



CIBC  
World Markets

# The Age of Scarcity

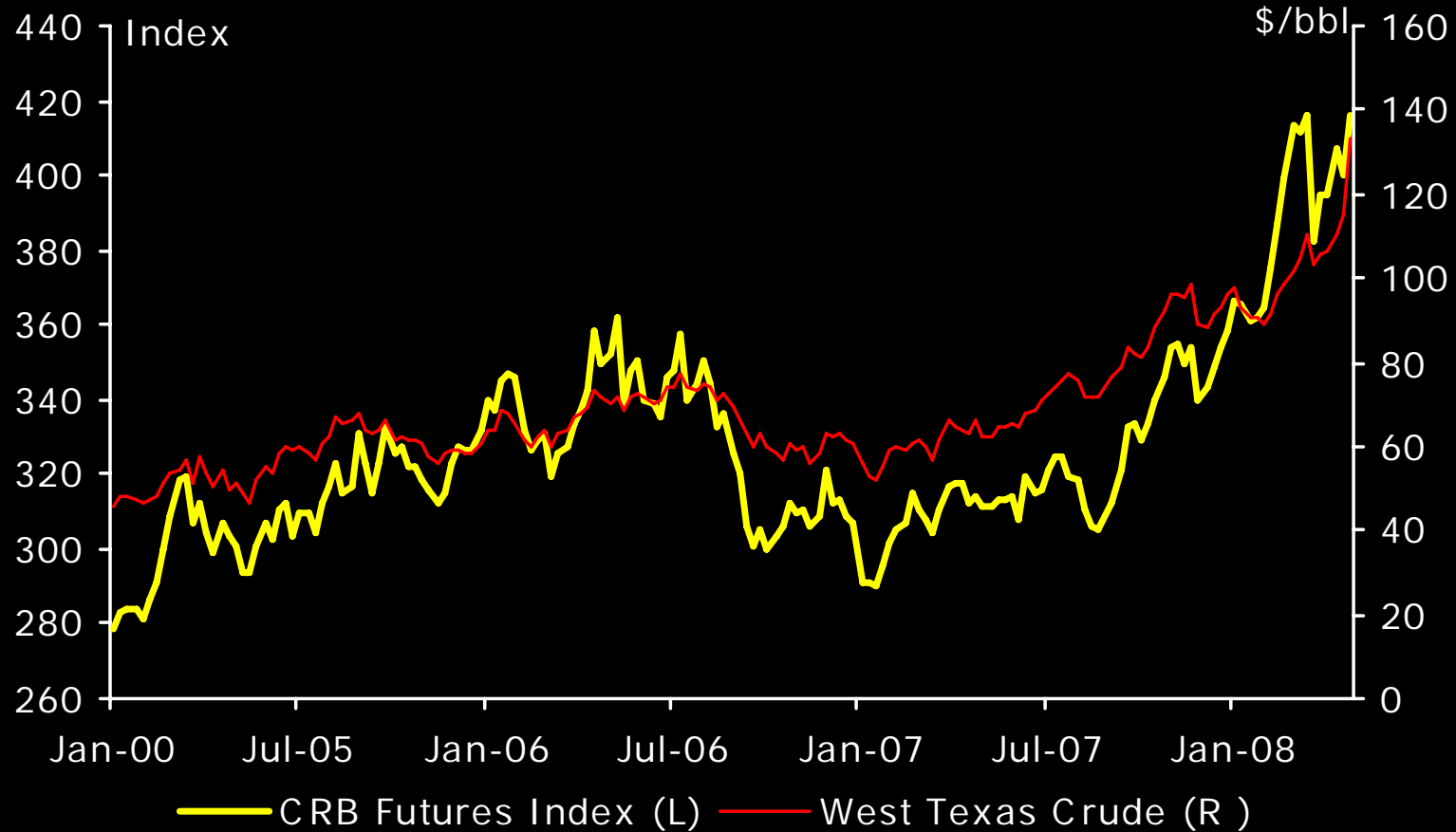
