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Setting Course 2026 | Episode 2
Arjun Murti, Partner at Veriten & Publisher of "Super-Spiked" on Substack

We continue our *Setting Course* series this week by welcoming Arjun Murti back into the SmarterMarkets™ studio. Arjun is Partner at Veriten and Publisher of "Super-Spiked" on Substack. David Greely sits down with Arjun to discuss the big themes he sees in energy for 2026, including the electrical power super cycle.

Arjun Murti (00s):
So when it comes to solving our energy needs, it is, I think a great sign. It gives me a lot of optimism to see big tech and big industrials and the smaller versions in those sectors. Caring and getting involved in the really important policy and economic debates about how you provide energy to the world.

Announcer (18s):
Welcome to SmarterMarkets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions: are we facing a crisis of information or a crisis of trust, and will building Smarter Markets be the antidote?
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David Greely (01m 07s):
Welcome back to Setting Course 2026 on SmarterMarkets. I am Dave Greeley, Chief Economist at Abaxx Technologies. Our guest today is Arjun Murti, Partner at Veriten and Publisher of Super-Spiked on Substack. We will be discussing the big themes he sees in energy for 2026, including the electrical power supercycle. Hello Arjun. Welcome back to SmarterMarkets.

Arjun Murti (01m 33s):
David, it's always a pleasure to be here. Thank you for having me.

David Greely (01m 37s):
Well, it's always a pleasure to have you here. I hope your New Year's off to a great start. In this podcast series, what we are trying to do is provide our listeners with some of the big themes and the things that they should be paying attention to as we move into 2026 and your recent Super-Spiked Substack did just that. So I am really glad you are able to come and share your most recent thoughts on the big themes with us today. And I was hoping we could start there in that when you think about the big themes in energy for this coming year, which are the big themes that are carrying over from prior years and which are new for 2026?

Arjun Murti (02m 20s):
Thanks Dave and I. I am going to say there is a trio of major themes that we highlight in that piece, the whole bunch of sub themes. So maybe I will just start with a quick snapshot of the three big picture ones and we can follow up as you desire. And I call the first one kind of an evolution of our thinking and we have called it everyone deserves to be energy rich. It's the idea that there is the lucky 1 billion of us here in the OECD and other rich countries that use a disproportionate amount of the world's energy and then those other 7 billion people that are in various stages of moving up economic and therefore energy s curves. But I would say that theme, I am going to call it an evolution in our thinking, where Super-Spiked started four years ago now as much as anything as a protest to what I thought was an inversion of energy's natural hierarchy of needs where the world was thinking you could prioritize counting carbon emissions over the reason anyone uses energy in the first place, which is the power of your cars, your economy, your lives turn on the lights, etc.

Arjun Murti (03m 20s):
And it is not to be dismissive in any way. I want to make this clear of legitimate environmental and climate concerns. But is it to say that even if that's your number one concern, if that is your passion in life, I think one still has to get the ordering right and recognize the

realities that it is economic growth, it is improving your economic wellbeing that drives everyone everywhere and so then the question is how do you do that so that you have available energy that is affordable at the country level, you will care about geopolitical security to ensure it's available and affordable and then how do significant and meaningful environmental considerations play into those basic needs of available and affordable energy and so our point with that first theme is I feel a lot of optimism that there is a virtuous cycle going on. I am just going to give one quick anecdote.

Arjun Murti (04m 10s):
China dumping renewables into Africa I think is spraying economic growth and actually spraying oil demand growth and it gets to our point, people care about having energy availability when they have it. It's good for the economy, but it's good for all sources of energy demand. Our second big theme was what we call power surge. You know Dave, I am in my mid-fifties I think, not to call you out here, you are probably plus or minus within my vintage. And in our lifetime I'll say we have had three super cycles, the arable oil embargo in the seventies, which at its heart was an oil supercycle driven by geopolitical turmoil. The one where you and I really got to know each other was the China bricks expansion, I am going to say was a positive statement of very significant economic growth. Again, driving all commodities. But I am going to say at the core, oil was the most important one then to what we have today, which I will say for the first time in our lifetime, it's not oil driving the energy supercycle, it's power markets.

