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Special Episode | Scenes from the FT Commodities Global Summit

This week, we present a special episode of SmarterMarkets™, bringing you exclusive interviews from last month's FT Live Commodities Global Summit in Lausanne, Switzerland. SmarterMarkets™ host David Greely attended the summit and worked with the Financial Times to record interviews from this gathering of commodity experts, practitioners, and trading houses.

The Financial Times' Natural Resources Editor, Leslie Hook, provides an introduction to this special release, with guest appearances from Goldman Sachs' Jeff Currie, RBC Capital Markets' Helima Croft, Vitol's Michael Curran, International Emissions Trading Association's Alasdair Were and Joe Raia of Abaxx Exchange.

Throughout the interviews featured in this special episode, host David Greely sits down with these guests to examine the future of carbon markets and climate action, the under-appreciated risks to our commodity markets ecosystem, balancing critical mineral supply and demand, the need for clear regulatory messaging from governments, and energy security amidst a changing geopolitical landscape.

Helima Croft (00s):

FT picks their timing superbly in terms of gathering some of the most important market participants in the room as we think about what does this crisis or potential crisis mean for commodity markets.

Joe Raia (11s):

Certainly the underlying commodities are still the main focus, but you've seen, obviously, the addition of things like carbon, hydrogen, shipping. And I think it's helpful for people to come here to see that it's not just an oil conference or it's not just a natural gas conference, that it does have other asset classes that do need discussion points and certainly are addressed here.

Alasdair Were (30s):

It's really interesting to see how these legacy players look at the energy transition and some of the thoughts that they have and the ways that they're changing their business.

Michael Curran (36s):

I've heard some very interesting things about potential financing structures. As it's a nascent market, we're looking for intelligent ways that we can mitigate risk in the absence of a liquid forward curve, that we can still invest and develop these projects without just turning it into a massive one-way bet or long bubble.

Alasdair Were (52s):

And it takes all the market to get together to kind of build a functioning successful marketplace, and I think most people, if not everybody here, recognizes that fact.

Jeff Currie (01m 01s):

We're dealing with entirely new fundamentals, new commodities, and I think there's gonna be a lot of opportunity for innovation and lots of opportunity for new ways of thinking about these markets.

Announcer (01m 12s):

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?

David Greely (01m 36s):

Welcome to a special episode of SmarterMarkets. Today we're gonna take you back about a month to the FT Global Commodity Summit in Lausanne, Switzerland. We were able to attend this year and worked with the Financial Times to do some mini interviews around the conference and bring you some scenes from this gathering of commodity experts, practitioners, and trading houses. To kick us off today, we have Leslie Hook, Natural Resources editor at the Financial Times. Leslie was the host of the conference, and will introduce our scenes from the FT Global Commodity Summit at Lausanne.

Leslie Hook (02m 11s):

Thanks so much for having me, David, and I'm delighted to be here to share some thoughts on the FT Commodities Summit in 2023. This is one of the real highlights of the year for the FT and for my entire team of journalists that are covering commodities, energy, and mining. And it was a really fantastic event this year. It was my first year chairing the event. I became Natural resources editor of the FT in September, even though it was my first time. I do remember very clearly when the event was first launched in 2012. At the time I was the Beijing correspondent for the FT was covering natural resources in China, Mongolia, as well as the environment there. And it was the height of the Chinese driven commodities supercycle. I was sort of right at the center of the story and, and I just remember the excitement in my colleagues' voices when they were talking about launching this summit in Lausanne and now it's grown to be even bigger, even better, I hope.

Leslie Hook (03m 13s):

And it's a real honor to, to be taking over this fabulous event. Some of the big themes that we talked about this year were Ukraine, and of course the fallout of the Russian invasion there, what that means for energy markets. The other huge theme was the energy transition and a lot of the companies that have traditionally been on the stage talking about oil markets or gas markets were there instead talking about carbon emissions or their hydrogen strategy and I think that's gonna be a continue to be a theme next year and in the coming years for this event, as we're seeing the world, the energy producers and trading houses respond to this energy transition that's taking place with bumps along the way with fits and starts and perhaps unevenly, but still very much impacting how things happen on the ground. I think there's also a few things that the Financial Times really cares about when we think about our coverage of commodities and markets.