**Jeff Rubin**

**Chief Economist & Chief Strategist**

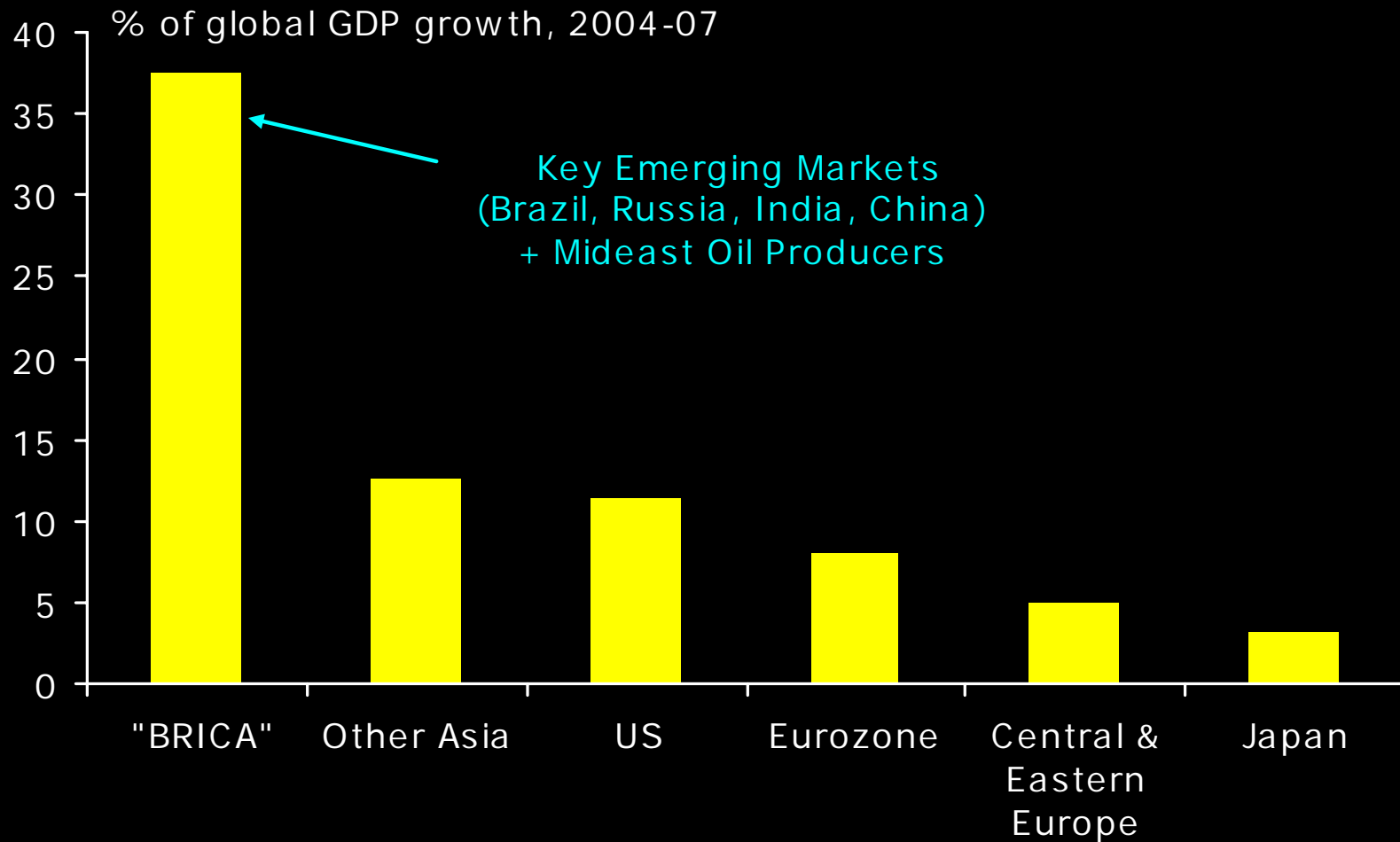
*CIBC World Markets Inc*