Arjun Murti (05m 07s):
That's not just the US, it's got a lot of attention. It's global, including China and the developing world and so forth and then just the last big area is this convergence. I actually feel very happy to see this, this convergence between, I will call it AI and energy, but it's broader than that. It's tech and industrials and the energy sector in each recognizing that they need the other, they are all going to have to work together and you can't have one without the other. And I would say through certainly most of my career lifetime, it's really only energy geeks like us, Dave, that I think have truly understood and cared about energy and that no longer is good enough to be true. People would have complained when gasoline prices spiked. Oh, it's those awful OPEC producers or evil oil companies or worse Goldman Sachs commodity speculators as we have been accused of. And frankly it was the economic realities, the supply demand. People understand that now to a much greater degree. So when it comes to solving our energy needs, it is I think a great sign. It gives me a lot of optimism to see big tech and big industrials and the smaller versions in those sectors carrying and getting involved in the really important policy and economic debates about how you provide energy to the world.

David Greely (06m 19s):
Well I think you have carried the day and the market in the world has come to you on needing to take a pragmatic approach to energy and climate. So where I would love to dig in is I can't have you here Arjun without talking about super cycles. And you mentioned we're moving into a power supercycle and probably since the beginning of your Super-Spiked Substack, it feels like it was around that same time. Like we've known for a while that any energy transition to a lower carbon economy is going to require extensive electrification of our energy system, electric cars, solar, wind, renewables, everything else and then when you add on top of that the power demand from AI data centers, as you said, we are going to gonna require massive investments now after this number of years, it feels like we are really beginning to feel it, right? Like nerds like us can talk about it. But then I feel like sometimes if you are close to something, you got to set your watch and say, okay, this will start to become more mainstream a few years from now. As you have written about the power supercycle, I would love to hear how do you see that supercycle shaping up and what are the implications that it will bring?

Arjun Murti (07m 36s):
I really appreciate your question Dave and I don't mean to make this about rhetorical debates and those kind of things, but I think if a lot of the mantra over the last several years is due to climate concerns and moving to a low carbon, we need to have a quote energy transition to electrify everything. I might push back on that is the reason it's happening, but maybe it's a pointless thing to push back on because we are moving in that direction. I think it's for different reasons though. And maybe that matters, maybe it doesn't. But let me explain my thinking. I will give the example of a country like India. India currently uses about one and a half barrels of oil per person. They are 1.4 billion people of course and they are already with such a low penetration of oil demand importing 5 million barrels a day.

Arjun Murti (08m 23s):
They have very little domestic supply in the us, Canada, South Korea, we consume over 20 barrels of oil per person. In Europe it's 10 and Japan is 13. If any of us to ever get to 10 might not be for another 30 or 40 years, that'd be 45 million barrels a day of oil demand and about 44 and a half million barrels a day of oil import. So there is a strong motivation to not go down that road. You can see it in China. China's importing 12 million barrels a day where we were in 2007. And you see their significant push to electric vehicles LNG

trucks and trying as best as they can to continue to improve their economic wellbeing but without being dependent on oil imports that they do not control. So I am going to say it is availability, affordability and geopolitical driver as opposed to a carbon driver.

Arjun Murti (09m 11s):
But maybe I am just arguing for the sake of arguing, maybe it doesn't matter because that is going to be the effect. The great thing about the newer technologies, it's not that they're necessarily lower carbon, it's that you control of, and so people can critique solar and wind as being intermittent and that's of course true. The batteries are making progress where you are matters. I think a pushback on the last four years is I don't think you want solar and wind everywhere. But again, to use the indie example, that is a place that as best as I can tell, gets really good solar radiation, you pair that with batteries, you probably can also pair it with coal as your base load. And to me there is a huge motivation that when you look at availability, affordability and geopolitical security, it is going to be a growing penetration of things like solar plus batteries but with coal.

Arjun Murti (09m 59s):
And we need to think about that from an environmental standpoint that is going to drive these. So I am saying that I think there are myriad reasons for why electrification is happening. AI gets a lot of attention and that's true, but frankly it's a broader digital transformation, not just quote AI, we have got aging grids in the wealthier world, we've got basic economic growth amongst those other 7 billion people and so I think there are a lot of reasons why power is taken center stage. But the great thing about app power plant is once it's up and running, you control the resource. You may not be super excited, you may or may not where those solar panels come from, but once it's in your country, it's not a daily flow of panel imports, it is geopolitically secure energy. You do need to make sure it is firm 24x7 365.