Leslie Hook (04m 13s):

When I was appointed Natural Resources editor my previous job was leading our climate coverage, so I was going to the cops and covering clean energy, and I think our editors wanted me to bring that clean energy lens to commodities markets and help kind of build out that side of our coverage and the FTs also been bolstering its coverage of the energy transition. We're just appointing our first clean energy correspondent, in fac. and the FT also brings a journalistic ethos to the summit. This isn't only a business conference, it's also a place to bring accountability, transparency and, and ask the tough questions. That's what our role is and I think it's a sort of unique forum for the training houses to take the global stage to speak in public. And that wasn't always the case, particularly before this summit existed.

Leslie Hook (05m 04s):

There was very rare to hear from many of these, these CEOs who would come out and talk about their strategies in public. Another change that we're delighted to be making is to be improving diversity at the summit. This was our first year where we had at least one woman on every single panel, and there's still ways to go there, but we are improving in that regard and I'm also looking forward to bringing more geographical diversity, racial diversity to the conversation next year and as well as expanding our focus on the energy transition, also hoping to bring in a little more medals, which we had several metal sessions this year and, and agricultural commodities as well. So that's some of what we've been doing, some of what's in store overall, it was a real honor to be taking over inheriting this fantastic event from my predecessors and looking forward to continuing to grow it in the future.

David Greely (06m 01s):

So where would you like to take the conference next year, Leslie?

Leslie Hook (06m 04s):

Well, it's hard to know what will happen between now and 2024. By the way, the dates are April 8th through 10th a little bit later. April 8th through 10th 2024 will be the next summit and unexpected events always happen. At the last minute we had the banking crisis and the forced marriage of Credit Suisse and UBS just days before the summit began this year. So we don't know what will happen, but I think the big themes will continue. The energy transition is going to be an even bigger story. We will still have some fallout from the Russian

conflict in, in Ukraine in the way that's reshaped energy markets. And I think by April next year we'll also have a sense of what's happening to the global economy and are these gloomy signals that we're seeing now these risks of recession, fears of a banking crisis going to materialize or not. So we will know that by then.

David Greely (07m 00s):

And you at the FT certainly have a way of picking the timing of the conference because as you said, this year, it was shortly after the failure of Credit Suisse and its takeover by UBS and the year before, it was shortly after the Russian invasion of Ukraine. So I imagine there's gonna be a lot of news prior to the conference next year.

Leslie Hook (07 m 17s):

Hopefully some good news rather than some bad news. We'll take it. We'll, we'll take what we can get.

David Greely (07m 23s):

Our first guest is Jeff Currie, Global Head of Commodities research at Goldman Sachs. Jeff sat down with us shortly after his keynote interview at the Ft Global Commodity Summit. So Jeff, I wanted to ask you, how long have you been coming?

Jeff Currie (07m 38s):

On and off for about the 12 years

David Greely (7m 40s)

12 years and I was curious, what have you seen change in the nature of the conversation? The nature of the people coming to the conference over those 12 years?

Jeff Currie (07m 49s):

Number one, sharp reduction in investors. You see it in, you know, the, the managed money levels, the number of hedge funds, the amount of real money in commodities, it's dropped precipitously, which is pretty consistent with the attendance. You know, there's a, you know, you look at the oil panel just now had more representative of the industry than a hedge fund. I think Pierre was the only hedge fund manager up there. Yeah. So I think, you know, it's a very different setup from that perspective. The other thing too is the greening of it in terms of, you listen to many of the questions, they're, they're focused much more on, you know, more of the green as opposed to the dirty commodities and then the, which you should be expected, you know, with energy transition. And then I would argue that the third one is there's a much more greater focus on metals and I think that's because of, you know, green metals, green CapEx. So it's kind of tied to the second one.

