March 2020 Financial Markets Update

A Complete Wrap-Up Across FX, Interest Rates, and Energy Commodities

ATB listens

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<u>**Highlights**</u>

- *JP Doré walks us through a quick history of what emergency Fed rate cuts and 'negative convexity' may tell us about the direction of US interest rates*
- *Chris Fricke and Mark Engelking take a tour of the FX landscape*
- *And, we try and make sense of a historic period for oil markets amid the potential dissolution of the OPEC+ alliance: What's next?*

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Central Bank Overview

JP Dore, Markets Analyst

The Covid19 outbreak continues to wreak havoc on the global economic outlook. What was previously hoped to be a supply shock contained to mainland China has now gone global: South Korea, Iran, and Japan have seen a surge in cases while Italy has cancelled major sporting events, and the US frets over an outbreak that is showing all the signs of following a similar epidemic-curve to that seen in other countries. Here in Alberta, we have our first presumptive case in Calgary, and BC just reported their first case of 'community spread'.

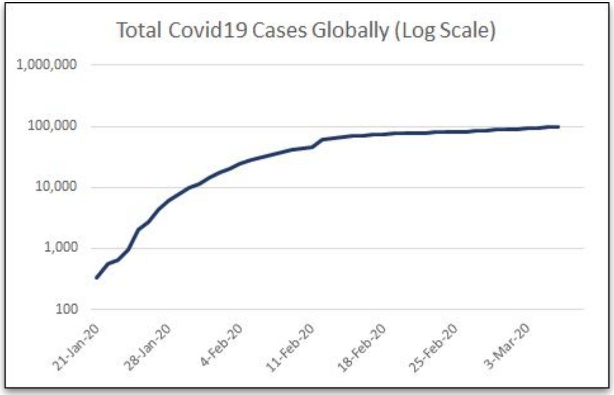
So, what does this mean for the market overall, and specifically for US interest rates? Let's take a quick look at the history of emergency Fed cuts, and something called 'negative convexity' for some guidance.

There is little in the way of historical precedent for modeling an outbreak: the SARS epidemic has been cited (given the similar strain of coronavirus to Covid19) but the parallels stop there it seems. Last month we cited the 'V' shaped recovery in Chinese GDP growth and oil demand following SARS as a possible guide to how this may evolve. We are likely to be proven wrong. What may be similar to past experiences however, is how interest rate markets may evolve given the potential for an extreme contraction in growth.

While not much has changed just yet in the underlying US economy, there has been an incredible shift in expectations - and that dynamic has created heightened uncertainty and a risk-off bid for safe haven assets. The US 10 year yield has plunged to a mere 0.75% from 1.6% at the start of February. That is a record low and there is likely more to come.

Juxtaposed against this is a US economy that is ticking along quite nicely. Indeed, February's US jobs report was stellar - the US added 278k jobs last month - but that data may as well have been from 10 years ago the way the market is pricing in rate cuts at the moment.

Global Confirmed Covid19 Cases Tops 100k



Source: Bloomberg, ATB Financial Markets

Central Bank Overview

JP Dore, Markets Analyst

The Emergency 50bps of easing from the Fed this week is unlikely to be the last. For some guidance, in 2008 after the Fed had lowered rates to 1% via two 50bps cuts in response to what turned out to be the Global Financial Crisis, they quickly cut rates a third time by 75bps to arrive at the 'zero lower bound'. Will we get there again? The balance of probabilities say "yes": ***In all but one of the six prior emergency rate cuts, the Fed cut again at the next scheduled meeting by the exact same amount.*** That implies (and the market currently agrees) that the Fed will likely deliver another 50bps of cuts on March 18th, putting funds at 0.75%. At that point, with the lessons from the Great Depression and the Global Financial Crisis being that forceful, creative action is required in response to severe financial crises, I would suspect we will see the Fed maintain an easing bias with a return to the zero lower bound very possible within 12 months time.

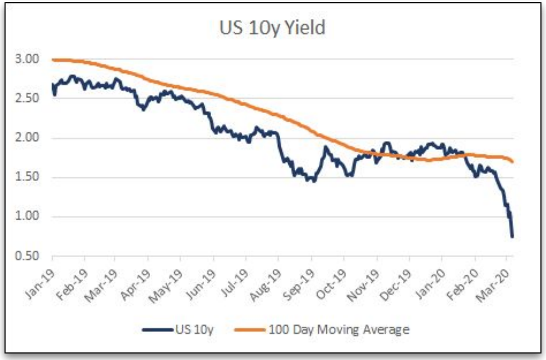
On top of that, we have near term accelerants contributing to what seems like the interminable decline in yields: as rates move lower, investors in fixed income securities such as mortgages will start to see some of those loans being repaid early: after all, who doesn't like lower mortgage rates? What that means for the investor, however, is that all of a sudden she will have to add back to her portfolio as those mortgages are repaid - likely by buying Treasury bonds, which pushes yields lower still...and the cycle builds on itself. This phenomenon is called "negative convexity" and in the near term it is contributing to the steep decline in US yields. With these accelerants added to the fire that coronavirus started, it may not be long at all before we start seeing further action from the the Fed. Get ready, it's going to be a wild few months!

Emergency Fed Cuts Lead To.....More Fed Cuts..

Date	Rate Change	Reason	Next Meeting	Rate Change
15-Oct-98	-25	LTCM Collapse	17-Nov-98	-25
3-Jan-01	-50	Recession	31-Jan-01	-50
19-Apr-01	-50	Recession	15-May-01	-50
17-Sep-01	-50	"9/11"	2-Oct-01	-50
22-Jan-08	-75	GFC	30-Jan-08	-50
8-Oct-08	-50	GFC	29-Oct-08	-50
2-Mar-20	-50	Covid19	18-Mar-20	?

Source: Bloomberg, Federal Reserve, ATB Financial Markets

10yr Yields Keeping Falling; Record Lows Below 1.0%



Source: Bloomberg, ATB Financial Markets

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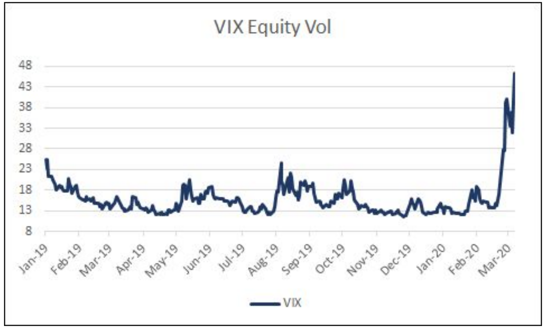
Canadian Dollar

Chris Fricke MBA, Director FX Sales

If we took a seasoned FX trader who had been "off the grid" thus far in 2020 and started to provide them with an update by telling them that only the typical safe-havens of the Japanese Yen and Swiss Franc were higher against the US Dollar year-to-date, they may rightly surmise that we are "risk-off".

They might then jump to equities for confirmation: S&P 500 down -5.7%, Nikkei down -9.8%, FTSE down -11.4%. All in the first two and half months of the year. And then perhaps a peak at commodities: WTI -24%, while Gold is +9%. Perhaps a broader step back to take a look at the VIX (a measure of volatility also frequently referred to as the "fear index") to ascertain the underlying sentiment....

Fear Gauge Surges: Volatility (VIX) Index Jumps Higher



Source: Bloomberg, ATB Financial Markets

We would then have to sadly disclose the reality surrounding the Coronavirus and the resulting Covid-19 (disease) being the primary culprit. Before our fictitious trader (perhaps appropriately) dashed back into isolation, we would be remiss to not mention what Central Banks and Government authorities have already done to attempt to stimulate their economies as a result, meaning:

1. US Fed performing its first intra meeting rate cut since the 2008 financial crisis, cutting by 50 bps on March 3rd.
2. Bank of Canada following suit on March 4th with a 50 bps cut
3. Each of the other major central banks globally expected to add stimulus of their own.
4. Most western governments similarly planning fiscal stimulus (if not already yet announced).

All of this and we're still risk off?
Sadly yes. The Covid-19 outbreak is the potential black swan that swept away what felt like 2-3+ years of eternal market bullishness and sent markets into near full panic mode.

Canadian Dollar

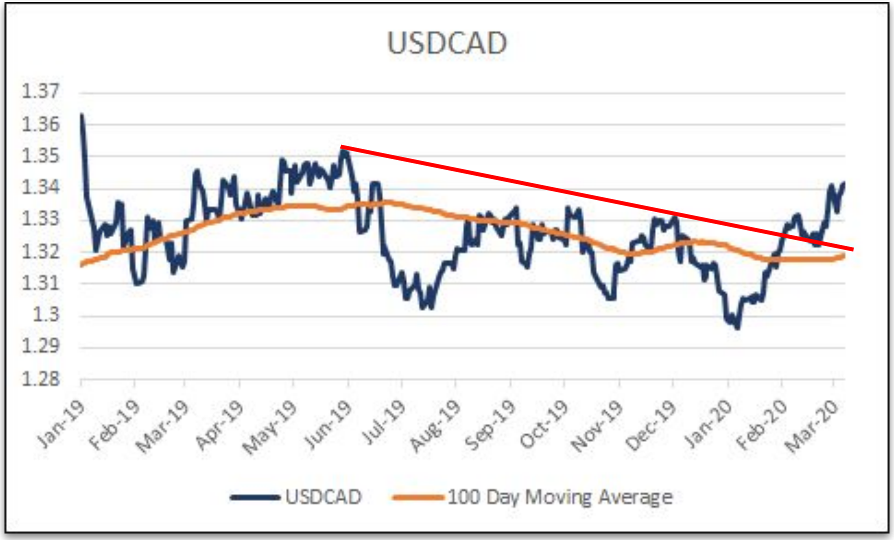
Chris Fricke MBA, Director FX Sales

For USDCAD traders, the truism that the CAD is a high beta currency that despises uncertainty, means it's on its back heels and will remain as such. Until we receive positive Covid-19 developments it is difficult to see a scenario where the CAD manages to stabilize yet alone recover lost ground. Economic fundamentals don't really matter at this point, as was seen on the morning of February 28th when we received a better (albeit dated) CAD GDP report and the Canadian dollar did not flinch. For that matter, our typical bellwether concerning yield differentials also doesn't matter. Case in point, the last time Canada/US 2-year yield differentials were this high was in January, 2015, when spot was down near 1.21. In the present environment not only is 1.35 in the cards, but levels beyond as well.

The expression goes, the trend is your friend, and I would say that applies here. USDCAD buyers beware, things are not likely to get better, and instead will likely get worse. USDCAD sellers, strategies that protect your USD at a known strike but simultaneously allow for participation in further CAD weakness seem like the way to go.

As always, please feel free to call into our desk for further details.