David Greely (10m 47s):
Well I am glad you brought this up because I think it is important to focus on the different reasons transitions are happening and different transitions in different places for different reasons and I will get to that in a minute. But I wanted to ask you first because I think there is an aspect that you keep bringing up of there is so much need for more energy as just the rest of the world starts to adopt living standards that the privileged few enjoy now. And it's interesting to me because we are at the start of the year, the energy conference season is gonna begin picking up and for the past few years there's always been various panels on peak, this energy demand or the coming glut of that energy supply and I think what we are focused on matters and so I would love to get your opinion of are those the conversations we should be having or are we missing something by focusing so much on peak this and the coming glut of that?

Arjun Murti (11m 50s):
I love the question because one of the other areas that was a driver Super Spiked is I really dislike kind of the divisiveness of the energy debate and someone could say, well Arjun, you're pushing back on some narrow definition of net zero, so aren't you being divisive? I would say it this way, which is I don't think any country or person for the most part really could care less what their energy source is. You want your car to move forward, you want your license to turn on. There's no consumer any in the world saying, oh what's the percent coal or the percent solar or any of this stuff they may pretend to. There's no actual observable evidence that the vast, vast bulk of people actually care about these things. I think this attempt to try and say okay, they are going to want to use all of this, I don't see it again, my example would be the African example where the dumping of renewables and frankly electric vehicles is almost certainly stimulating economic activity and stimulating oil demand specifically.

Arjun Murti (12m 42s):
So I think we are on track to use growing amounts of all sources of energy, but almost by definition when we say all sources, it is going to be a growing percentage of the newer stuff. A related point would simply be, I thought the net zero framings were very pessimistic on the outlook for humanity. When I saw those oil demand projections leveling off in some cases by 2025 or 2030, my question was always, what is the rest of the world supposed to do? How are they generating their energy? I think when you do the math on what would it mean for everyone to be rich, there is zero chance any of those people are gonna naturally want to pick only oil or only natural gas or only coal. And it is going to motivate in a very major way new technology development. I think people have been sold some false statements that everything else was ready for prime time as of 2021 or 2022.

Arjun Murti (13m 35s):
In some places, yes, in some technologies, yes, in others we still have to wait and see but there is a massive motivation to figure out the new stuff and at Veriten we spend a lot of time on the new stuff. So I might talk positively about oil demand, which I am positive on. I

talk positive about natural gas demand, which I think is going to grow. I actually think coal, it's not over yet that is likely to at least grind higher in the decade plus ahead but there is a massive motivation from those other 7 billion people, especially for the stuff they don't control, specifically oil and natural gas and often the case to figure out the new stuff and the amount of money that's going into that. There will be breakthroughs and there will be continued progress on stuff like batteries and the existing stuff we are already using.

David Greely (14m 17s):
And I want to come back to this idea of a power supercycle because these super cycles right at their heart they tend to be infrastructure investment cycles. And so when you say China dumping renewables into Africa, I guess another way to say that would be China supports massive renewable investment in Africa. Correct me if I am wrong?

Arjun Murti (14m 38s):
That's a much nicer phrasing. Dave, I am not surprised you have the nicer phrasing.

David Greely (14m 42s):
How do you see when you look out at the investment landscape in all sources of energy, like where do you see kind of the interesting investments happening or the interesting opportunities?

Arjun Murti (14m 55)s:
I think the nature of a power supercycle is very different than it is for, I will just call it a traditional commodity area like oil or natural gas or copper where those are global commodities. Global supply demand, geopolitics clearly play a major role depending on where the resources are. We have seen that of course in oil very recently with Venezuelan and Iran and these kind of questions. The nature of power is very different. It is not just a country, it is not just a state or province. It is a locality and it is as regulated as anything out there and so the nature of stimulating investment of allocating capital, it is really very different. There is some profound changes happening not just in the United States but around the world and I think there are some very significant policy questions as to how do you actually expand your overall power mix, what should be left to the free markets?