David Greely (08m 46s):

Right and that brings me to the second question. I think thought leaders an overused phrase, but you are definitely the thought leader in the commodity space and I know you're on a keynote address this morning, keynote interview coming in here. What were the, the actionable ideas that you wanted to bring to the conference that you wanted people to take away?

Jeff Currie (09m 06s):

Yeah, I think first and foremost is to understand what drives the commodity Supercycle. You know, Dave, you and I go back into the two thousands and thinking about commodity cycles, but now, you know, having sat in the seat for 27 years, I have a much greater perspective and it just really boils down to the need for physical capital. It's physical capital to grow oil supply, physical capital to grow copper supply. What happened over the last decade, we've now seen this three times. You know and I were one who coined the term the revenge of the old economy. You know, it just put bluntly is the returns are better in the new economy than the old economy and capital was redirected to the new economy, choking off the investment that would've otherwise grown. The supply base hid there as the, the core of the problem.

Jeff Currie (09m 55s):

But what I've really picked up particularly in the last six months, is the 2010s were identical to the 1990s, which were identical to the 1960s, all characterized by low and stable inflation, lower interest rates in investors chasing long duration, new economy tech type instruments, leaving the old economy starved up the capital that needed to grow the supply base and you're pushed into these environments with higher commodity prices and the need to make investments and yeah. So in other words, a commodity supercycle is a CapEx cycle and when we think about what are the higher interest rates telling you to do, put money to work in the economy today,

and it's just fairly simple. See, a lot of people are questioning whether or not we're in a supercycle or not. No, I mean, the higher interest rates or telling you invest in this stuff, I'd like to point out fed rate hikes. They may cure the symptom, which is inflation, but they don't cure the underlying illness, which is under investment.

David Greely (10m 54s):

Yeah and it really ties into your first comment about investors not being at the conference. Where's the money gonna come from?

Jeff Currie (11m 02s):

It's gonna come out of the new economy. NASDAQ up. So, you know, I think I, I think the key is what's gonna create that redirection of capital and when you and I were doing this in 02, 03 in that time period, what it ultimately took was really bad returns in the new economy and by 04, 05, we saw that rotation and I think that's ultimately what's gonna have to kind of happen here, because right now they're making more money being in NASDAQ than they are being in old economy.

David Greely (11m 33s):

Any ideas you've heard, any kindred spirits or, you know, new ideas for yourself that you're taking away from the conference?

Jeff Currie (11m 40s):

Yeah, I would say what I've taken away is a newfound respect for the difficulty in clean energy technology. Whether if it's the energy required to create the pressure for hydrogen leading to a substantial deterioration and available energy or, you know, the amount of metals needed in EVs. So know these are gonna be very expensive and I think that the message and I'm taking away and trying to reinforce is the cost of decarbonization is just going to be tremendously high. All of these technologies are very expensive.

David Greely (12m 20s):

Yeah and I wanted to test you with that you have said this cycle, you know, has a lot of similarities to the CapEx cycles of the nineties, of the 2000s think even went back to the 1960s and 70s. But of course this time there's the whole green transition element to it. So if you look out at markets with your 27 years of experience and look at this cycle and what's potentially different about it, what do you think we need in terms of, you know, new markets, new tools to manage this cycle and to manage the risks that are

Jeff Currie (12m 53s):

New risk, create new opportunities and I would argue that the focus here is on transition risk. It's something that investors have yet to harness and, you know, whether it is this duration and I was talking about on the panel, which is you get oil is gives you cash flow today versus you know, something green that doesn't give you cash flow for, you know, 10 years or something and so bridging that gap is a new kind of risk that needs to be thought about but also, you know, in things like, you know, whether, if it was nickel, you know, that Jeremy Weir was talking about, you know, the, the fitness of current contracts we're dealing with entirely new fundamentals, new commodities and I think the, the contracts need to be thought about in terms of their appropriateness given the current environment, so I think there's gonna be a lot of opportunity for innovation and lots of opportunity for new ways of thinking about these markets.