<u>USDCAD Has Broken Out of a Wedge Pattern That Had Held for Much of 2019</u>

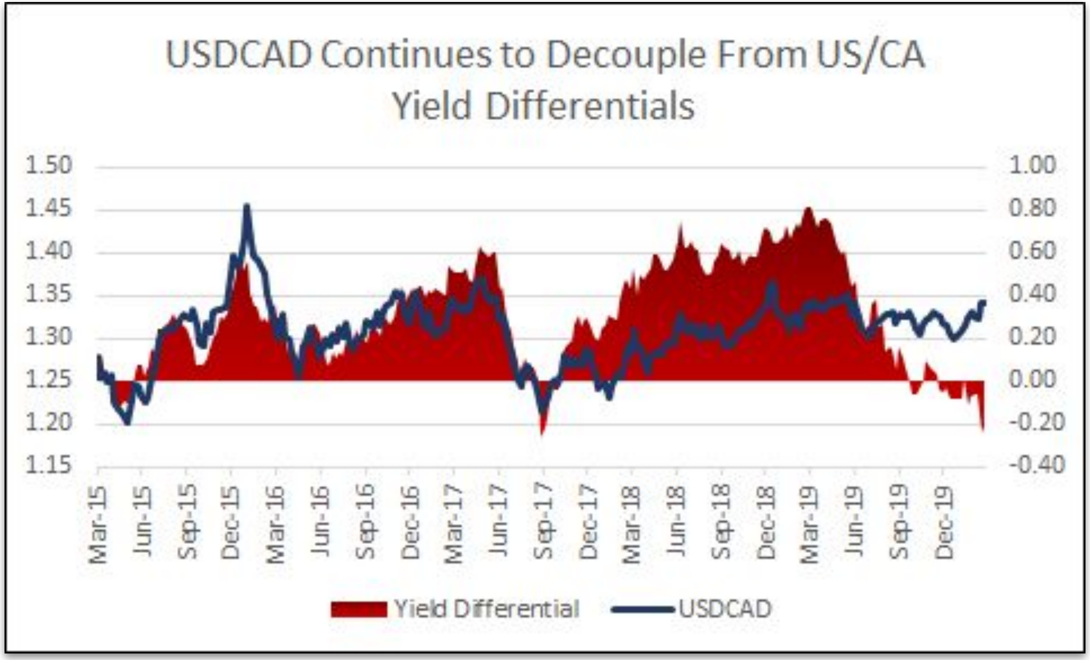


Source: Bloomberg, ATB Financial Markets

Canadian Dollar

Chris Fricke MBA, Director FX Sales

- Despite the Loonie's yield advantage over the Greenback, the market continues to sell the CAD and buy the USD
- For perspective, as you can see on the chart, the last time yields were at these levels in 2017 USDCAD was trading close to 1.20...how times have changed
- We will likely need to see more than just a small yield advantage to kick-start the Loonie this time around: domestic and global growth concerns are the key to the puzzle at the moment



Source: Bloomberg, ATB Financial Markets

USD Index and G10 FX

Mark Engelking CFA, Director FX Trading

Traditionally we keep these write-ups to a monthly recap but the analysis would certainly be stale if we did not cover the myriad of events this week. The result of that is everyone who reads this will get five weeks for the price of four. Similar to January, the month of February was dominated by the Covid-19 virus (Same virus, more scientifically correct name). We mentioned last month that fears of contagion could push an overbought USD higher and that is exactly what we got for the first half of February.

In fact, up until the tide turned on February 24th, the Loonie was the only currency outperforming the USD by the slimmest of margins. However, chatter quickly began to pick up that the impact on the virus would be so negative that Central Banks would loosen monetary conditions. The USD selling picked up steam and things culminated with an emergency rate cut from the US Fed for the first time since Lehman in 2008. The DXY tumbled and is approaching channel lows as I write this.

So what happens for the rest of March? Well, more monetary easing and fiscal stimulus is the short answer. There is an additional 37 basis points of easing for the March 18th Fed meeting priced into the curve and we have yet to hear from the ECB or the BoE yet. The ECB is in a bit of an interesting pickle with negative rates already factored into the equation. My gut is they move towards quantitative easing instead of moving rates too far. Unwinding of carry trades has propped up the Euro and I think it may be due for some retracement in March especially with the feeling that the DXY will bounce off channel lows unless we see significant new stimulus from the Fed to try and prop up equity markets.

FX Markets Saw Dramatic Shifts in the Past Few Weeks

Jan 31 - Feb 21 Spot Returns % Against USD	
Canadian Dollar	0.09%
Norwegian Krone	-0.84%
Swedish Krona	-0.96%
Australian Dollar	-0.97%
Swiss Franc	-1.51%
New Zealand Dollar	-1.78%
British Pound	-1.83%
Danish Krone	-2.18%
Euro	-2.22%
Japanese Yen	-2.92%

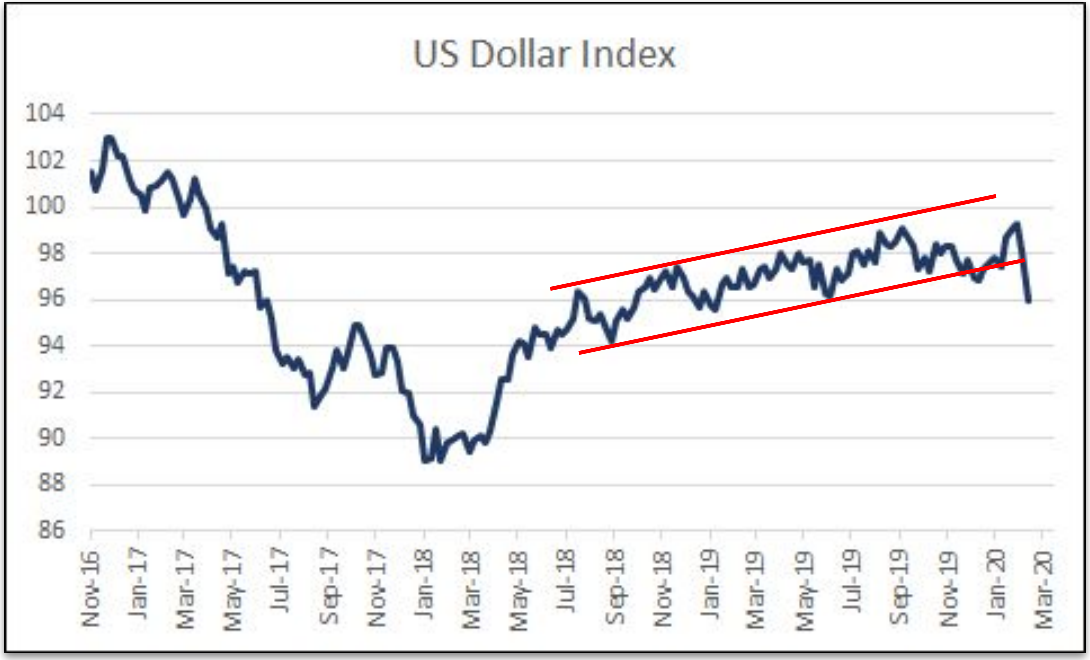
Feb 21 - Mar 6 Spot Returns % Against USD	
Japanese Yen	6.04%
Swiss Franc	4.41%
Danish Krone	4.41%
Euro	4.40%
Swedish Krona	3.84%
British Pound	0.49%
Norwegian Krone	0.38%
Australian Dollar	0.26%
New Zealand Dollar	0.25%
Canadian Dollar	-1.47%

Source: Bloomberg, ATB Financial Markets

USD Index and G10 FX

Mark Engelking CFA, Director FX Trading

- The US dollar index had been on a strong run higher from the lows reached in Jan-Mar 2018
- US yields had been rising faster than other developed economies and that drove demand for US assets
- That all changed this week with a dramatic sell-off in risk and the assumption that the Fed will be returning to the zero-lower-bound in the near term
- That has driven EUR and JPY higher, as carry trades are unwound, and pushed the overall DXY index below key channel support



Source: Bloomberg, ATB Financial Markets

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WTI Crude Oil

JP Dore, Markets Analyst

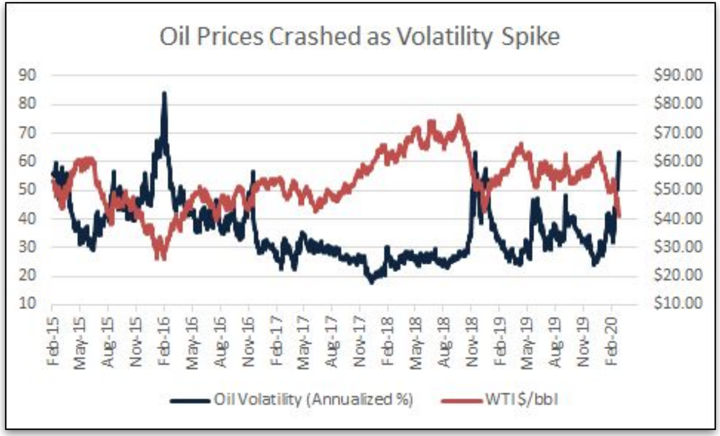
God is dead, and now OPEC+ is dead as well. While perhaps not quite as profound as Friedrich Nietzsche's 19th century call for humanity to leave divine providence behind and step into the void by embracing his life affirming philosophy, it certainly seems illustrative of what oil markets are facing. Before we dive into the data, let me offer up one more Nietzschean aphorism for good measure:

"Only the boldest of Utopians would dream of the economy of kindness."
— **Friedrich Nietzsche, Aphorisms on Love and Hate**

I am taking *some* (ok, alot) of poetic license here - but you see the point. Oil markets are not the place for wishful thinkers. And corporate hedgers certainly may have learned quite a harsh lesson this week to say nothing of the past month. WTI suffered a 9.3% loss this Friday alone.

A daily decline of 9% or more has only happened 34 other times since 1980 - a 4x sigma event that is firmly in the left hand tail of the return distribution. This week's performance brings crude's total losses to -33% YTD, which may sound like a lot, but there could be more to go.

Oil Price and Volatility: One goes up, One goes down



Source: Bloomberg, ATB Financial Markets

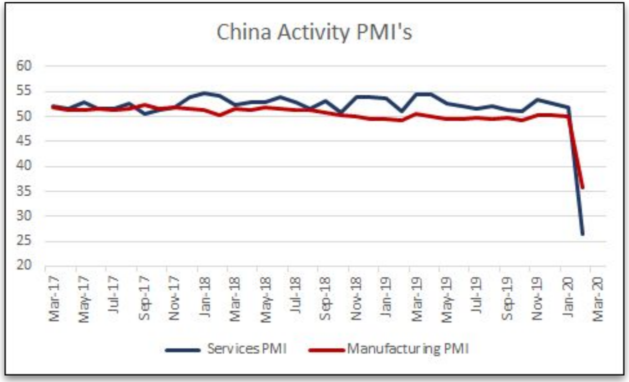
So what happened? The potential dissolution of the three year old OPEC+ alliance is a result of the Saudi contingent pushing their Russian allies to the brink, and the Russians pushed back. The Russian economy is more diverse than those of the major oil producing nations in OPEC's Gulf Coast Countries, and thus can more easily handle a plunge in crude prices. The decision not to support the 1.5m barrels per day of cuts proposed by the Saudis leaves the alliance at a nadir: For what other reason would Russia choose not to support prices at this point other than to make a play for market share against Saudi and US shale producers?