Arjun Murti (15m 49s):
But what shouldn't. Nuclear strikes me as an example, certainly in the United States where there's something about how we have done it historically. An individual nuclear plant going up in one state's utility, no learnings to the next utility in the next state or maybe very little learnings. Is there something about how China and the Middle East has built out nuclear private public partnerships, maybe a little bit more driven by the government in those places that has led to a faster growth? So I think it's a very complex topic. It's not that oil is simple and easy but is a more basic, okay, in the two thousands, again when we worked together, oil was about $20 a barrel. China started growing faster and the oil price had to rise to both try and limit demand growth and to try and motivate new sources supply. It took about 10 years for that to happen.

Arjun Murti (16m 37s):
Turned out to be US shale, not deep water provinces that people thought it was going to be powers very different. And I think it is a much more intricate and complex mix of local state federal regulation and how do you work it out. So I think on the one hand this cycle can some respects be longer than a commodity cycle where you just need prices and returns higher enough to really stimulate the instincts of companies to go after it. It's probably, I think it's a very challenging cycle that's coming up in power. It's easy to be excited about the infrastructure growth but there is nothing more traumatic than having blackouts or brownouts in a community or a country which can have very devastating consequences. So I think it's very different than the past oil cycles that I think we have a lot to learn on how it's going to play out.

David Greely (17m 20s):
That's really interesting and you know, you bring in the politics and the regulatory aspects of power which are orders of magnitude above what we see in the oil market. And one of the things that I found most interesting over the past year or two was this kind of political realignment between say the big tech companies and the energy industry. If you went back a few years seemed like big tech, if anything was a little antagonistic to the energy industry maybe back before they became more pragmatic about the need for energy and sustainable climate. But it really seems like the power demand for AI data centers in particular really changed all that. They have got big tech companies trying to build or restart nuclear facilities. I am curious like when you look at that, how big a deal is it this kind of the way politically the big tech companies and the energy industry seem like they are more politically aligned than they have been in the past?

Arjun Murti (18m 25s):
I am going to divide the political context of tech and industrials into two buckets. One is the party of whoever's the current president. All companies tend to sway in whatever direction those politicians lean. It is a natural survival instinct that all corporations, I am gonna say understandably have others, might be more critical. But your job is to optimize long-term shareholder value and to focus on that. It does not help to be outwardly antagonistic towards whoever is you are really part. So there is a little bit of a swaying with the wind, if you will, that all companies do not just big tech. I think separate from that though is the more substantial significant change, which is several years ago, like everybody, they had these net zero promises and they were going to eliminate all their carbon impact from when their tech company was founded in a garage. Every tech company sent out was founded in a garage.

Arjun Murti (19m 19s):
No one has a living room, no one has a kitchen. I don't know why but when you think about how important they are, trillion dollar companies by far the largest companies in the world and therefore their energy use is, is going to be whether direct or indirect, our use of iPhones and laptops and all these kind of things, it was going to be a significant portion of energy. So if our primary energy consumption's been 80, 85% fossil fuels the idea that tech could be net zero, you know, from their founding that math never made sense. It was always fake math and I think it's been the catalyst of the build out of the data centers. I know it's come coincident with President Trump coming back into power, but I am going to say it's been the AI data centers and what it means to truly have the energy to power them that has forced them to do the hard work.

Arjun Murti (20m 07s):
And I will be sincerely complimentary of both big tech and big industrials as we interact with them. They are obviously smart people inherently, they become really smart about energy very quickly. I think there's, it's a complex subject, there's still more for all of us to learn but they are ramping up significantly and in my opinion, they are actually the best folks to improve our energy conversation from this very divisive, it has to be all this and none of that or vice versa or this technology is intermittent, therefore it's dumb, that's not true. Or this is cool polluting. I am going to push back on the use of polluting when it comes to some of the traditional technologies versus the new ones. But all those kind of divisive rhetorics, they're just saying we need the data centers and when they need to be powered. And so I am going to be hopeful that especially the leaders of the big technology and industrial companies are going to have a positive influence on the energy conversation in a way that big oil CEOs and big utility CEOs are imperfect folks to kind of lead that discussion and change in tow.