David Greely (13m 52s):

Thanks again, Jeff. Our next guest is Helima Croft, Managing Director and Head of Global Commodity Strategy and Middle East and North Africa Research at RBC Capital Markets. Helima sat down with us after participating on a panel on pricing oil in a low carbon world. Have we seen the last oil boom? Great to see you, Helima. I wanted to ask you, I think this is your first year at the conference, but how would you describe the nature of the conversations that are occurring and how did that compare to what you expected coming?

Helima Croft (14m 22s):

It is my first year attending, but I've been a close observer of this incredibly important conference and I do think what is so interesting for the past two years is this conference is held right as we are in the early days of what looks to be some sort of crisis and think about last year it was the early days of the Russian invasion of Ukraine. Nobody really knew the scale of the Russian supply disruption. People were forecasting potentially multimillion barrel disruption out of Russia concerns about other, you know, Russian commodity exports. Now we're here in the early days in Switzerland of all places, and the question is, is there gonna be some type of contagion to commodities from this crisis in the banking sector. So to me, FT picks our timing superbly in terms of gathering some of the most important market participants in the room as we think about what does this crisis or potential crisis mean for commodity markets.

David Greely (15m 21s):

And in terms of the things that are being thought about and discussed, I was curious, what sort of ideas did you want to bring to the conference this year to share with the participants and if there are any ideas that you've heard here so far that you really want to take away?

Helima Croft (15m 34s):

Well, one of the things I sort of wanted to bring up, and I did in my panel, someone told me three times, is when we think about sort of what are the underappreciated risks, we, we focus so much on the big story of the day in terms of this year, it was, is it gonna be pal or Putin that the market is most concerned about obviously the big story right now is the contagion story, but I also wanted to sort of put a spotlight on some of the other issues that have been under the surface. But if they become bigger, could have an outsized market impact. I'm deeply concerned about the Iran nuclear program. I think that in previous years, if we had had Iran this close to being a threshold nuclear state, be it Netanyahu back in power in Israel, there'd be a lot more focus on the potential for some type of conflict around that nuclear program.

Helima Croft (16m 23s):

I mean, it was just in Saudi, they just did that deal with Iran. But I think that reflects Saudi anxiety about, you know, potentially being targeted in the event that there is an Israeli strike and the Saudi's essentially saying, we're gonna take proactive measures to ensure that we are not the tip of the spear of an Iranian response. So to me, I wanted to sort of bring back into the conversation some of the stories that we have sort of neglected and to me, one of the biggest takeaways that I had not appreciated was this discussion about the Russian oil flows and the fact that you have new market participants that may not have the same type of technical expertise and is there a potential risk of, for example, environmental catastrophes. I mean, to me, when I was sitting on that panel, that was my kind of aha moment is what are the risks around having certain type of tanker fleets moving Russian barrels. What are the environmental risks. What are the headlines that could be coming three to six months from now around that?

David Greely (17m 21s):

And the FT will certainly have their conference at the time. Those come to the forefront. Yes and so far we've rattled off war geopolitics shifting in a generational way, energy transition the environment in this commodity environment that we're moving into. What do you see as, what does the industry need to be able to deal with everything that's coming?

Helima Croft (17m 43s):

I hear more than anything, we need clarity. We need a clear message from governments in terms of what the regulatory regime is going to be around energy. Certainly in the United States, there's a lot of conversation around speed in the permitting process. You just had the US Energy Secretary Grant home, you know, announced measures to try to speed that up. That has been one of the biggest asks of energy companies in the United States. When I think to Europe, the real question is what is gonna be the basis of Europe's energy security. What role does natural gas play in that? Is this still a transition fuel? Is it a destination fuel. What type of contracting environment needs to be put in place to ensure Europe's long-term energy security needs are met and I think that's gonna be a very important conversation. Do they move more to long-term contracts for natural gas. Do they still remain largely spot market participants. What happens next year if we have a colder winter in Europe and I think the bigger question is, what is the outlook for Europe if we do not have Russian molecules on a multi-year basis?