WTI Crude Oil

JP Dore, Markets Analyst

The threat of demand destruction from Covid19 showed up in China's data for February with plunges in Manufacturing and Services PMI's to all time lows. That also coincided with an 80% drop in vehicle sales. The threat of a similar decline in G7 economies has everyone on edge and led to the surprise cut from the Fed this week. I am sure Russia is aware of the this...

Chinese PMI's Plunged to Record Lows in February



Source: Bloomberg, ATB Financial Markets

Whether we see such plunges remains to be seen - but the market is set for the worst, and bond yields (the smart money) has positioned accordingly and pushed US 10yr yields to record lows at 0.75%. Oil volatility is at 63% - the highest it has been since 2016 when crude plunged all the way to US$26. *That price crash was initiated by OPEC's late 2014 decision to not cut supply* - and countries responded by pumping at will as the price decline accelerated in order to meet revenue goals. After today's meetings ended in acrimony, Iran's oil minister was quoted as saying that "From April 1st, all OPEC+ allies are free to do as they please". Sounds Ominous. From here we see four possible paths:

1) OPEC+ remains dissolved and the world's large producers engage in a price war to gain market share. Crude plunges to US$30.

2) OPEC+ remains dissolved but the Gulf Coast OPEC Countries agree to instill supply cuts to try and achieve price stability. Oil would still trade sub US$50 in the near term.

3) **a)** Russia comes back to the table and a shaky OPEC+ alliance is cobbled together with the original supply cuts of 2.1m bpd extended until June. This would drive price higher initially, but likely prove unstainable unless...

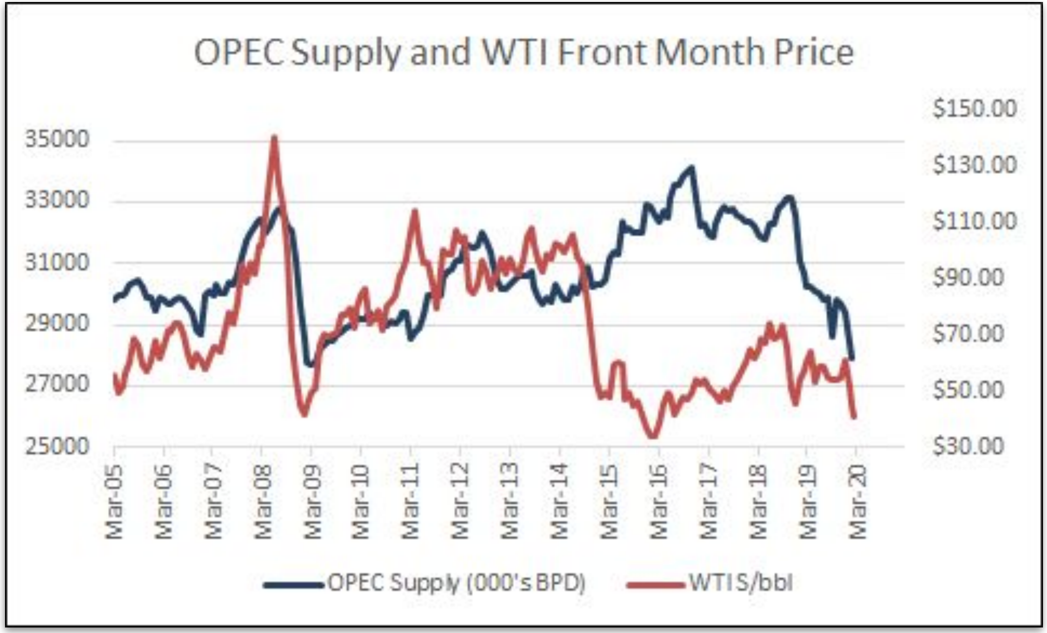
b) Russia agrees to support an additional cut of at least 1.5m bpd for the remainder of the year and extend the original cuts as well. This has the potential to sustain a price rally back to the mid US$50's over the medium term should we see less demand destruction than feared from Covid19 *and* if Libyan supply continues to remain offline.

WTI Crude Oil

JP Dore, Markets Analyst

As far as the most likely outcome? The market is prepared for the worse. Options pricing is skewed to the downside and oil balances look to be very over supplied in the near and medium term. With more and more calls coming in for zero demand growth for all of 2020 we could be in for a rocky ride the next few weeks. However, deep plunges in price can lead to very quick rebounds in price as well - and with volatility spiking to crisis levels of 63% annualized, that implies a weekly trading of almost 9% for next week. However, this may not be the bottom - the next logical support is US$38-39.50 and then it's a free fall to the double bottom circa US$26 in 2016. The market has been on edge for weeks now, and it looks as though Russia just pushed it over.

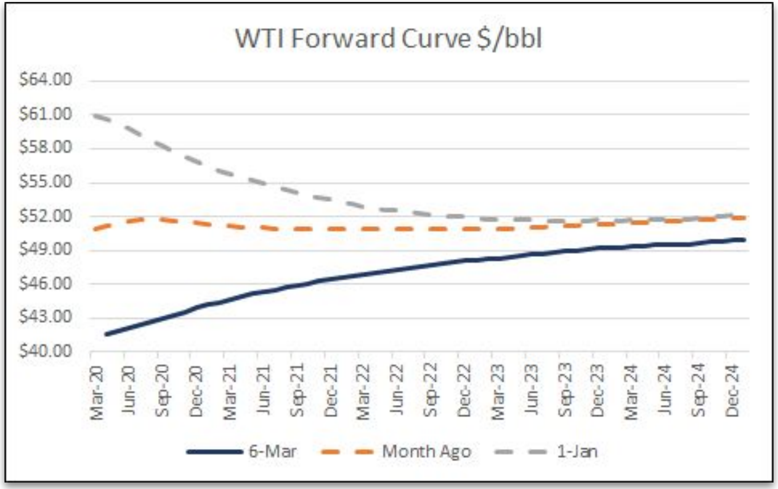
<u>OPEC Supply has really decline since 2019 - there is lots of spare capacity in the market to drive prices much lower…</u>

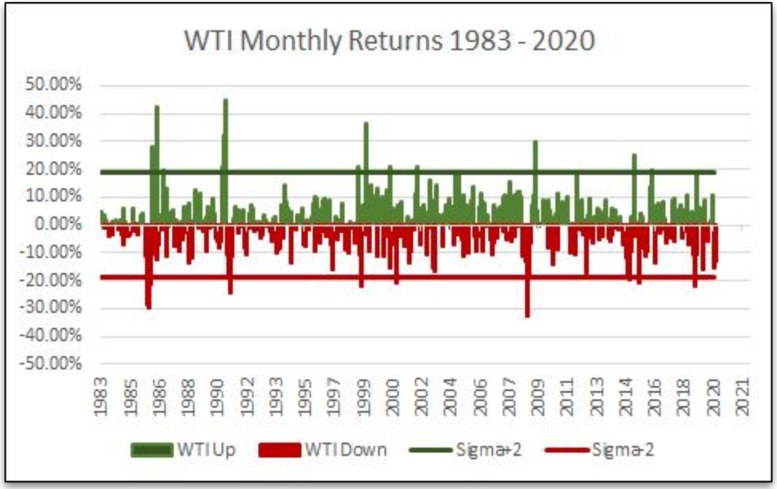


Source: Bloomberg, ATB Financial Markets

WTI Crude Oil

JP Dore, Markets Analyst





Source: Bloomberg, ATB Financial Markets

- The WTI forward curve (left hand chart) has been crushed since the beginning of the year. On Jan 1, oil was backwardated and term structure was strong. Now the the whole curve is in contango and even far dated prices have lost the US$50 handle that had been an anchor for so long...

- ...And if we look at the historical returns - last month wasn't even close to the worst on record. As well notice that very large monthly declines tend to 'cluster' - we could be in for pain for crude in the next quarter

CHARTPACK

Monthly and YTD Returns

Februay FX Spot Returns % Against USD	
Japanese Yen	0.74%
Swedish Krona	0.46%
Swiss Franc	0.10%
Danish Krone	-0.30%
Euro	-0.31%
Canadian Dollar	-0.90%
Norwegian Krone	-1.26%
British Pound	-1.32%
Australian Dollar	-2.64%
New Zealand Dollar	-3.34%

YTD FX Spot Returns % Against USD	
Swiss Franc	0.68%
Japanese Yen	0.63%
Danish Krone	-1.31%
Euro	-1.31%
British Pound	-2.45%
Swedish Krona	-2.52%
Canadian Dollar	-3.18%
Norwegian Krone	-6.37%
New Zealand Dollar	-6.80%
Australian Dollar	-6.84%

YTD Cross Asset Returns %	
Gold	7.84%
Nasdaq 100	-3.00%
Soybeans	-5.08%
TSX	-5.22%
Copper	-7.68%
S&P500	-8.11%
MSCI World Index	-9.05%
Natual Gas	-19.89%
TSX Energy	-30.30%
WTI	-33.10%

Daily and 6 Month Returns			
Crude	**Last**	**1dΔ**	**6mΔ**
WTI	$41.28	-9.43%	-26.96%
Brent	$45.27	-8.98%	-26.44%
WCS	$27.88	-12.98%	-37.05%
MSW	$39.13	-10.64%	-24.95%
Syncrude	$44.13	-9.74%	-23.24%
C5	$43.88	-8.66%	-11.60%
LLS	$44.28	-9.63%	-25.98%
Midland	$42.38	-10.12%	-24.88%
Gas	**Last**	**1dΔ**	**6mΔ**
Henry Hub	1.708	-2.31%	-31.57%
AECO C$	1.623	-3.34%	-6.46%
AECO Basis	-0.512	3.40%	53.46%
AECO Cal20	1.629	-0.06%	-7.55%
Sumas Basis	-0.308	0.65%	25.78%
Dawn Basis	-0.15	-36.36%	-175.00%
Chi. Basis	-0.142	-12.60%	-4833.33%
Waha Basis	-2.122	-2.61%	-108.45%
NGL's	**Last**	**1dΔ**	**6mΔ**
GC Jet Fuel	$ 125.52	-8.61%	-31.14%
GC Diesel	$ 133.65	-7.76%	-28.20%
NY RBOB	$ 11.76	0.60%	-8.34%
Conway Propan	$ 0.35	-3.17%	-6.08%
Mt. Bel Propane	$ 36.13	-3.75%	-17.19%
Equity	**Last**	**1dΔ**	**6mΔ**
Dow	25864.78	-0.98%	-3.62%
SPX	2972.37	-1.71%	-0.20%
NDX	8530.337	-1.63%	8.91%
TSX	16175.02	-2.29%	-1.94%
TSX Energy	101.96	-6.56%	-22.22%
S&P500 Energy	596.83	-5.61%	-26.29%
SHCOMP	3034.511	-1.21%	0.32%
DAX	11541.87	-3.37%	-5.60%

Source: Bloomberg, ATB Financial Markets

- The risk off tone is well exhibited across assets both in monthly and year to date returns
- On the far right you can see that funding currencies such as JPY and CHF have outperformed while those linked to global growth and oil (AUD, CAD, NOK) have underperformed
- On a longer term time frame, the 6 month changes in asset prices are not as bad as implied by recent market action - the Nasdaq is actually up almost 9% in that time and the Dow is essentially flat...