David Greely (21m 09s):
This might be a bit of a tangent but I wanted to ask you too, as you talk with many industrials and companies, energy companies in particular, do you see the use of AI by these energy companies? What's the current state of that? Like how big of an influence is it having? I realize it's still early days, but I was just curious if you had some observations?

Arjun Murti (21m 32s):
I prefer to use the term that broader digital transformation is really starting to roll out amongst legacy energy and industrial companies. And I think AI is a very specific thing, but the first thing you have to do is you have to clean up your data. And if you are a company that's been around for 50, 75, a 100 years or perhaps longer and you've done 96 acquisitions, you've got double, triple, quadruple con topple counting of your data. Some might have been done by some program by someone that the program doesn't exist and the person hopefully is still alive to translate into like there is just a lot of cleanup that has to happen and it actually gives me a lot of optimism that we are still very much in the early stages. And then the question is how do you reconfigure a company to think about all the data that you can currently collect about all your operations and assets and so forth.

Arjun Murti (22m 20s):
You also need, in many respects a cultural change in a lot of these companies. So if you use the oil industry as an example, Dave, you know this, it's miraculous that people can see underneath the earth do the size, make, find the reserves, bring it out, pipe it, refine it. Those are all complex operations. They require a lot of technology but it's all inward technology, it's all stuff that is just for the industry you are in. In this case the oil industry. And I would contrast that with enterprise level technology and I will use the buzzword that comes from Silicon Valley, that's a big cultural shift to embrace more of what makes Palo Alto great that might come from outside of your industry and so how do you motivate and bring in the right people from the outside? How do they mix with the people that are inside and which companies are going to be earlier in not forgetting about who you are and where you come from, but evolving to the example Dave you and I have from Goldman Sachs days would be the trading desk used to be the football players and lacrosse players from the big Ivy league schools.

Arjun Murti (23m 24s):
And that shifted all to computer scientists and programmers and engineers to run those trading desks. We went from a very traditional way to trade stocks to one based on technology and algorithms and an equivalent cultural shift. That may not be the greatest example ever, but we need that more of these O line companies including the oil industry. So it's early days and I think we will see in the next couple years who has embraced this better, who has embraced this not so well.

David Greely (23m 50s):
Thanks for that Arjun. I enjoyed going on that little tangent with you. I wanted to go back to something you said earlier back to more of the geopolitics. I think what, what I have really enjoyed in your writing as you started with is that kind of refocusing or maybe reverting the hierarchy of energy needs. You know, you have always been very focused that security affordability comes first, sustainability comes after and I was curious when you think about it through that lens, if that's the lens I believe you are looking at it through how do you see the realities of energy supplies around the world shaping the geopolitical landscape, which I think is what we are kind of accustomed to thinking over the past decades. But then also turning it the other way. How do you see the realities of the geopolitical landscape shaping the energy systems that various countries are adopting?

Arjun Murti (24m 49s):
Dave, I love this question of sort of geopolitics and energy's natural hierarchy needs, but let me just make sure I spend one second on the sustainability point which we can come back to nothing about right sizing and respecting what I think of as our natural hierarchy needs affordability, availability, these kind of things suggests that sustainability is a non-issue and frankly some of the antis sustainability stuff we have heard in recent years. I'm gonna push back as hard on that as I would some of, I think the, I will call it over focus or misguided focus we might have had in the last couple years. And I actually think this geopolitical question, it's critical to how we think about the different sources of energy, but it's also critical from a sustainability standpoint. And I will give one example. I think I was pleasantly surprised to see the New York Times of all places when after the Trump incursion the US incursion into Venezuela talk about the environmental challenges of Venezuela oil.

Arjun Murti (25m 44s):
Now it just took President Trump declaring that Venezuelan oil was now a US oil for people to figure out. They have got some environmental challenges there, but maybe sarcasm aside, it's a serious issue when you look at this significant, in this case they highlighted methane flaring the flaring of natural gas in Venezuela. It is multiples of what occurs in the United States. And that can sound like what about, but there is a reality to that. I think all the companies that had various goals to move in a better direction on sustainability. Well the net zero part of it I think was never real for any company in any sector. There are some basic blocking and tackling around venting and flaring. I am going to use the methane example that I think will stand the test of time and they will continue to move in the right direction there.

