

Key Elements of Marketing and Trading

- Marketing and trading is about the customer
- Marketing operations are as important to the customer as physical aspects of delivery
- Real-time information, pulling from many roles in the marketing and trading organization, is critical
- Top notch compliance program and culture essential

Market Analytics – Key contributors

Supply Factors:

Production



LNG Imports



Transportation Capacity



Demand Factors:

Weather



Competing Fuels



Economy

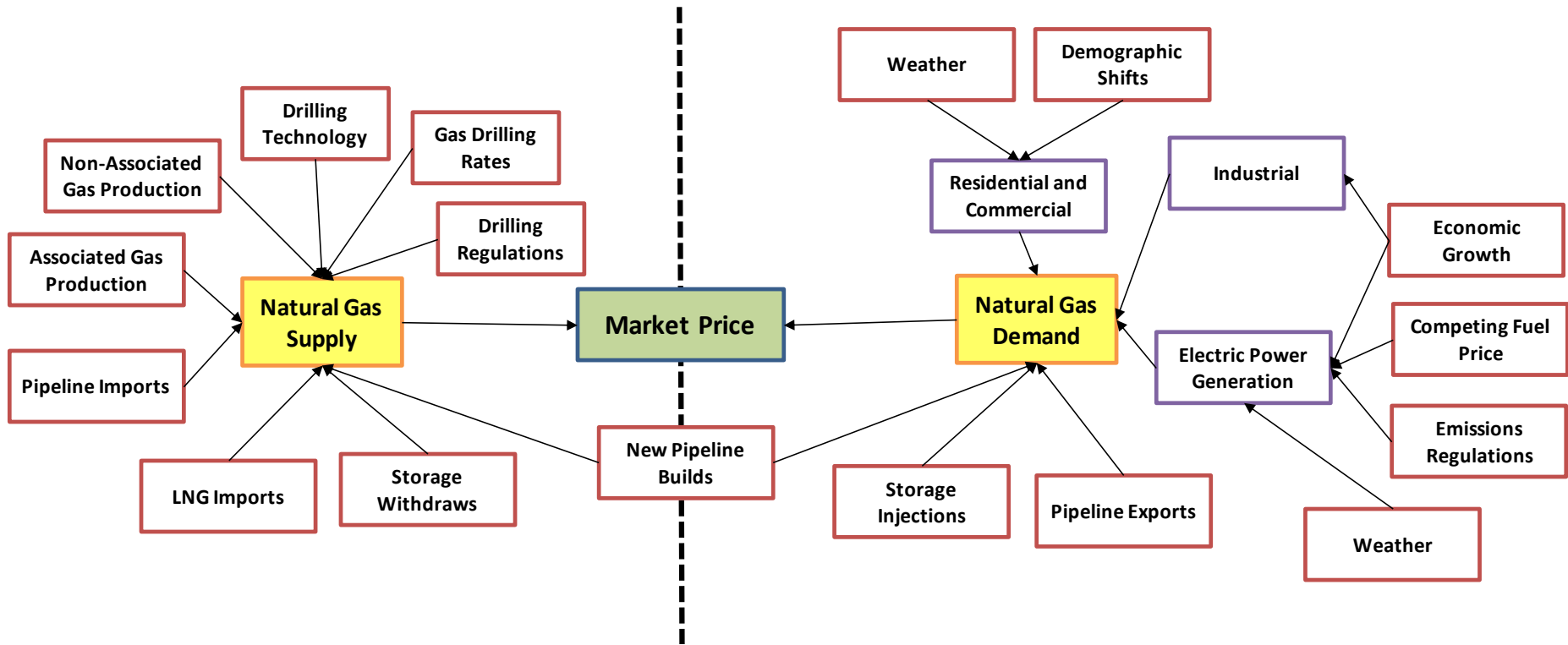
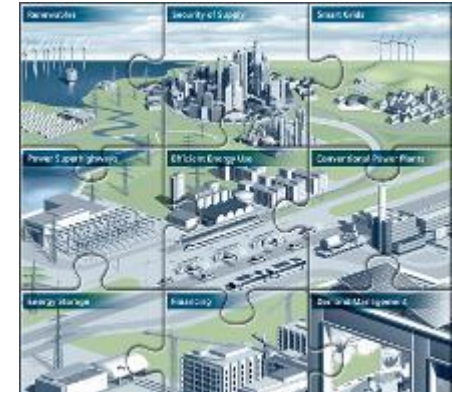


Other Factors:

- Pipeline scrapes
- Coal view
- Producer financials
- International demand
- Ship monitoring
- Freight rates monitored
- Trader views on “who is doing what in the market”?

