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[http://www.thestreet.com/\\_yahoo/story/10624576/1/trouble-for-oil-etfs.html?cm\\_ver=YAHOO&cm\\_cat=FREE&cm\\_ite=NA](http://www.thestreet.com/_yahoo/story/10624576/1/trouble-for-oil-etfs.html?cm_ver=YAHOO&cm_cat=FREE&cm_ite=NA)

## Trouble for Oil ETFs?

The International Energy Agency (IEA), an energy adviser to rich nations such as the U.S., released its highly-anticipated World Energy Outlook on Tuesday, singling out potential climate change initiatives as a major driver of oil consumption and prices in coming decades.

If a major agreement to cut [greenhouse gas emissions](#) is signed and implemented in coming years, global crude oil demand could increase by only four million barrels per day by 2030.

The increase from current consumption levels of about 85 million barrels to 89 million barrels represents a relatively small bump that could help keep prices lower. "A climate-change agreement would help propel industries and consumers toward using energy [more efficiently](#) and incentivize the auto industry to develop electric vehicles and other nonoil technologies," writes Spencer Swartz for *The Wall Street Journal*.

But that prediction comes with a big "if." The Kyoto Protocol, a UN treaty aimed at combating global warming, is set to expire in 2012, and delegates from nearly 200 countries will be meeting in Copenhagen in December with the goal of devising a successor agreement.

There is significant skepticism about the ability of developed and emerging economies to agree on the sharing of burdens associated with reducing [greenhouse gas](#) emissions. Without a new climate change agreement in place, the IEA estimates that global oil consumption will rise to 105 million barrels per day by 2030. This implies that the presence of a comprehensive emission reduction plan could result in a 15% decrease in global oil demand.

The IEA also released predictions for oil prices in coming years: Crude is expected to cost \$100 per barrel by 2020 and \$115 per barrel by 2030, reflecting annual price increases of between 2% to 3%, roughly in line with inflation.

### ETF Plays on Oil

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Any news regarding the future direction of oil prices will have an impact on exchange-traded products such as ....

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**PowerShares WilderHill Clean Energy Portfolio**([PBW Quote](#)): Among the main beneficiaries of a global agreement on climate change would be alternative energy producers. PBW [invests](#) in stocks of companies engaged in green and renewable sources of energy, including several solar energy firms.