Arjun Murti (26m 30s):
The question though is what about the rest of the world? And it gets to the geopolitics of it. You can have it keep it in the ground view. My comment to environmental activists, can you please start with the rest of the world? We should be looking to maximize US and Canadian oil and gas exports and if we don't do it, you are going to get higher oil or natural gas supply from the rest of the world. Which not always, but at least in some places, Venezuela as an example, could come with much worse environmental considerations. So that geopolitics, we can talk about what does it mean for all prices? And we're gonna talk about this and we, we talked about it actually last June where the geopolitics, going back to the 1980s has sometimes resulted in bullish oil prices, neutral oil prices and bearish oil prices. You can have all three outcomes because it is the aggregate of supply demand that matters not just one subpart of it, it's an important subpart, it has an impact but it is just one piece of it.

Arjun Murti (27m 26s):
I think that geopolitical role as it relates to sustainability, it's kind of as important. So for, I think for all the folks who say, Hey Arjun, you don't focus enough on climate or you've been too dismissive of net zero, I do think net zero was not a reasonable metric to order the world's energy systems around, but I actually think there's a lot of alignment in terms of geopolitical security, affordability and availability from that sustainability angle and so maybe we will speak positively. I think countries like Saudi Arabia and United Arab Emirates take their sustainability objectives very seriously. We need more countries to go down that road and I don't think we should be looking to backslide here in the United States.

David Greely (28m 07s):
And I want to dig in a little deeper I will come back to the climate and energy piece with you because I think it's important, but I remember, I think you were one of the first people I heard a few years ago really talking about how China was moving to leadership in renewables and it wasn't because directly climate concerns, it was more about security, right? China's tends to be oil and gas poor. So for them energy security and moving to renewables lined up the US has always been the other example, right? We are oil and gas rich. So it's cuts the other way for us. And when you look around like the world chess board, are there certain places that you see going in certain directions because of the security concerns, because of the natural endowments and how do you think that ends up shaping our overall energy system? Just a big question for you.

Arjun Murti (29m 02s):
Again, that's another great question and there's sort of a lazy phrase and I sometimes use as well of sort of everyone should be for a quote, all of the above, the spirit of it. I understand, I don't consider myself for or against any specific technology. I think it just depends on a variety of different metrics. But I think the reality is it's really some of the above depending on region. So places like the United States, the idea that it somehow made sense for us to rip up at this stage of our economic development, all of our existing infrastructure to transition to something else that was going to be intermittent and variable across the totality of the US. Like that never made sense to me. We are a major oil producer, we are a major natural gas producer, we could be an even larger coal producer.

Arjun Murti (29m 47s):
That is something being used in growing quantities in the rest of the world and my comment would always be, let's hold our industry to high standards on the environment and on labor and then make sure we have Coke, the best oil, gas, and coal that's going to the rest of the world. By the same token, if you look at the realities of energy demand in places like India, the idea that we would want to skip thinking about new technologies also does not make sense. So we should be trying to nurture as best as we can. Whether it's solar, wind, batteries, hydrogen I am skeptical of, but that doesn't mean you don't study it and figure out when it will be the right time. Electric vehicles and geothermal fuel cells, I'm gonna forget something along the way. We should absolutely look at our Silicon Valley, how their leaders in technology, how do we marry that with the energy industry to figure out how we can sell to the rest of the world.

Arjun Murti (30m 37s):
Newer technologies, which is something China's done a great job of. And so yes, I will say maximizing oil and gas experts is going to be our natural thing in the US but that doesn't mean we give up on the new technologies. I think this question of how geopolitics impacts other countries, I think that is the lens by which all countries are looking through everything and so I think in the case of India, which I will stick with, I think one of their challenges right now and one of the things they are going to have to come to terms with is if they're gonna have great amounts of solar and batteries, if they are gonna have some amount of electric vehicle penetration, are they going to be okay being dependent on China for that? They have got smart people there, they have capability to have their own industries. What are they doing about that?