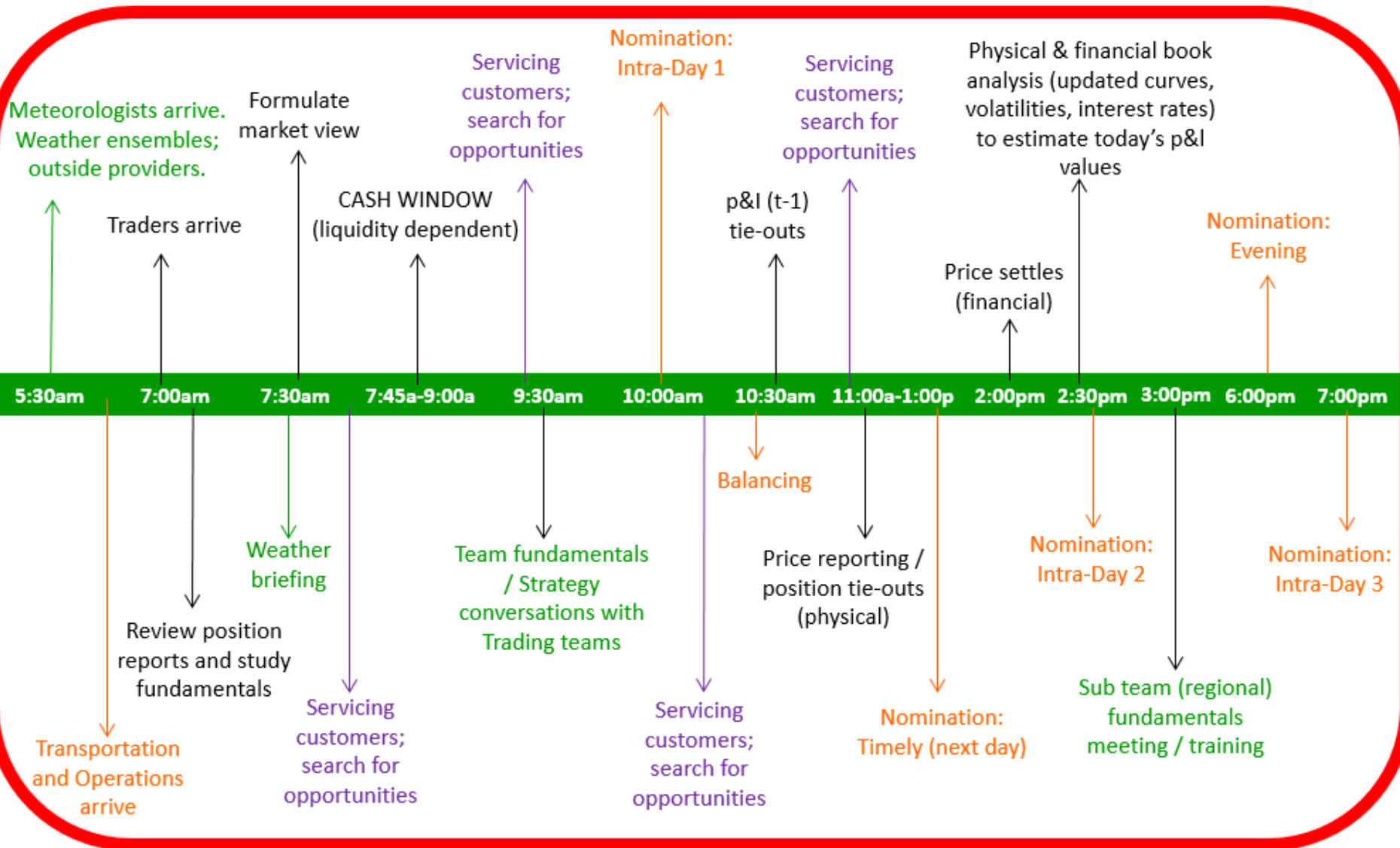
Market Fundamentals Analysis

- For physical commodities, supply and demand **have to** balance each other out every day but at what price does that happen?
- Need to understand all components of supply and demand in our regions. Some idea of scale? 250 pipelines, 50,000 natural gas points, 300 storage caverns, 100 Pricing Points, hundreds of cities/temps, regulatory developments, infrastructure changes



The **“Marginal Molecule”** that balances the market sets the price of the commodity. Understanding how the market needs to balance helps develop a view on prices.

A Day in a Marketing and Trading Organization



A Day in the Life of Transportation and Operations (T&O)

