
Canada, Mexico
+1 212 808 6923
Christian.Lawrence@Rabobank.com

Mauricio Une
Senior Macro Strategist
Brazil, Chile, Peru
+55 11 5503 7347
Mauricio.Une@Rabobank.com

Renan Alves
Macro Strategist
Brazil
+55 11 5503 7288
Renan.Alves@Rabobank.com

Molly Schwartz
Cross-Asset Strategist
+1 516 640 7372
Molly.Schwartz@Rabobank.com

Asia, Australia & New Zealand

Teeuwe Mevissen
Senior Macro Strategist
China
+31 30 712 1509
Teeuwe.Mevissen@Rabobank.com

Benjamin Picton
Senior Macro Strategist
Australia, New Zealand
+61 2 8115 3123
Benjamin.Picton@Rabobank.com

FX Strategy

Jane Foley
Head FX Strategy
G10 FX
+44 20 7809 4776
Jane.Foley@Rabobank.com

Rates Strategy

Richard McGuire
Head Rates Strategy
+44 20 7664 9730
Richard.McGuire@Rabobank.com

Lyn Graham-Taylor
Senior Rates Strategist
+44 20 7664 9732
Lyn.Graham-Taylor@Rabobank.com

Credit Strategy & Regulation

Matt Cairns
Head Credit Strategy & Regulation
Covered Bonds, SSAs
+44 20 7664 9502
Matt.Cairns@Rabobank.com

Bas van Zanden
Senior Analyst
Pension funds, Regulation
+31 30 712 1869
Bas.van.Zanden@Rabobank.com

Cas Bonsema
Senior Analyst
Financials
+31 6 127 66 642
Cas.Bonsema@Rabobank.com

Agri Commodity Markets

Carlos Mera
Head of ACMR
+44 20 7664 9512
Carlos.Mera@Rabobank.com

Oran van Dort
Commodity Analyst
+31 88 723 8647
Oran.van.Dort@Rabobank.com

Energy Markets

Joe DeLaura
Global Energy Strategist
+1 212 916 7874
Joe.DeLaura@Rabobank.com

Florence Schmit
Energy Strategist
+44 20 7809 3832
Florence.Schmit@Rabobank.com

Client coverage

Wholesale Corporate Clients

Martijn Sorber	Global Head	+31 30 712 3578	Martijn.Sorber@Rabobank.com
Hans Deusing	Europe	+31 30 216 9045	Hans.Deusing@Rabobank.com
Neil Williamson	North America	+1 212 808 6966	Neil.Williamson@Rabobank.com
Adam Vanderstelt	Australia, New Zealand	+61 2 8115 3102	Adam.Vanderstelt@rabobank.com
Ethan Sheng	Asia	+852 2103 2688	Ethan.Sheng@Rabobank.com
Ricardo Rosa	Brazil	+55 11 5503 7150	Ricardo.Rosa@Rabobank.com

Financial Institutions

Short-term Interest Rates

Marcel de Bever	Global Head	+31 30 216 9740	Marcel.de.Bever@Rabobank.com

Bonds & Interest Rate Derivatives

Henk Rozendaal	Global Head Fixed Income	+31 30 216 9423	Henk.Rozendaal@Rabobank.com

Solutions

Sjoerd van Peer	Global Head	+31 30 216 9072	Sjoerd.van.Peer@Rabobank.com

Relationship Management

Rogier Everwijn	Global Head	+31 30 712 2440	Rogier.Everwijn@Rabobank.com
Rob Eilering	Banks	+31 30 712 2162	Rob.Eilering@Rabobank.com
Petra Schuchard	Insurers		Petra.Schuchard@Rabobank.com
Frank Dekkers	Asset Managers		Frank.Dekkers@Rabobank.com
Javier Alvarez de Eerens	MDB	+31 30 712 1015	Javier.Alvarez@Rabobank.com
Christel Kleinhaarhuis	Fintech		Christel.Klein.Haarhuis@Rabobank.com