Arjun Murti (31m 18s):
How do they think about fuel economy policy? My critique of us fully fuel economy is it becomes a left right thing about who can say a higher or lower miles per gallon when it's really vehicle weight and our growing SUV education that has caused us to miss 95% of our cafe standards. How does India think about that? Does India think about vehicle weight restriction earlier in its car culture development? And so I think every country and region India is oil poor and generally natural gas poor, they are coal rich. What are the correct environmental standards for India should have as their coal industry undoubtedly is going to continue to grow and what's the pace of that growth vis-à-vis solar and batteries? What role does nuclear play? What role should LNG play? It might be higher cost than coal and maybe higher cost than domestic solar, but the idea that you're not gonna want any of it I don't think is true either.

Arjun Murti (32m 09s):
I think every country Dave is going to be thinking through that lens. People and businesses we care about is it available and what does it cost? It is the role of government to care about geopolitical security and I don't think there's a country of earth that is not thinking about it along those lines and they will always pick as we saw in Germany after Russia went after Ukraine, they are going to burn ignite coal rather than have their people freeze. And while that can sometimes be said sarcastically, it's a very serious thing. They might have made the wrong decision shutting down their nukes, but they certainly made the right decision ensuring their people didn't freeze in the middle of winter and burning ignite coal.

David Greely (32m 45s):
And I want to come back to the climate and the environment because I think sometimes people like you who have to focus the argument and or they are trying to rebalance the conversation, sometimes they unfairly get painted with the brush of, well you just don't care about the environment or climate and I think that's unfair and you have always been very good about specifying clearly where you come down on all this. When you look out and you say like, okay, I see the energy industry, the energy landscape evolving this way, what do you think we need to be doing that we can be doing pragmatically? You have mentioned that you think net zero was never really going to work. That things like preventing methane leakage and excess flaring is kind of the low hanging fruit that we certainly should be doing. What are some of the things that you think are pragmatically possible that can help us get energy that the world needs but also make sure that we are doing it in a way that causes the least damage to the environment?

Arjun Murti (33m 50s):
I think nothing will happen if we don't get the politics out of our energy source discussion. And so it can't be that Republicans are viewed as oil and gas and Democrats are viewed as renewables and there's no logic to it. Veriten, we had governor Stitt of Oklahoma on our close of business Tuesday podcast. I really appreciated that on permitting reform he called out the challenges of Keystone Excel. That was something Democrats opposed Republicans were in favor of. But then he also followed that up by calling out. I think the very unfortunate either cancellation or attempt to cancel that offshore wind project that orsted and maybe Ecuador have offshore. New York as an example where republicans are not doing a great job of, I really appreciated he, I think the point was to make an attempt to say we need to get the politics out of our energy sources.

Arjun Murti (34m 39s):
And in the state of Oklahoma they have got a lot of wind, they have got lot natural gas, they have actually got some coal and it was business people that figured out what's low cost, what's available, it's their job to ensure that it's reliable, etc. And I, we need more of that. We absolutely need more of that. So I don't think we are going to make any progress as long as the loudest voices on either side, oh, oil and gas is evil, it's polluting or renewables are dumb because it's intermittent. Those voices that dominate, we're not gonna make any progress on anything. I think there's a missed opportunity right now in terms of if you didn't like what Democrats did on some of the environmental stuff, what would you do and what deserves to be part of a law as opposed to an executive action? It's going to be hopeful because I am not sure it's on track of how can the combination of industry and the administration be more forward looking on that.

Arjun Murti (35m 27s):
But I hate to be pessimistic because that's not my style. I am not sure we are on track for that. I think methane's one of the clearest examples of low hanging fruit. But here again, I think there is some very strong standards that the industry's big oversight bodies should ensure that all companies go through. And I think we also could use studying and understanding of what can be done in countries like Venezuela. What are the good things Saudi and UAE are doing and maybe the things they are not doing. How do we ensure that when we focus on our environmental issues, we also do think about the rest of the world so that it just doesn't become, oh you are pushing back on getting that last molecule of methane and like it just can't be about the highest cost, lowest value impact. It is a global industry and I think as a country, I am not sure we are trying to do this.

Arjun Murti (36m 17s):
How do we ensure that if it's oil, if it's gas, if it's any of these things, figure out what we can do in the US but also put it into a global context. And that New York Times article I cited, I don't think this is the reason they did it, but that is an example of global thinking where what should we be doing now be that we are going to perhaps we will see, have more of an impact on the Venezuelan oil industry. And I think how does that compare to what companies are not doing in the US?