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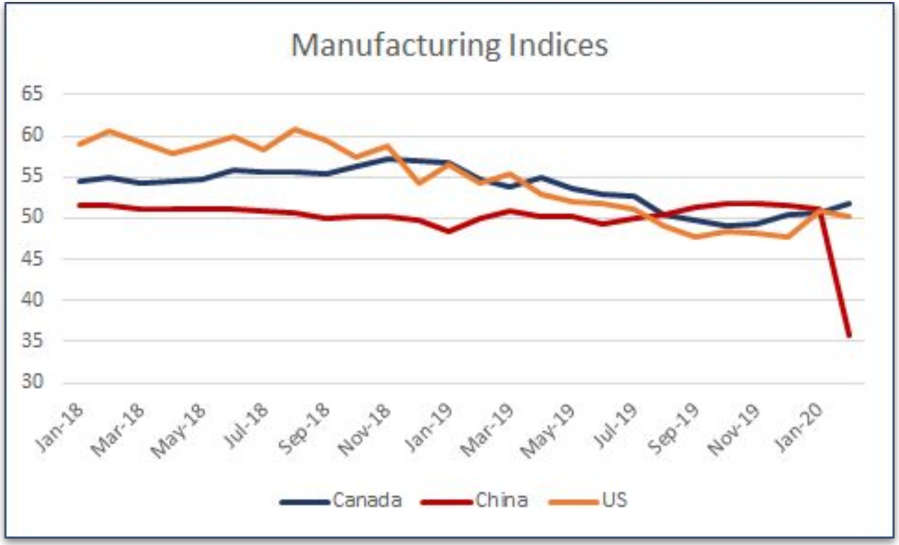
Global PMI Data

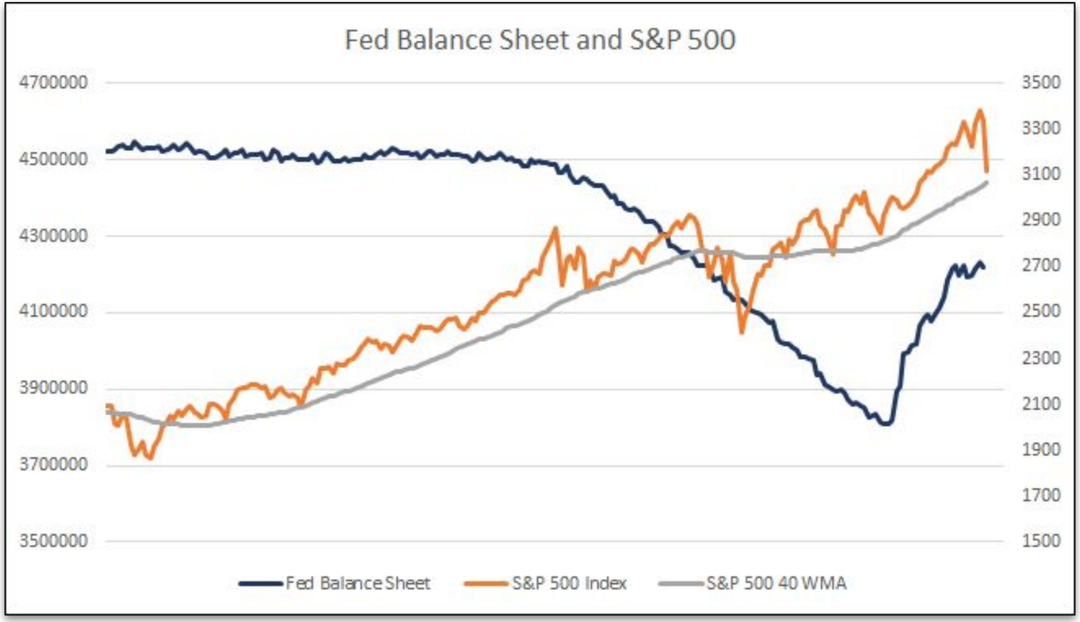
PMI Heat Map	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20
Canada	54.6	55	54.3	54.4	54.7	55.9	55.6	55.7	55.5	56.2	57.1	56.9	56.8	54.8	53.9	54.9	53.6	53	52.6	50.5	49.7	49.1	49.2	50.4	50.6	51.8
China	51.5	51.6	51	51.1	51.1	51	50.8	50.6	50	50.1	50.2	49.7	48.3	49.9	50.8	50.2	50.2	49.4	49.9	50.4	51.4	51.7	51.8	51.5	51.1	35.7
US	59.1	60.7	59.3	57.9	58.7	60	58.4	60.8	59.5	57.5	58.8	54.3	56.6	54.2	55.3	52.8	52.1	51.7	51.2	49.1	47.8	48.3	48.1	47.8	50.9	50.1

- Readings of global economic activity are represented here by Purchasing Managers Indices (PMI) from Canada, China, and the US
- Readings above 50 indicate an overall expansion of activity, below 50 would indicate an outright contraction
- Activity had been slowing at the end of 2019 - however the market was eagerly awaiting the potentially positive impact from the Phase 1 trade deal between the US and China to provide a boost...
- ...As you can see that ship has clearly sailed - Chinese data plunged to all time record lows in February, and the virus is just now picking up steam in the US. The next two months will likely seen pullbacks in G7 economies, hopefully not on the scale seen in China



The Fed Cut Rates - Is QE Next?

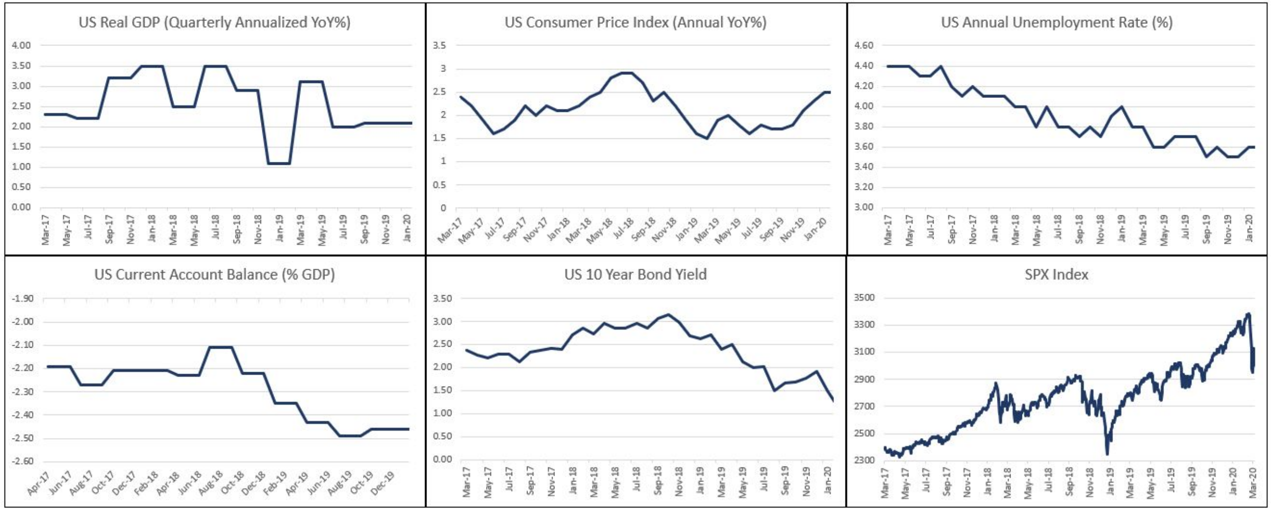
- Markets were off to a great start in January...the Fed was neutral and it seemed like Covid19 was going to be confined to mainland China...
- ...That theme has been thrown out the window and the impact on equity markets has been severe
- February's -8% drawdown was the worst since December 2018 - and we also had the 4th worst week on record since 1980 - an 11.4% drop in only five days....
- That level of concern led the Fed to cut rates by 50bps - will they now start looking at once again expanding asset purchases as well?
- The Fed's balance sheet (blue) has been growing since 2019 - I would think that with only a few quivers left, they will want to keep QE on hold for as long as possible...



Source: Bloomberg, ATB Financial Markets

US Country Snapshot

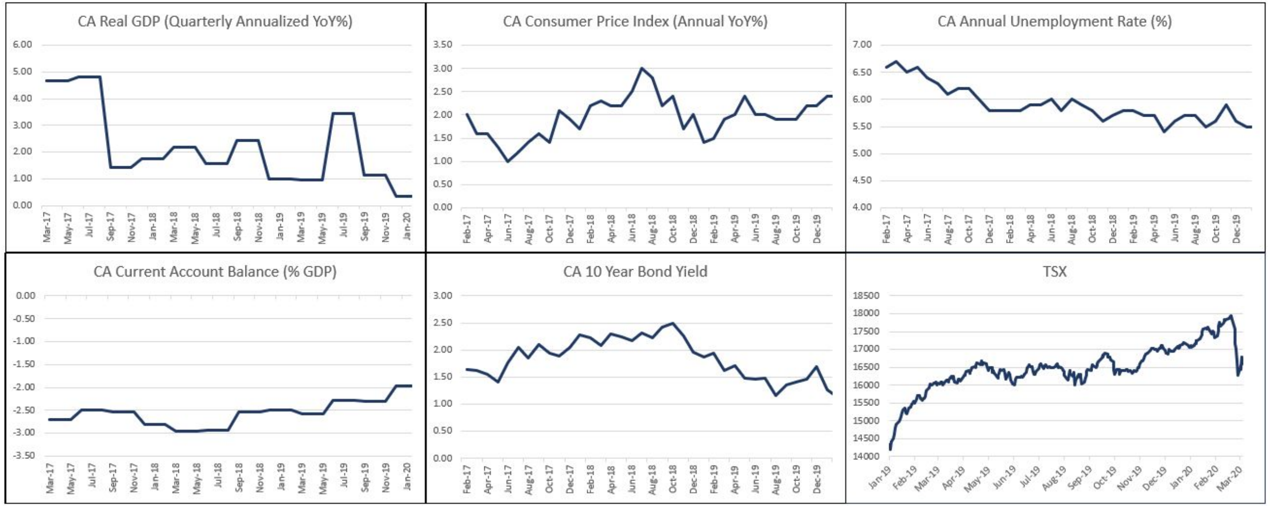
Indicator	Last
Real GDP (Annual YoY%)	2.10
Consumer Price Index (Annual YoY%)	2.50
Annual Unemployment Rate (%)	3.60
Current Account Balance (% GDP)	-2.46
10 Year Bond Yield %	1.15