David Greely (18m 53s):

Thanks again to Helima Croft. Our next guest is Alasdair Were, an advisor at IEDA, the International Emissions Trading Association. All right, Alasdair, this is your first year at the global commodity summit rate. I'm curious what your, what your impressions are of the nature of the conference?

Alasdair Were (19m 09s):

It is indeed. It's a kind of fantastic place to be. I, I spend a lot of the year traveling to a lot of carbon conferences and to see the kind of diversity of stakeholders and the quality of stakeholders here is truly astonishing. I think it's really interesting to see how these legacy players look at the energy transition and some of the thoughts that they have and the ways that they're changing their business.

David Greely (19m 29s):

Yeah, and I've noticed this year there's a lot more conversation around the carbon markets than in prior years and I was curious if there's any ideas, you know, relative to the rest of the conference circuit that you've attended. Any ideas here that you're taking away or were surprising?

Alasdair Were (19m 42s):

I think it's just interesting to see how seriously these major corporates are taking the challenge and the fact that they're really implementing relatively novel solutions and been just in a panel on supply chain traceability and listening to the likes of Glencore and traffic and Palantir and the work that they're doing together and it's quite fascinating to the approach they're taking in terms of leveraging things like AI to solve the challenges of around scope three emissions.

David Greely (20m 06s):

And that's the other thing I wanted to ask you about, in terms of your specialty in the carbon markets as you look forward, where do you see us needing things in terms of new markets, new technology, new tools for the next say 10, 20 years?

Alasdair Were (20m 20s):

So my role at IEDA kind of leaves me spend the majority of my time looking at applications of block chain and we've been involved with the World Bank and the government Singapore, to launch climate action data trust back in December, which is a metadata for carbon markets aggregating and harmonizing data from independent and national registries to create this sort of transparent single source of truth that the market needs to rely upon and if I look at technologies going forwards, I think really it kind of boils down to standardization, transparency, creating some sort of uniform language that we can all agree to communicate it without that foundation. I think it's really difficult to scale the market to where it needs to be by 2030 and 2050 and so having transparent markets that we can start building interesting financial products on the back of both spot futures, exchange derivative products, all of which is solely needed to provide the liquid liquidity and, and the kind of hedging functionality that corporates will need going forwards.

David Greely (21m 13s):

And where do you see us being in that, creating the harmonization and standardization that we're gonna need?

Alasdair Were (21m 20s):

So I think there is roles to be played as kind of convening forces. And I know that Abaxx has been very involved in the n energy markets trying to create some sort of standardized product, I think will likely need the same sort of convening power around creation of futures markets for carbon credits and other environmental assets looking forwards. I mean, a lot of the conversation here today has been about biodiversity and that's obviously an increasing trend. So I think there's a role to be played in terms of convening market participants, getting to some sort of consensus and creating new products that the market can trade.

David Greely (21m 51s):

Where do you think the market participants are on being willing to convene that way. I mean the, I guess you've had a lot of conversations here.

Alasdair Were (21m 58s):

So I think we need to recognize the fact that environmental markets are relatively nascent. Biodiversity is being born as we speak. Carbon markets are less than 25 years if you compare that to gold or, or physical oil. I mean, we're talking about centuries or millennia and, and it takes all the market to get together to kind of build a functioning successful marketplace. And I think most people, if not everybody here recognizes that fact.

David Greely (22m 22s):

Thanks again to Alasdair Were. Our next guest is Michael Curran, Head of Emissions Trading at Vitol. Michael joined us after his panel discussion on carbon trading and the voluntary carbon markets. Well thanks so much for joining us, Michael.

Michael Curran (22m 35s):

Pleasure.

David Greely (22m 38s):

As you know, we've been doing some of these little mini interviews around the FT Global Commodity Summit, which has been going on for about 12 years. I don't know how long you've been attending, but I'm curious, how do you find the nature of the ideas being discussed? Do you think they've changed over the years and what made you want to come to the conference this year?