July 2008

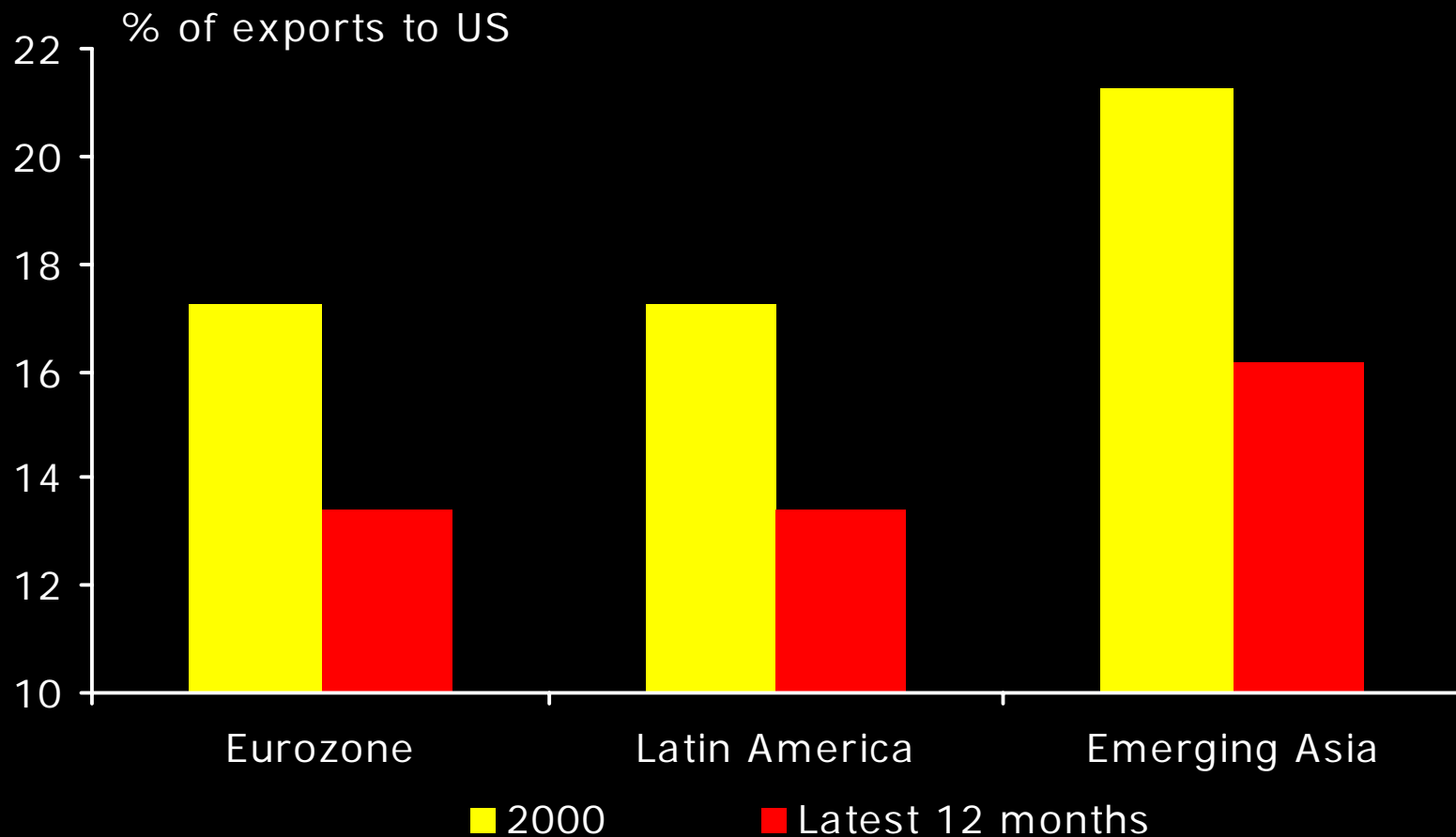
# US in Recession But CRB and Oil Set