Source: Bloomberg, ATB Financial Markets

Canada Country Snapshot

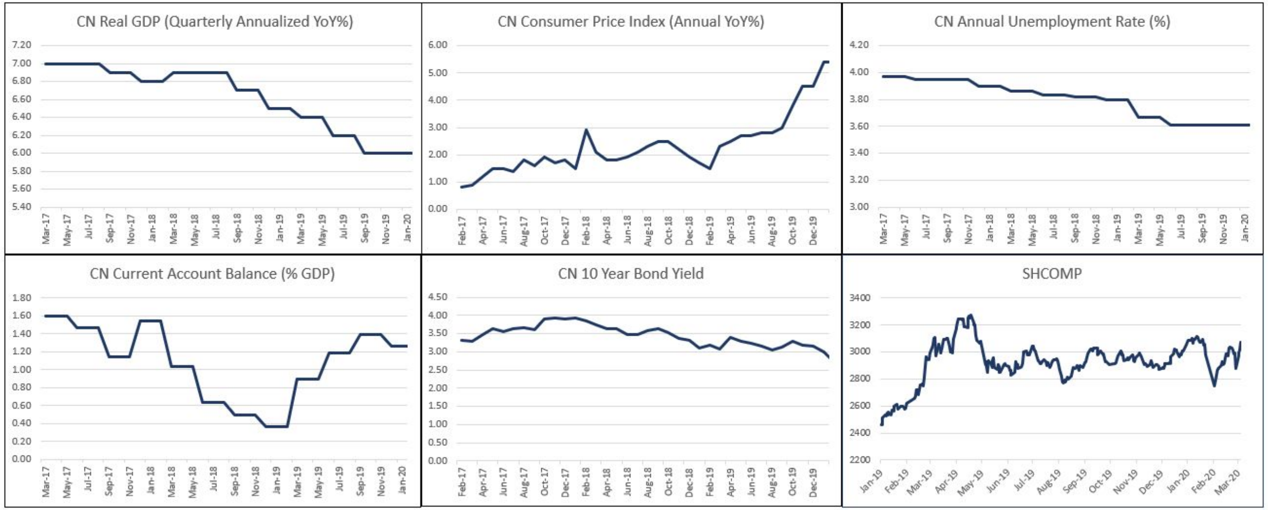
Indicator	Last
Real GDP (Annual YoY%)	0.34
Consumer Price Index (Annual YoY%)	2.40
Annual Unemployment Rate (%)	5.50
Current Account Balance (% GDP)	-1.97
10 Year Bond Yield %	1.13



Source: Bloomberg, ATB Financial Markets

China Country Snapshot

Indicator	Last
Real GDP (Annual YoY%)	6.00
Consumer Price Index (Annual YoY%)	5.40
Annual Unemployment Rate (%)	3.61
Current Account Balance (% GDP)	1.26
10 Year Bond Yield %	2.73



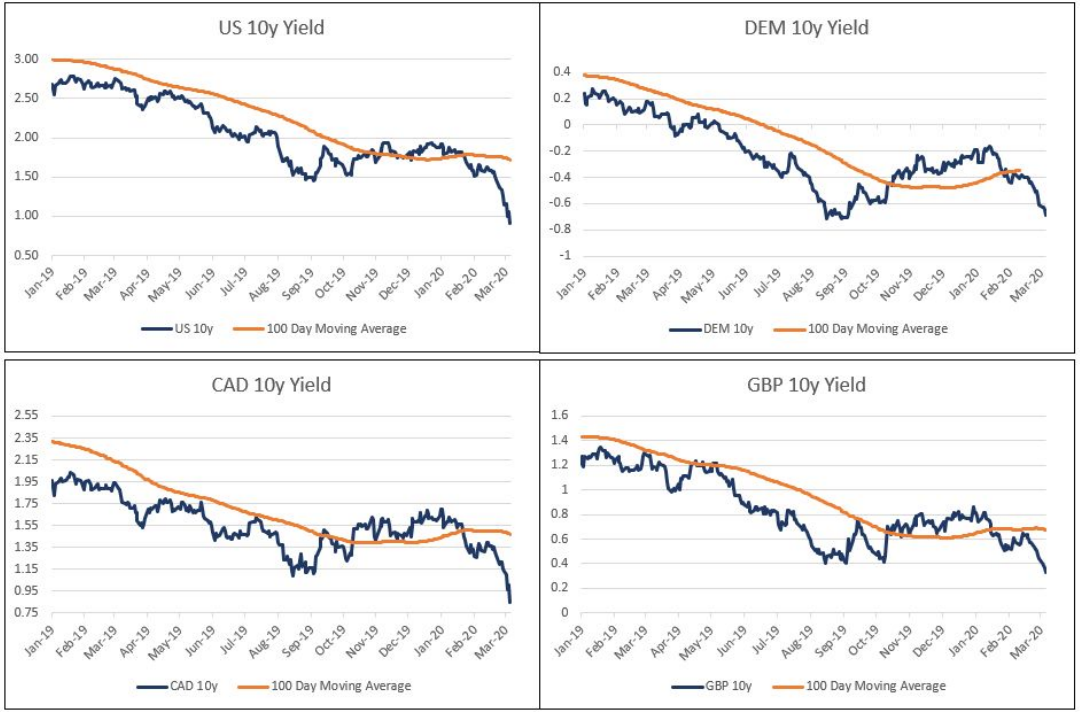
Source: Bloomberg, ATB Financial Markets

Developed Market 10 Year Yields

- Developed market 10 year bond yields continue to trend lower

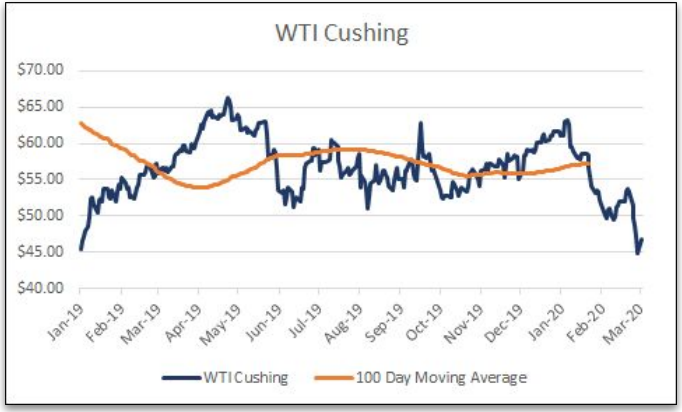
- All majors are well below their respective 100 day moving averages and not showing any signs of slowing down

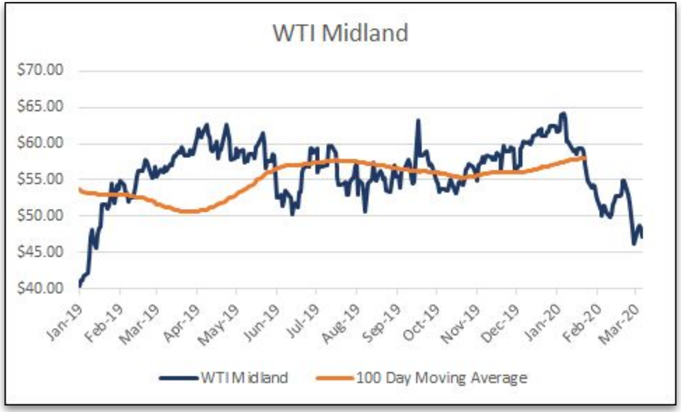
- The market continues to price in further rate cuts from the Fed/ECB/BoC, and given that Covid19 represents a dual demand/supply shock to the global economy, that seems to be the right call - the US 10y is at all time lows below 1% right now and likely to continue that trend in the coming weeks

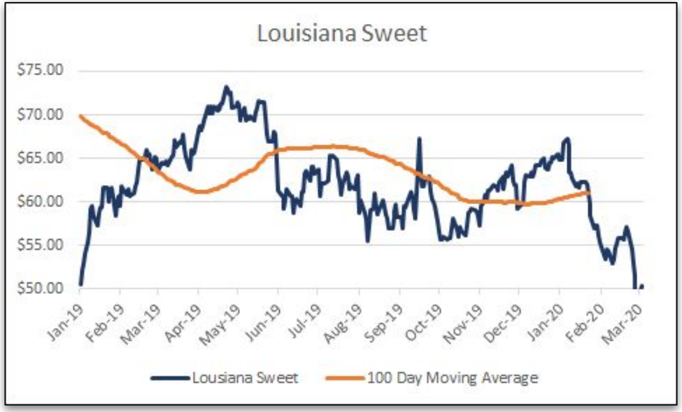


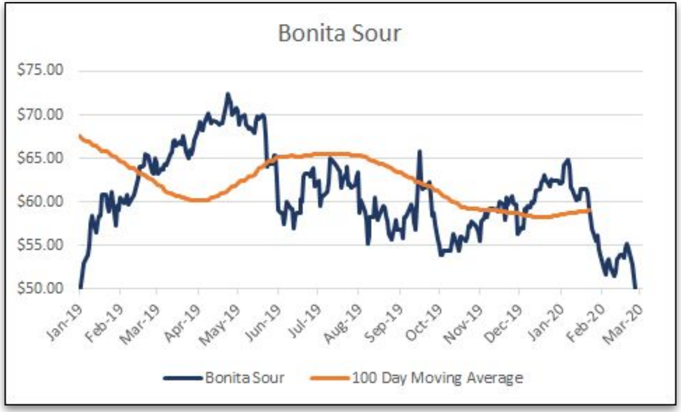
Source: Bloomberg, ATB Financial Markets

US Crude Prices ($/bbl)



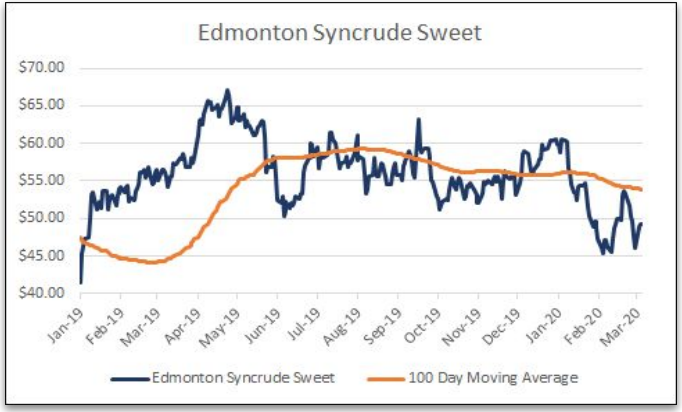


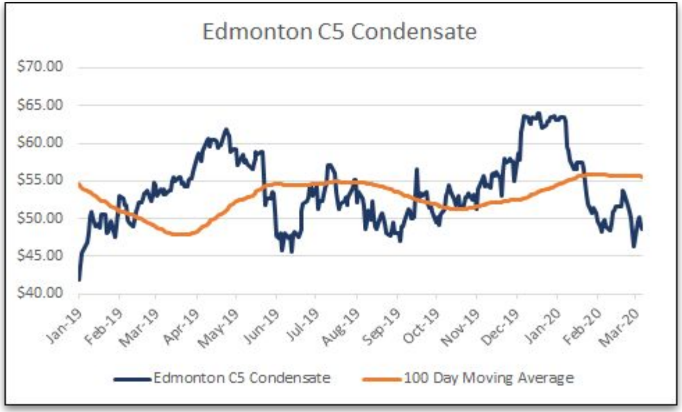




Source: Bloomberg, ATB Financial Markets

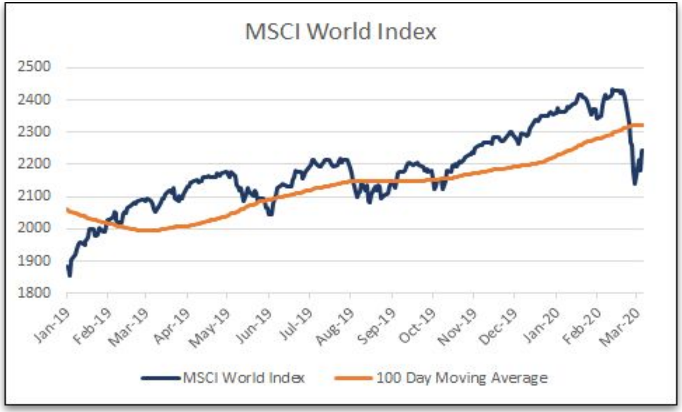
Canadian Crude Prices ($/bbl)