Michael Curran (22:55):

So I'm a little bit of a neophyte, so this is only my second year here and frankly I came because I was invited for one of these panels as per today. So speaking to the changes in this conference, probably not the best person, but in terms of general, so I was down in Cape Town last week for the African Refiners and Distribution Association and that has smoothed very swiftly from carbon transition as a peripheral issue to, it's actually probably not half of the conference and actually the main, the main interest for the people attending the conference. So I think there's a general shift, a very clear shift.

David Greely (23m 32s):

Right and having a panel on carbon markets, which you were on this morning, is definitely a highlight of that shift. Thank you Well, and I was curious too, like when you were thinking about coming here, the panel you were gonna be on, what were the sort of ideas that you wanted to really bring and make sure made an impression on the folks attending?

Michael Curran (23m 54s):

So I think, I mean, very clearly, if we break again as one of my points this morning, there isn't a carbon market. There are markets, but I think in terms of the pressure and stress that the voluntary markets, or at least some of the voluntary projects have come under, I just wanted to flag the fact that this is a work in progress. It's a nascent market. Now I'm contradicting myself by just using the singular and that it will have to sort itself out, but this transparency is a good thing. The fact that it's getting criticized now, the fact that people are saying, whoa, whoa, whoa, we need to look under the herd. We need to do a lot more checking is a healthy thing. It's better that this happens now when it's a market of a few billion dollars than it's a market of 500 billion and we have a serious you know, CDs type situation and things break down. So I think that's a healthy thing and then one of the other things I wanted to flag is I really think that winning to look at the supply and demand, again, coming to back from a trader's perspective and you know, I'm spending a lot of time on Africa and I really want to make sure that Africa benefits from isn't, you know, ESG is not used as a stick and transition's not used as a stick against Africa, but is deemed as an opportunity for the African content.

David Greely (25m 01s):

Right give them the opportunity to enjoy the growth and economic development that we have.

Michael Curran (25m 06s):

Yeah, exactly and particularly in a place like Geneva driving around in your 5 liter SUV and then saying, oh, but it would be nice if Africa could just not develop this and not develop that and I think it's incumbent upon us, particularly the people who have been trading or an active in fossil fuels to be part of that solution. Not just to say, okay, it's a problem, but to deal with the financing, deal with the monetization in a fair way, which is not appropriation.

David Greely (25m 29s):

Alright. Now I was curious, were there any ideas you heard while at the conference that you're like, oh, I want to take that one away?

Michael Curran (25m 35s):

I've heard some very interesting things about potential financing stretches. So I think this is, again, for us as it's a nascent market, it's not liquid. I think I was saying at one point you have to go upstream in these carbon projects, and I think that's what we are looking for. We're looking for intelligent ways that we can mitigate risk in the absence of a liquid forward curve, that we can still invest and develop these projects without just turning it into a massive one-way bet or long bubble.

David Greely (26m 01s):

And brings me into my last point with you, which is, as you look at developing these carbon markets as, as you emphasized in terms of benchmarks, in terms of technology, in terms of tools to manage risk and provide financing, what do you see as the, the big things that these markets are gonna need if they're gonna develop?

Michael Curran (26m 20s):

Well, clearly we would really appreciate a liquid and coherent and rigorous forward curve. I mean, whether that's a Platz index, whether it's a futures exchange, whether it's, whatever it might be, whatever flavor it comes in, something that people can have confidence and particularly if it's you know, an exchange where you have physical delivery that people are confident in the physical delivery, but also that you can then structure products against because people have confidence in an index or a curve that they can manage their risk and trade and, and effectively do deals against.

David Greely (26m 51s):

Thanks again to Michael Curran. Our final guest is Joe Raia, Chief Commercial Officer at Abaxx Exchange. Hi Joe.

Joe Raia (26m 53s):

Hello Dave.

David Greely (27m 00s):

It's good to be able to sit down with you at the end of the FT global Commodity Summit here in Lausanne. This is the 12th one. I'm curious, how long have you been coming here?