Record Highs



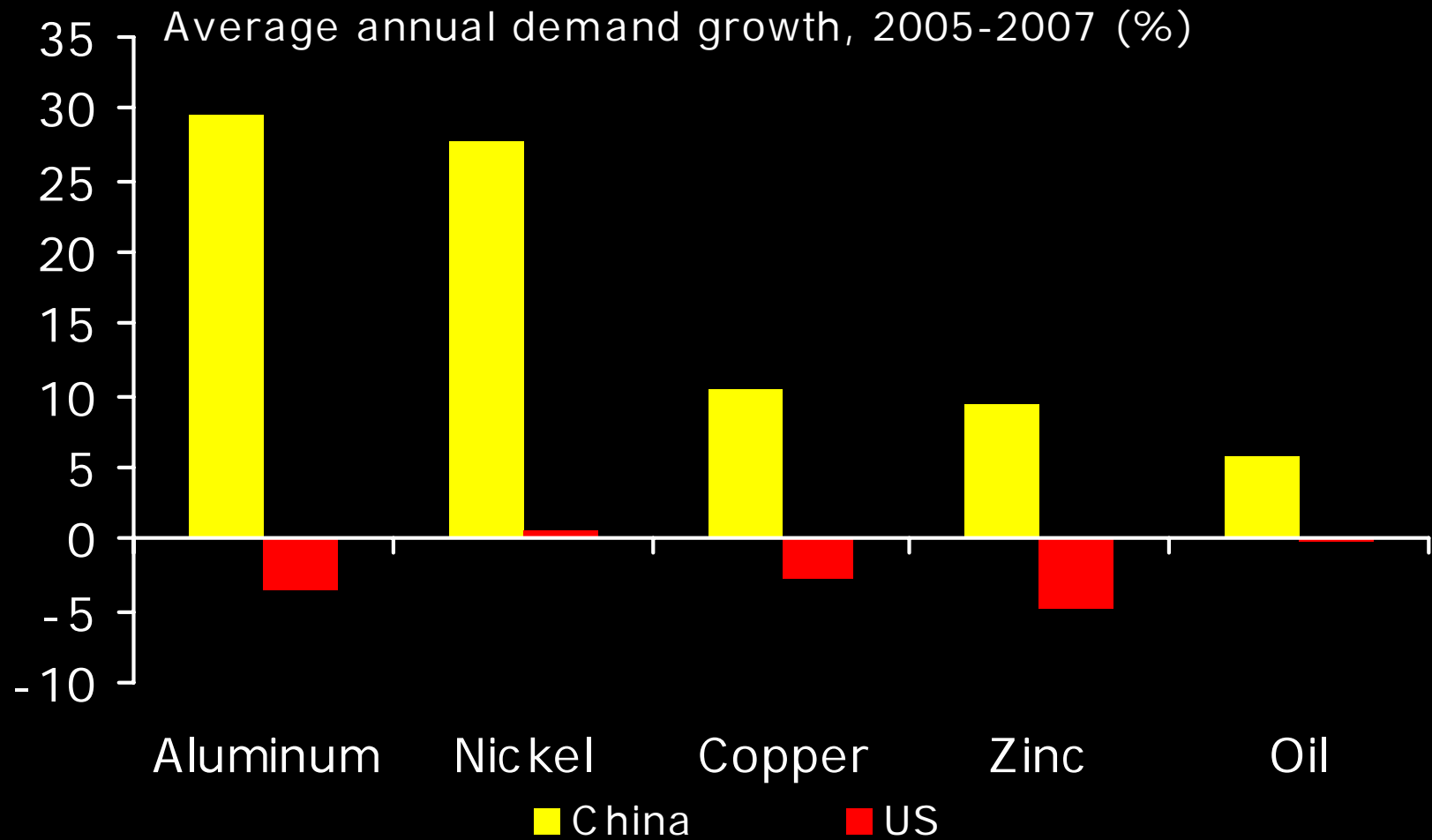
# Shares of Global GDP Growth