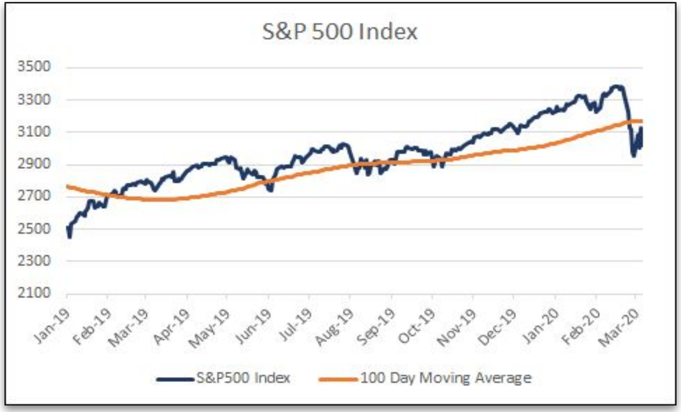


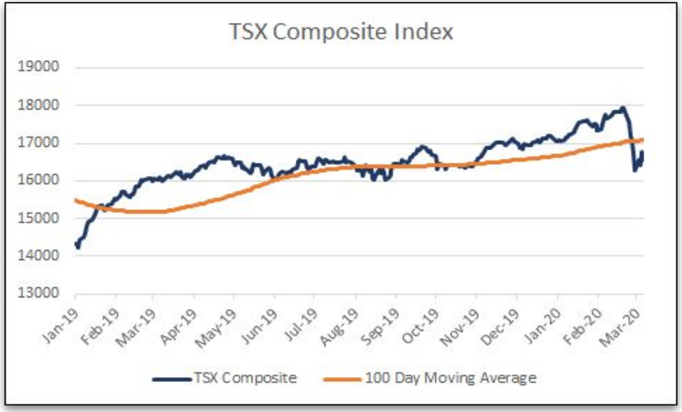


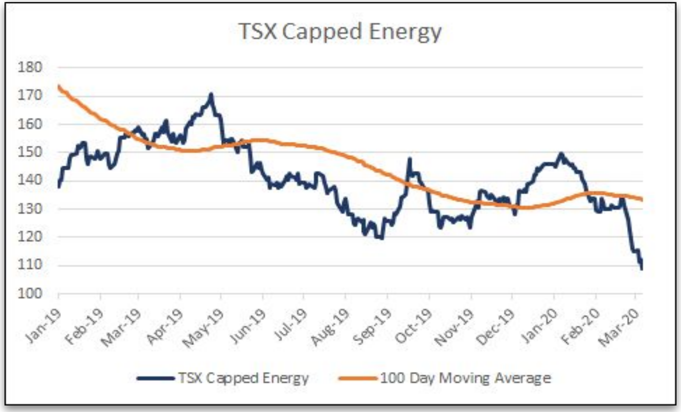
Source: Bloomberg, ATB Financial Markets

Equities: Correction? Or Just a Blip…









Source: Bloomberg, ATB Financial Markets

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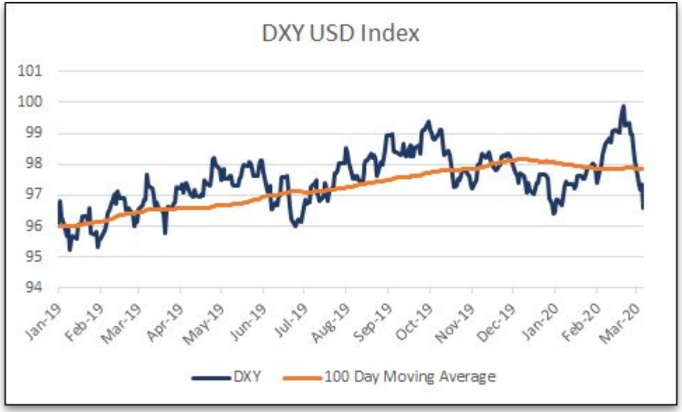
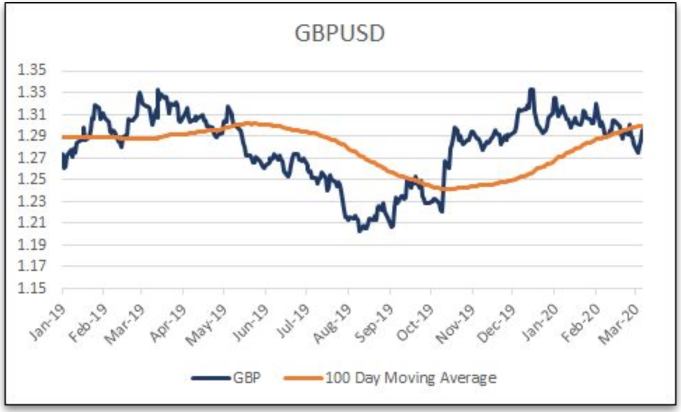
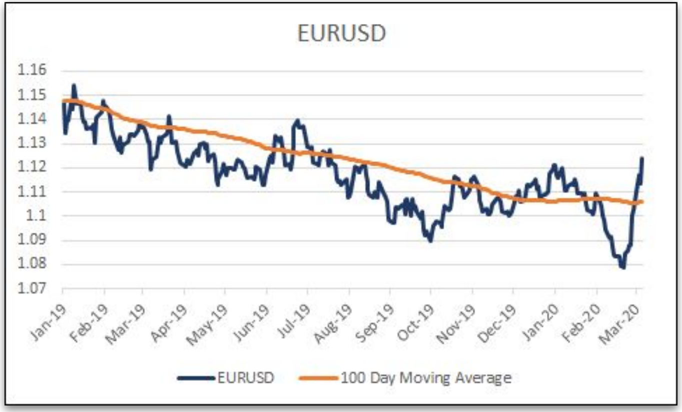
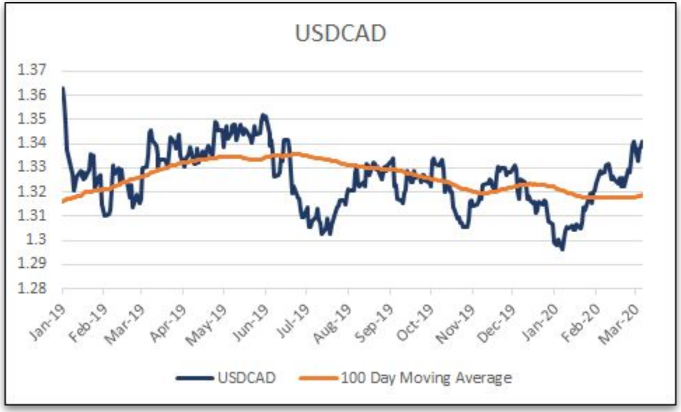
G10 FX - CAD Struggling; EUR Strong



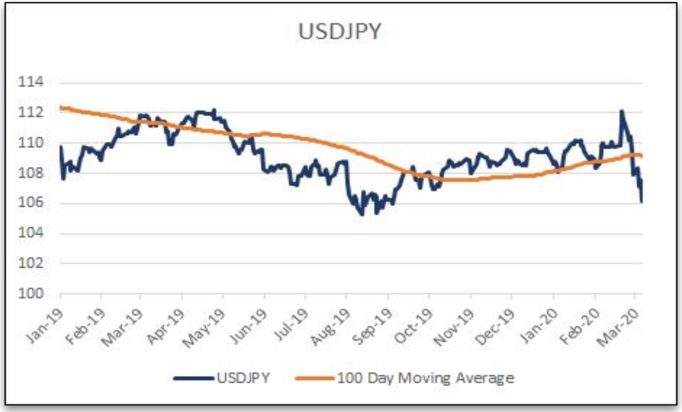


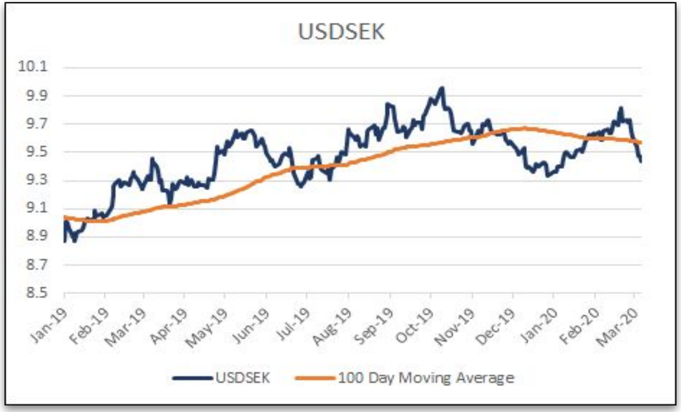


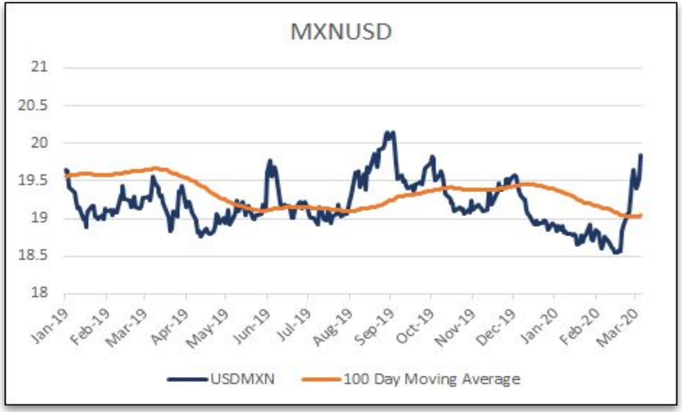


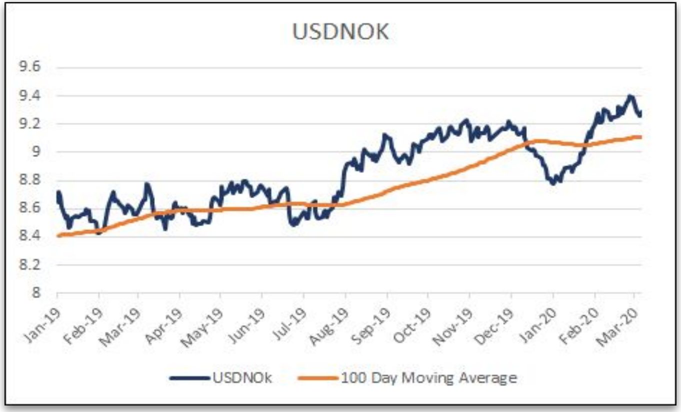
Source: Bloomberg, ATB Financial Markets