David Greely (36m 44s):
Well thank you Arjun. This has been a great conversation to start 2026 and I really appreciate it. I thought maybe before you go I would ask you an unfair question given that you are no longer an equity analyst in the oil market, but I am sure you can't help yourself. And I'm curious, given all that we've been discussing today, like do you see some big investment opportunities out there?

Arjun Murti (37m 08s):
First of all, you are right, I can't help myself. That is a big problem with the disclaimer that this is definitely not investment advice. This is just sort of some thoughts we have talked about very positively, the power theme. I think we're in year four of what will be a decade long period of at least a decade long with sort of a power supercycle. But I think the question is like with the oil sector from 20 years

ago, when do you go, I Am gonna quote our former colleague Brian Singer from the hopes and dream phase where all you can imagine is growth and sunshine and rose is to actually be needing to execute on things. And we are that's always the, no one rings a bell when you have moved to the execution phase, but that's the phase where it really makes a difference of who is actually good at this, who is not what was overhyped, what wasn't.

Arjun Murti (37m 53s):
And at some point, I don't know if it's 2026 or 2027, I think are going to continue to have very positive feelings about structural power demand growth. But I think we are going to figure out what are the real technologies that at least today, in the next few years work, which don't, who is executing well on their businesses, who isn't. I think there might be a need to be a little bit more discerning on that versus simply, oh we need all forms of energy. Everything gets to go up into the right. And so I might just say, I think we might be soon moving to that execution phase. And that does not mean to be clear. I think there's still a long way to go for some of these companies. It's an infrastructure theme as you highlighted earlier, and they're gonna be some folks really good at executing.

Arjun Murti (38m 34s):
But as you know from the oil sector 20 years ago, there is going to be some folks that are not so good. I think at the other end of the spectrum would be the oil value chain. That could be an upstream producer, a midstream or refining company where they'd been a little bit left for dead. They had a little bit of a rebound during the COVID recovery and start of Russia, Ukraine. I don't think people believe in peak oil demand anymore. I think that debate, I feel like we have been on the right side of that and that has come true. On the other hand, I think people think, well it's going to be lackluster and nah, there is enough supply and whoa is in Venezuela gonna produce more? And that is all much easier said than done. It will still have a cycle. I think we are at a lower point of the oil cycle right now.

Arjun Murti (39m 14s):
I have not been a believer in the oil glut narrative that's been out there. I will say there is probably some modest oversupply, whether it's a glut or not. By the time you get to the back half of 2026, a lot of the non OPEC growth that had occurred in the last year and a half to two years, that kind of starts leveling off. I think demand growth is picking up. I'm actually more optimistic on global GDP in part for things like what China's doing with low cost manufacturing that is electric vehicles, it's renewals, but a whole bunch of other stuff as stimulative as one of the things, stimulating economic activity. So geopolitical competition isn't always a bad thing. It can be a good thing. And we've been in now a seven year period of sub 3% global GDP growth. I am using Goldman Sachs numbers and that's well below certainly what we had during the Brix expansion phase of over 4% in general. But even the 1990s, which was kinda low threes and adding another half a percent to global GDP can be positive for lots of different things, but it can be positive for oil demand. So I think that oil value chain, we are going to call the quote value opportunity and the power sector, it probably qualifies as momentum, but I think you need to think about who is going to execute well in power versus maybe who has been overhyped or we'll have execution problems.

David Greely (40m 27s):
Well, thanks so much Arjun. We will be sure to follow up with you on that and see how things develop over the next couple years. Always appreciate you having on coming on the podcast with us. Thanks again,

Arjun Murti (40m 37s):
Dave. You are one of my favorite former colleagues. It is always a joy, pleasure to join Smarter Markets. Keep up the great work here.

David Greely (40m 44s):
Thanks again to Arjun Murti, Partner at Veriten and Publisher of Super-Spiked on Substack. We hope you enjoyed the episode. We will be back next week with another episode of Setting Course 2026. We hope you will join us.

Announcer (40m 59s):
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