Capital Markets

Laura Bijl	Global Head	+31 88 726 3254	Laura.Bijl@Rabobank.com
Christopher Hartofilis	Capital Markets USA	+1 212 808 6890	Christopher.Hartofilis@Rabobank.com
Ian Baggott	Capital Markets Asia	+852 2103 2629	Ian.Baggott@Rabobank.com
Adriana Gouveia	Capital Markets Brazil	+55 11 5503 7305	Adriana.Gouveia@rabobank.com
Willem Kröner	Global Head ECM	+31 30 712 4783	Willem.Kroner@Rabobank.com
Harman Dhami	DCM Syndicate	+44 20 7664 9738	Harman.Dhami@Rabobank.com
Crispijn Kooijmans	DCM FIs & SSAs	+31 30 216 9028	Crispijn.Kooijmans@Rabobank.com
Bjorn Alink	DCM Securitisation & Covered Bonds	+31 30 216 9393	Bjorn.Alink@Rabobank.com
Othmar ter Waarbeek	DCM Corporate Bonds	+31 30 216 9022	Othmar.ter.Waarbeek@Rabobank.com
Joris Reijnders	DCM Corporate Loans	+31 30 216 9510	Joris.Reijnders@Rabobank.com
Brian Percival	DCM Leveraged Finance	+44 20 7809 3156	Brian.Percival@Rabobank.com

Disclaimer

Non Independent Research

This document is issued by Coöperatieve Rabobank U.A. incorporated in the Netherlands, trading as "Rabobank" ("Rabobank") a cooperative with excluded liability. The liability of its members is limited. Authorised by De Nederlandsche Bank in the Netherlands and regulated by the Authoriteit Financiële Markten. Rabobank London Branch (RL) is authorised by De Nederlandsche Bank, the Netherlands and the Prudential Regulation Authority, and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Further details are available on request. RL is registered in England and Wales under Company no. FC 11780 and under Branch No. BR002630. This document is directed exclusively to Eligible Counterparties and Professional Clients. It is not directed at Retail Clients.

This document does not purport to be impartial research and has not been prepared in accordance with legal requirements designed to promote the independence of Investment Research and is not subject to any prohibition on dealing ahead of the dissemination of Investment Research. This document does NOT purport to be an impartial assessment of the value or prospects of its subject matter and it must not be relied upon by any recipient as an impartial assessment of the value or prospects of its subject matter. No reliance may be placed by a recipient on any representations or statements made outside this document (oral or written) by any person which state or imply (or may be reasonably viewed as stating or implying) any such impartiality.

This document is for information purposes only and is not, and should not be construed as, an offer or a commitment by RL or any of its affiliates to enter into a transaction. This document does not constitute investment advice and nor is any information provided intended to offer sufficient information such that is should be relied upon for the purposes of making a decision in relation to whether to acquire any financial products. The information and opinions contained in this document have been compiled or arrived at from sources believed to be reliable, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness.

The information contained in this document is not to be relied upon by the recipient as authoritative or taken in substitution for the exercise of judgement by any recipient. Any opinions, forecasts or estimates herein constitute a judgement of RL as at the date of this document, and there can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. All opinions expressed in this document are subject to change without notice.

To the extent permitted by law, neither RL, nor other legal entities in the group to which it belongs accept any liability whatsoever for any direct or consequential loss howsoever arising from any use of this document or its contents or otherwise arising in connection therewith.

Insofar as permitted by applicable laws and regulations, RL or other legal entities in the group to which it belongs, their directors, officers and/or employees may have had or have a long or short position or act as a market maker and may have traded or acted as principal in the securities described within this document (or related investments) or may otherwise have conflicting interests. This may include hedging transactions carried out by RL or other legal entities in the group, and such hedging transactions may affect the value and/or liquidity of the securities described in this document. Further it may have or have had a relationship with or may provide or have provided corporate finance or other services to companies whose securities (or related investments) are described in this document. Further, internal and external publications may have been issued prior to this publication where strategies may conflict according to market conditions at the time of each publication.

This document may not be reproduced, distributed or published, in whole or in part, for any purpose, except with the prior written consent of RL. By accepting this document you agree to be bound by the foregoing restrictions. The distribution of this document in other jurisdictions may be restricted by law and recipients of this document should inform themselves about, and observe any such restrictions.

A summary of the methodology can be found on our website