G10 FX - MXN Weak; JPY, SEK Strong









Source: Bloomberg, ATB Financial Markets

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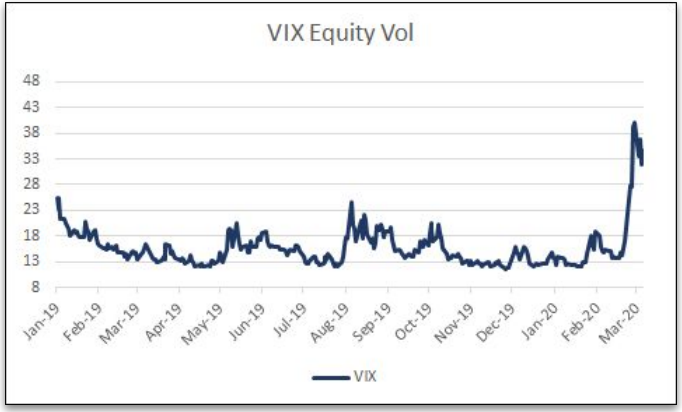
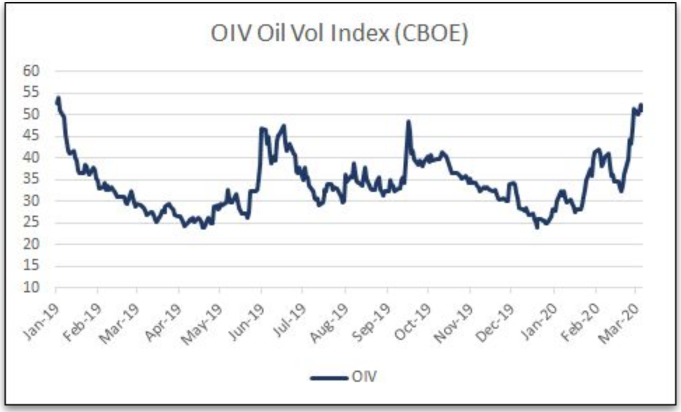
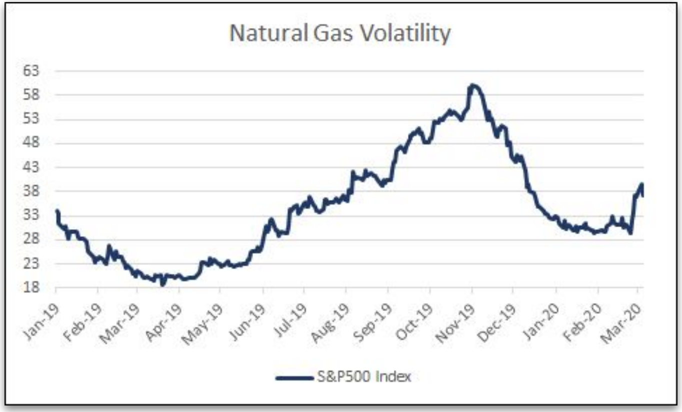
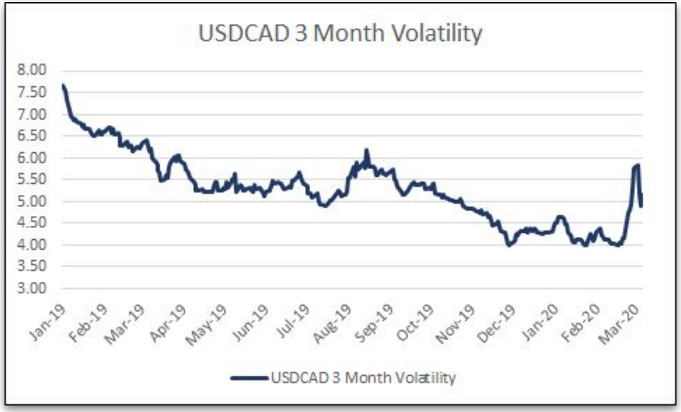
Volatility Spikes to Begin 2020









Source: Bloomberg, ATB Financial Markets

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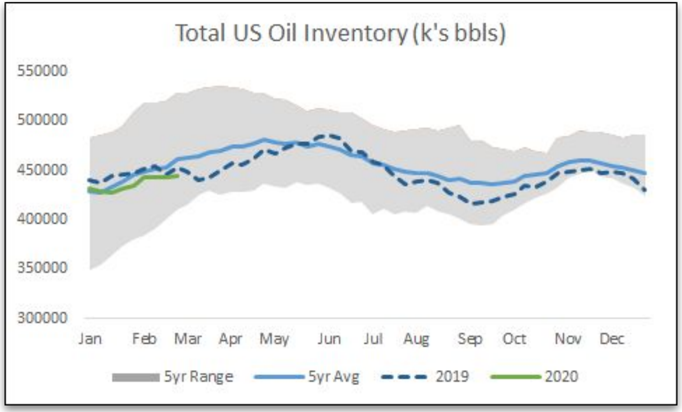
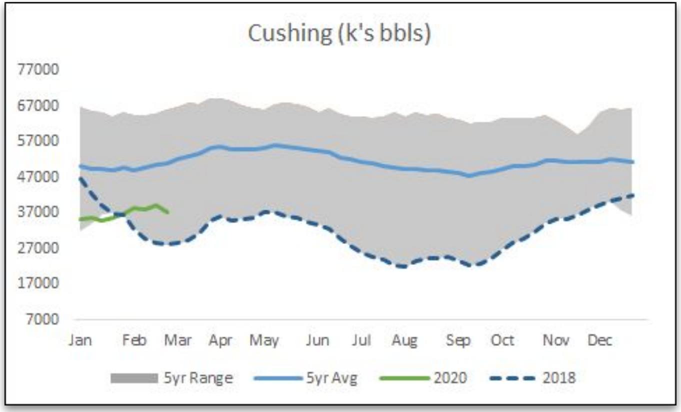
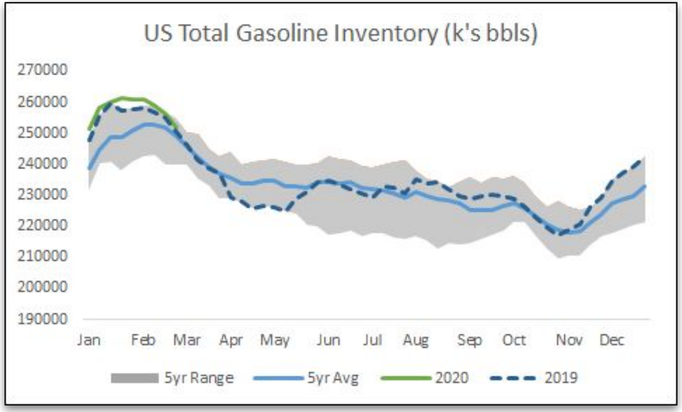
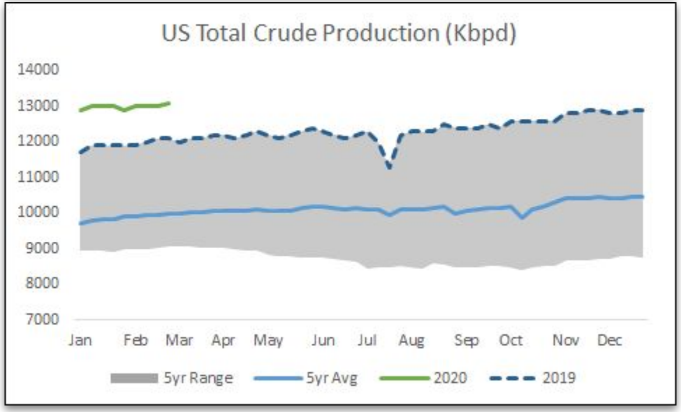
Oil Storage and Production Charts