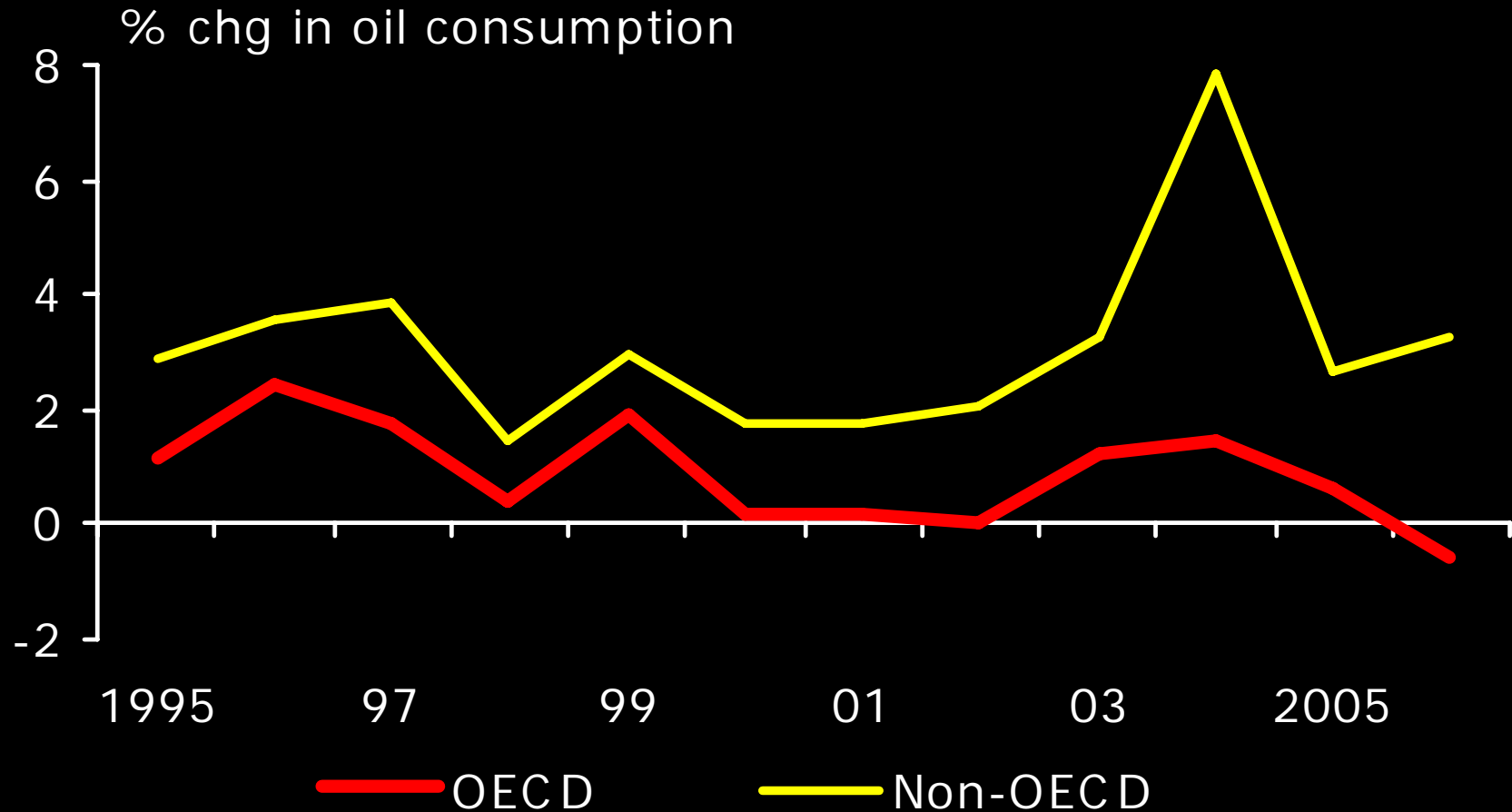
# All Major Regions Less Dependent on US Market



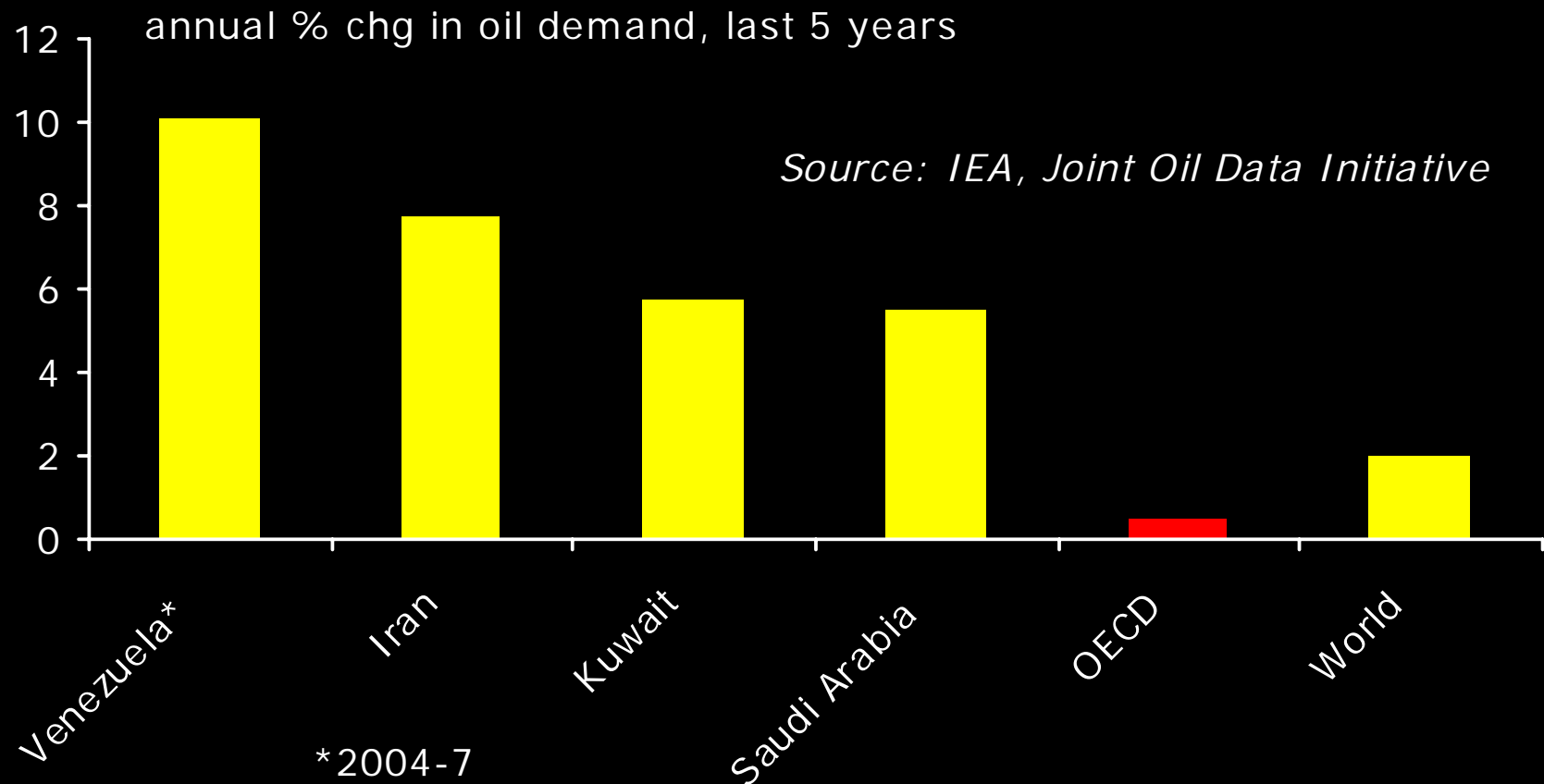
