

Big Oils - Earnings Review



- ❑ **Big Oils** companies posted a mixed set of earnings.
- ❑ Higher output allowed **Total** and **Chevron** to beat expectations amid a lower oil prices environment. **Total** in particular is on track to exceed its 9% production growth target this year.
- ❑ But refining margins disappointed at **Chevron** and **Exxon** and weighed on share prices.
- ❑ **Chevron** made a bid to acquire **Anadarko** which could launch a escalate for Big Oils to make acquisitions in the Permian Basin.
- ❑ This and topping oil prices could put some pressure in share prices over the short term. Stay long for the medium to long term for the high dividend yield and diversified portfolio of Big Oils.
- ❑ **Royal Dutch Shell** will report its Q1 earnings on Thursday

Disclaimer

Investment research – Risk information: USS researches are prepared and published by Union Securities Switzerland SA (regulated by FINMA in Switzerland) “USS”.

The investment views have been prepared in accordance with legal requirements designed to promote the **independence of investment research**.

This material is for your **information only** and is not intended as an offer, or a solicitation of an offer, to buy or sell any investment or other specific product. Certain services and products are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis and/or may not be eligible for sale to all investors. All information and opinions expressed in this material were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness (other than disclosures relating to USS). All information and opinions as well as any forecasts, estimates and prices indicated are current as of the date of this report, and are subject to change without notice. The market prices provided in performance charts and tables are closing prices on the respective principal stock exchange. The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. Opinions expressed herein may differ or be contrary to those expressed by other business areas or divisions of USS as a result of using different assumptions and/or criteria.

In no circumstances may this document or any of the information (including any forecast, value, index or other calculated amount (“Values”)) be used for any of the following purposes (i) valuation or accounting purposes; (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees. By receiving this document and the information you will be deemed to represent and warrant to USS that you will not use this document or otherwise rely on any of the Information for any of the above purposes or otherwise rely upon this document or any of the information.

Opinions expressed herein may differ or be contrary to those expressed by other business areas or divisions of USS, as a result of using different assumptions and/or criteria. USS and any of its directors or employees may be entitled at any time to hold long or short positions in investment instruments referred to herein, carry out transactions involving relevant investment instruments in the capacity of principal or agent, or provide any other services or have officers, who serve as directors, either to/for the issuer, the investment instrument itself or to/for any company commercially or financially affiliated to such issuers. At any time, investment decisions (including whether to buy, sell or hold securities) made by USS and its employees may differ from or be contrary to the opinions expressed in USS research publications. Some investments may not be readily realizable since the market in the securities is illiquid and therefore valuing the investment and identifying the risk to which you are exposed may be difficult to quantify. USS relies on information barriers to control the flow of information contained in one or more areas within USS, into other areas, units, divisions or affiliates of USS. Futures and Options trading is not suitable for every investor as there is a substantial risk of loss, and losses in excess of an initial investment may occur. Past performance of an investment is no guarantee for its future performance. Additional information will be made available upon request. Some investments may be subject to sudden and large falls in value and on realization you may receive back less than you invested or may be required to pay more. Changes in foreign exchange rates may have an adverse effect on the price, value or income of an investment. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing and interpreting market information. Tax treatment depends on the individual circumstances and may be subject to change in the future. USS does not provide legal or tax advice and makes no representations as to the tax treatment of assets or the investment returns thereon both in general or with reference to specific client's circumstances and needs. We are of necessity unable to take into account the particular investment objectives, financial situation and needs of our individual clients and we would recommend that you take financial and/or tax advice as to the implications (including tax) of investing in any of the products mentioned herein. This material may not be reproduced or copies circulated without prior authority of USS. Unless otherwise agreed in writing USS expressly prohibits the distribution and transfer of this material to third parties for any reason. USS accepts no liability whatsoever for any claims or lawsuits from any third parties arising from the use or distribution of this material. This report is for distribution only under such circumstances as may be permitted by applicable law. Forecasts and estimates are current only as of the date of this publication and may change without notice. USS manages conflicts and maintains independence of its investment views and publication offering, and research and rating methodologies. Additional information on the relevant authors of this publication and other USS publication(s) referenced in this report; and copies of any past reports on this topic; are available upon request from your sales representative.

External Asset Managers / External Financial Consultants: In case this research or publication is provided to an External Asset Manager or an External Financial Consultant, USS expressly prohibits that it is redistributed by the External Asset Manager or the External Financial Consultant and is made available to their clients and/or third parties.

Important notice USA: This document is not intended for distribution into the US, and/or to US persons, by USS personnel.