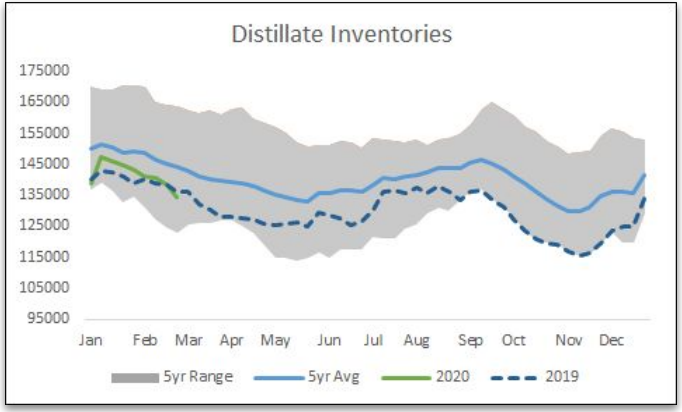


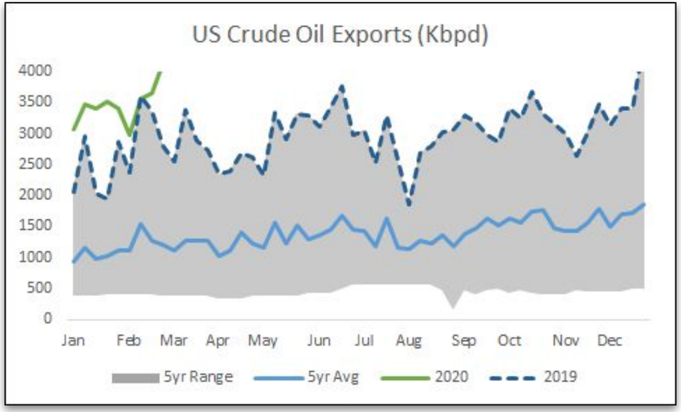


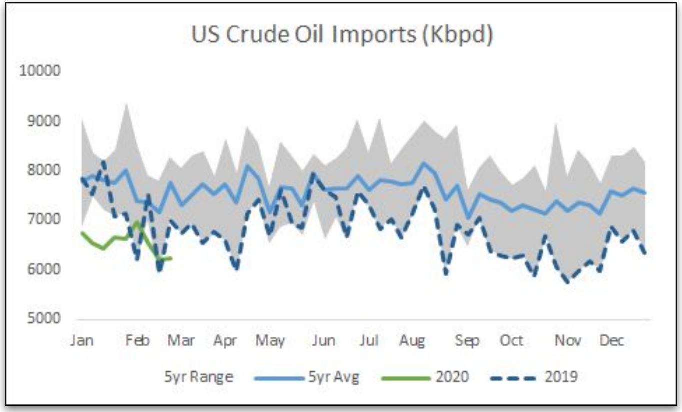


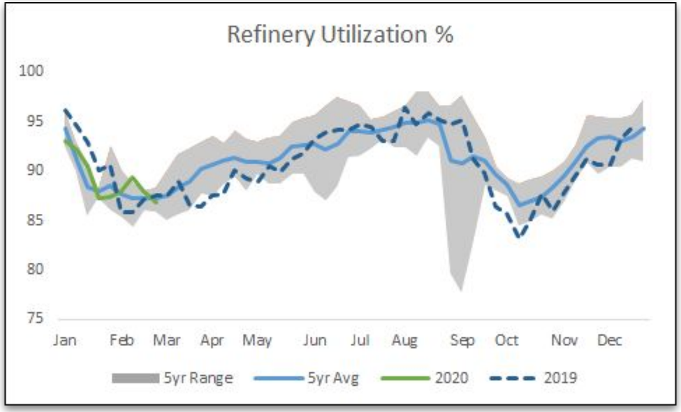
Source: DOE, ATB Financial Markets

US Oil Exports, Imports, Refining



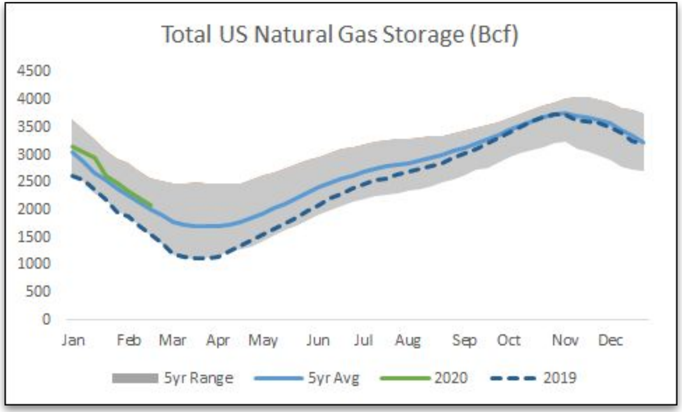


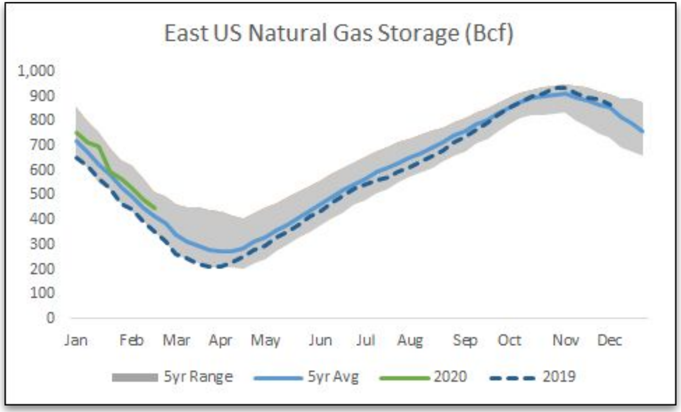


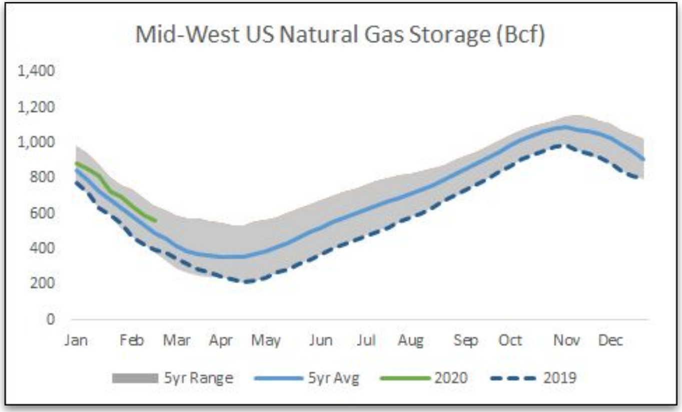


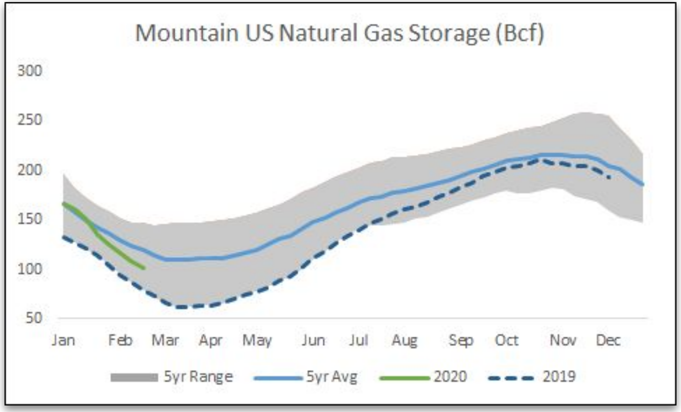
Source: DOE, ATB Financial Markets

Natural Gas Storage Charts



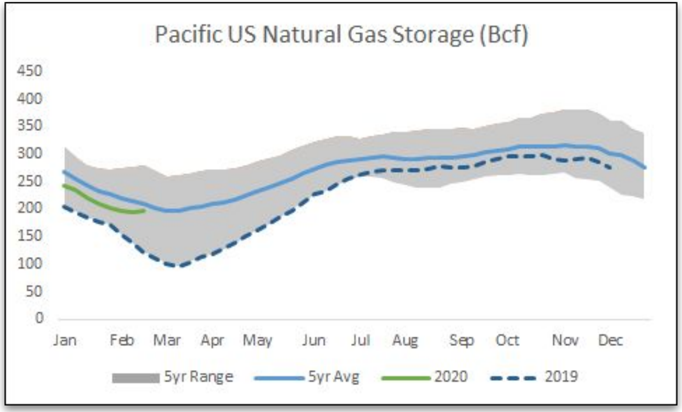


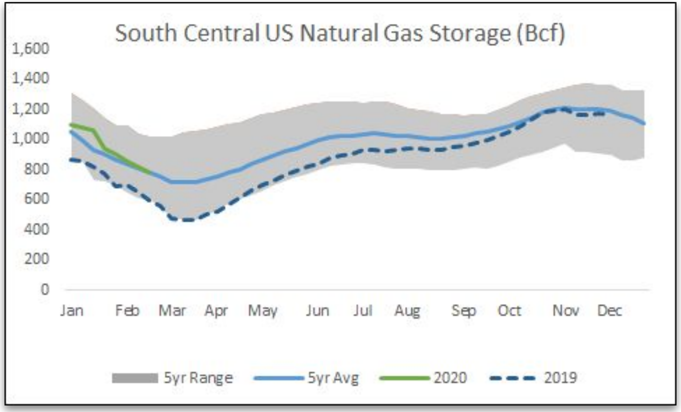


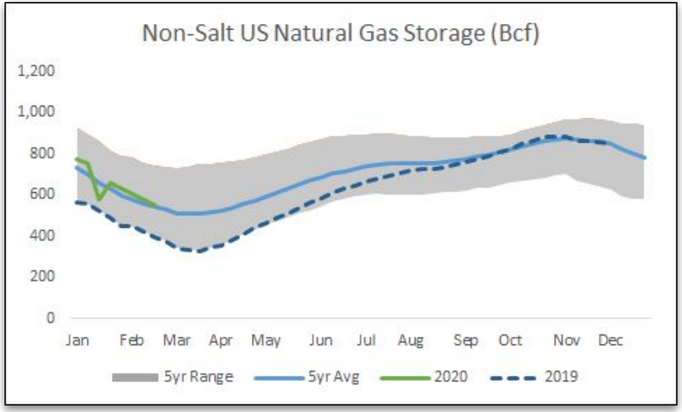


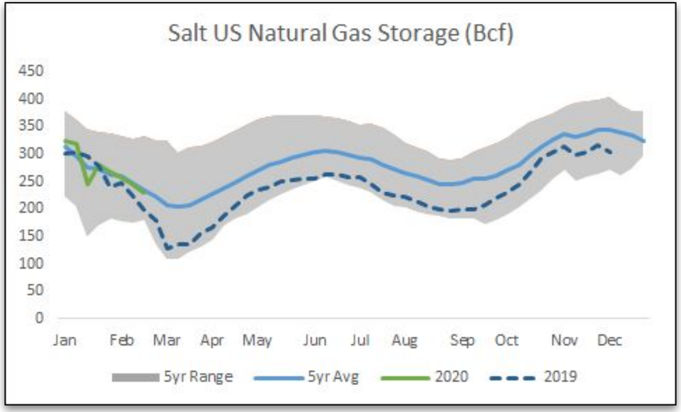
Source: DOE, ATB Financial Markets

Natural Gas Storage Charts









Source: DOE, ATB Financial Markets

Looking to hedge your risk?

Identify Exposure → Specify your goals → Develop a plan → Choose your tools → Evaluate your results

Talk to us...we're here to listen.

ATB

Financial Markets Contacts

Rob Laird
Managing Director
(403) 974-3582
rlaird@atb.com

CALGARY
Suite 600, 585 – 8th Avenue SW
Calgary, Alberta, T2P 1G1

Janek Guminski, CFA
Sr. Director, FX
(403) 974-3580
jguminski@atb.com

Chris Fricke, MBA
Director, FX
(403) 974-3580
cfricke@atb.com

Cynthia Chan
Associate Director, FX
(780) 392-7070
cchan@atb.com

Shane Hawryluk
Global Head, Commodities
(403) 974-3582
shawryluk@atb.com

CJ HIlling, MBA
Associate Director, FX &
Commodities
(403) 974-3582
chilling@atb.com

JP Dore
Analyst, Financial Markets Group
(403) 974-3582
jdore@atb.com

Mark Johnson, MBA
Director, Interest Rates
(403) 974-3582
mjohnson@atb.com

Mike Gee, MBA
Associate Director, ATB FX
(403) 974-3580
mgee2@atb.com

Mark Engelking, CFA
Director, FX Trading
(403) 974-3583
mengelking@atb.com

Bennet Cheung, CFA
Director, FX Trading
(403) 974-3583
bcheung@atb.com

ATB listens

We can *transform banking*
Reimagine it MAKE BANKING
WORK FOR PEOPLE
Because we carry the *outrageous*
belief that banking can change
PEOPLE'S LIVES FOR THE BETTER
Make their time richer
their aspirations closer
THEIR HAPPINESS DEEPER
HOW WILL WE DO THIS?
By doing things other banks wouldn't do
By being ever loyal to our customers
relentlessly inventive
and steadfastly genuine in our pursuit
of Albertans' greater good
BY USING BANKING TO CREATE HAPPINESS
WHY HAPPINESS?
Because good things happen when happiness becomes your purpose
that's why ATB
will always
BE MORE
than a bank