

INSIGHTS

For the Mainstream Investor

WEEK ENDING JANUARY 27, 2017 EDITION 178



PRESSURE'S ON FOR OIL COMPANIES

BP warns of prolonged downward pressure on oil as companies avoid stranded assets

BP released its [annual global energy outlook](#). The report finds that global demand for energy will increase by around 30% to 2035. Gas will grow faster than oil or coal and renewables will remain the fastest growing energy source. Furthermore, oil producers, it says, will scramble to [exploit reserves](#) before "demand for fossil fuels goes into decline."

"The global energy landscape is changing. Traditional centres of demand are being overtaken by fast-growing emerging markets. The energy mix is shifting, driven by technological improvements and environmental concerns. More than ever, our industry needs to adapt to meet those changing energy needs," said Bob Dudley, BP group chief executive.

CORRUPTION AND INEQUALITY

Countries' level of corruption linked to inequality

Recently the [Transparency International](#) launched its [Corruption Perceptions Index 2016](#). The index examines links between populism, socio-economic malaise and the anti-corruption agenda. The report notes that "corruption and social inequality are closely related and provide a source for popular discontent."

What are some of the countries that are the most corrupt? Sudan, North Korea, and Syria are in the top five. Denmark, New Zealand, and Finland rank as the top three "most clean."

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THIS WEEK IN NUMBERS

206

billion USD of green bond issuance is forecast in 2017 by Moody's, up from 93 bn in 2016

140

billion USD of extra tax could be collected if governments increased cigarette taxes by 80 cents per pack, in addition to the \$270 billion already raised

50

air quality audits are funded by the Mayor of London to protect primary school children

36

inch diameter is the size of the Keystone XL pipeline which was given approval by President Trump

30

inch diameter is the size of the Dakota Access pipeline which was given approval by President Trump

18

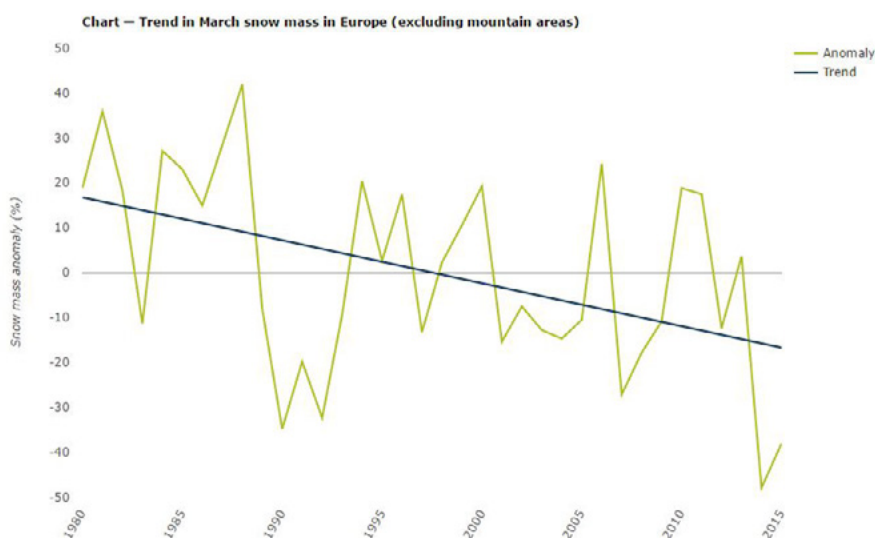
billion Euros (USD 19.3bn) was invested in new offshore wind projects in 2016, 4.9 GW of new capacity

GOOD NEWS CORNER

Fukushima radiation levels are lower than previously thought. Since the disaster in 2011, citizens living near the nuclear plant have been measuring their own radiation exposure. Now scientists have found from those readings that the original observations may have been overestimated. [READ MORE](#)

INFOGRAPHIC OF THE WEEK

Bad news for the European ski industry



Source: [European Environment Agency](#)

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EUROPE'S CLIMATE RISKS

Reviewing European climate change impacts in 2016

Climate change is affecting ecosystems, the economy and human health in Europe says a [new report](#) published this week by the European Environment Agency (EEA). New records continue to be set in [temperatures, sea levels and precipitation patterns](#).

'Climate change will continue for many decades to come. The scale of future climate change and its impacts will depend on the effectiveness of implementing our global agreements to cut greenhouse gas emissions, but also ensuring that we have the right adaptation strategies and policies in place to reduce the risks from current and projected climate extremes,' said Hans Bruyninckx, EEA Executive Director.

THE DOOMSDAY CLOCK

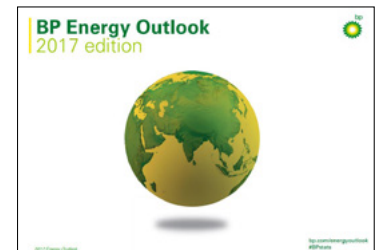
The clock moves to 2.5 minutes to midnight

File this one under: depressing news of the week. The [Bulletin of Atomic Scientists](#) maintains a [symbolic countdown](#) to the end of the world. This week they moved the clock 2.5 minutes to midnight, the closest the clock has ever been to midnight.

The group cited US President Donald Trump's "disturbing comments" about the use of nuclear weapons and views on climate change among other factors, including cyberthreats and the rise in nationalism, that have contributed to the darkened forecast.

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WHAT WE'RE READING



BP Energy Outlook

2017 Edition

JUST IN CASE YOU MISSED IT...

Raytheon is back in it. In the [Norges Government Pension Fund](#), that is. The fund board decided to revoke [the exclusion](#) after receiving confirmation from Raytheon Co that the company no longer has any activities associated with production of cluster munitions.

DID YOU SEE...?

The [World Bank](#) and the International Solar Alliance (ISA), launched the Global Solar Atlas, a free, web-based tool which identifies potential sites for solar power generation across the globe. [See the atlas here.](#)

QUOTE OF THE WEEK

“Environmental, social, and governance (ESG) factors relevant to a company’s business can provide essential insights into management effectiveness and thus a company’s long-term prospects.”

– Larry Fink, Blackrock CEO, in his annual letter to CEOs

Source: [Blackrock](#)

BELIEVE IT OR NOT

Exxon Mobil appoints a climate scientist and former president of the Woods Hole Oceanographic Institution to its board.

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