Joe Raia (27m 09s):

I guess it's been probably, well, I came to the first one back in 2011, but obviously COVID stopped a couple of them, but really on and off pretty much for 12 years and it's definitely changed and it's structure a bit. It's certainly grown in its size, but the venue is fantastic. The amount of people that you have access to from our business across all asset classes is unprecedented. You know, there's no nothing like it anywhere in, in the marketplace right now.

David Greely (27m 34s):

And you're the perfect person to ask this question of, given that you were at the first one how do you see like the, the tone and the, the topics being discussed, how has that changed over the past few years?

Joe Raia (27m 45s):

Yeah, certainly the underlying commodities are still the main focus, crude oil, natural gas, but you've seen obviously the addition of things like carbon, hydrogen shipping really also be added as, as streams of discussion and I think it's helpful for people to come here to see that it's not just an oil conference or it's not just a natural gas conference, that it does have other asset classes that that do need discussion points and certainly are addressed here.

David Greely (28m 12s):

Now, I was curious, were there ideas that you wanted to bring to the conference this year to share with the other participants And maybe were there any ideas that you heard here that you want to make sure you take away with you?

Joe Raia (28m 22s):

Yeah, I think some of the things about some, some of the products that we are going to be launching on, on Abaxx Exchange, not too, not too distant future. I think new products, also new ideas from new products are important. Like nickel. We heard some interesting comments from Jeremy Weir at TRA about the issues around the nickel market, the current nickel market. I think we're hoping that the products we launch will address some of those issues. I think the, the sustainability issue is still definitely a relevant topic that was addressed fairly well. I think maybe that could be addressed even more because it is an important topic for all of the firms that are here across all of the asset classes. And so, yeah, so I think that there's always new topics coming up. I think next year you'll see maybe more focus on the issues around carbon offsets and shipping, which will be coming into fold pretty much as the conference starts next year.

Joe Raia (29m 12s):

So that'll be something that'll be important and how that's being addressed by the global shipping community. And certainly, you know, L n G is an issue too, and that's, that's not gonna go away and it's, it'll be interesting to see how Europe deals with the issues of supply going into this coming winter. And so yeah, there's a lot of great topics that are always discussed here. I think the way they do it in the, in the format that they do it with high quality people is, is also a great way to get those, those points out.

David Greely (29m 39s):

And I mean, you're clearly focused on, on building better benchmarks for these markets, better futurist contracts, better tools for managing risk. When you look out and with what you've heard, you know, from the, the fellow participants in the conference this week, you know, what do you see as the big items that these markets need to grow and develop over the next decade?

Joe Raia (29m 59s):

You heard it on your panel today, right. Transparency, better markets, you heard it on Jeremy Weir's panel, you heard it on the CFO panel. Better transparency, more efficiency. Those are the things that are definitely recurring themes year to year. But certainly last year we heard it in about the oil markets issues when margins were so high and collateral usage was so stressful on balance sheets. Certainly that's eased a lot, but this year they're still talking about markets and better transparent markets being needed. So that's an important thing and that speaks to what we're trying to build here.

David Greely (30m 31s):

Thanks again to Joe Raia and all of our guests and special thanks to Leslie Hook and the FT for inviting us to be a media partner at the FT Global Commodity Summit. We hope you enjoyed this special episode of SmarterMarkets, and we hope to see you again next week as we continue our series on Carbon Frontiers.

Announcer (30m 52s):

That concludes this week's episode of SmarterMarkets by Abaxx. For episode transcripts and additional episode information, including research, editorial and video content, please visit smartermarkets.media. Please help more people discover the podcast by leaving a review on Apple Podcast, Spotify, YouTube, or your favorite podcast platform. SmarterMarkets is presented for informational and entertainment purposes only. The information presented on SmarterMarkets should not be construed as investment advice. Always consult a licensed investment professional before making investment decisions. The views and opinions expressed on SmarterMarkets are those of the participants and do not necessarily reflect those of the show's hosts or producer. SmarterMarkets, its hosts, guests, employees, and producer, Abaxx Technologies, shall not be held liable for losses resulting from investment decisions based on informational viewpoints presented on SmarterMarkets. Thank you for listening and please join us again next week.