# US Contribution to Resource Demand



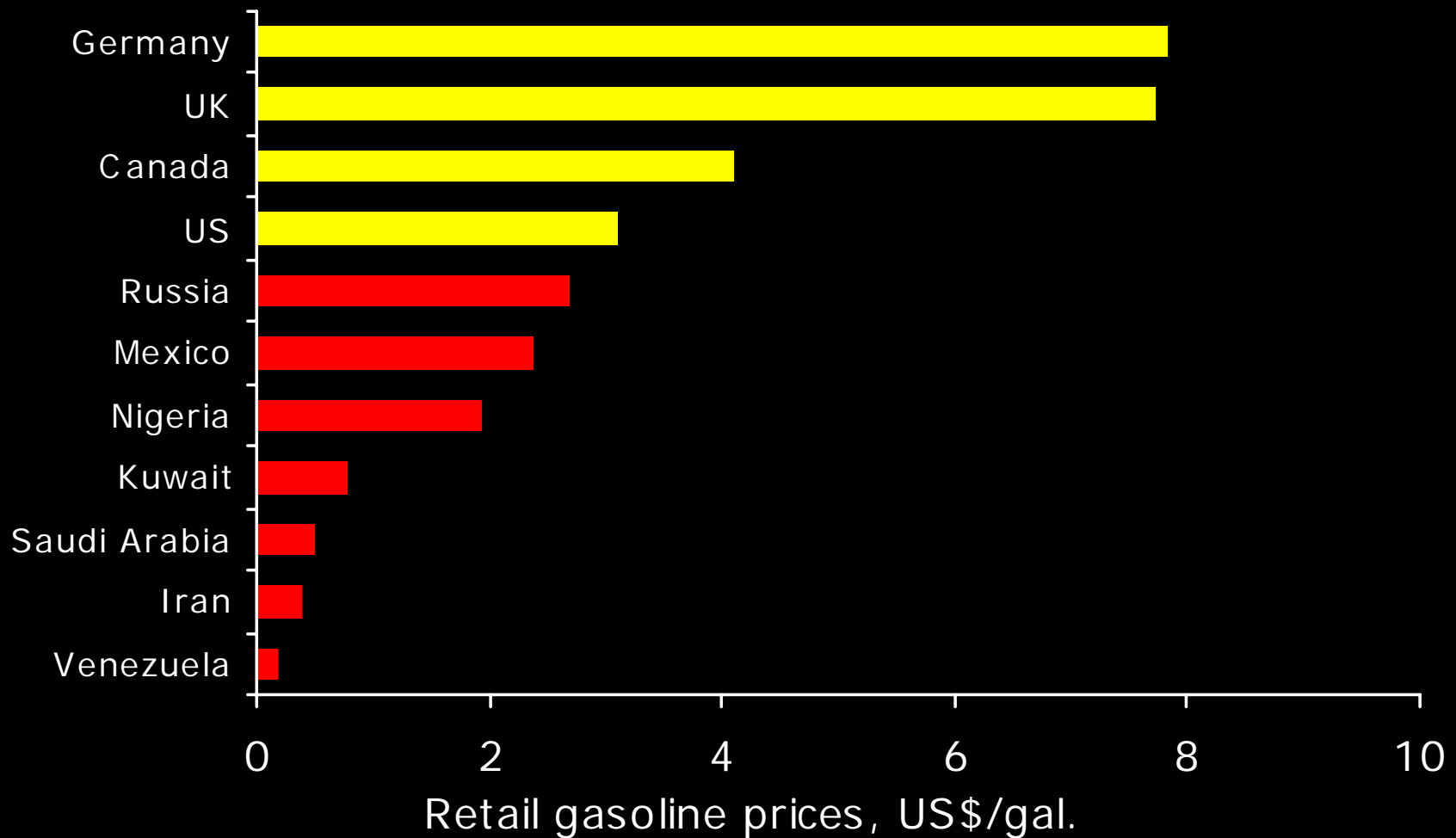
# Two Very Different Consumption Trends



# Oil Consumption Surging in Key Oil-Exporting Countries

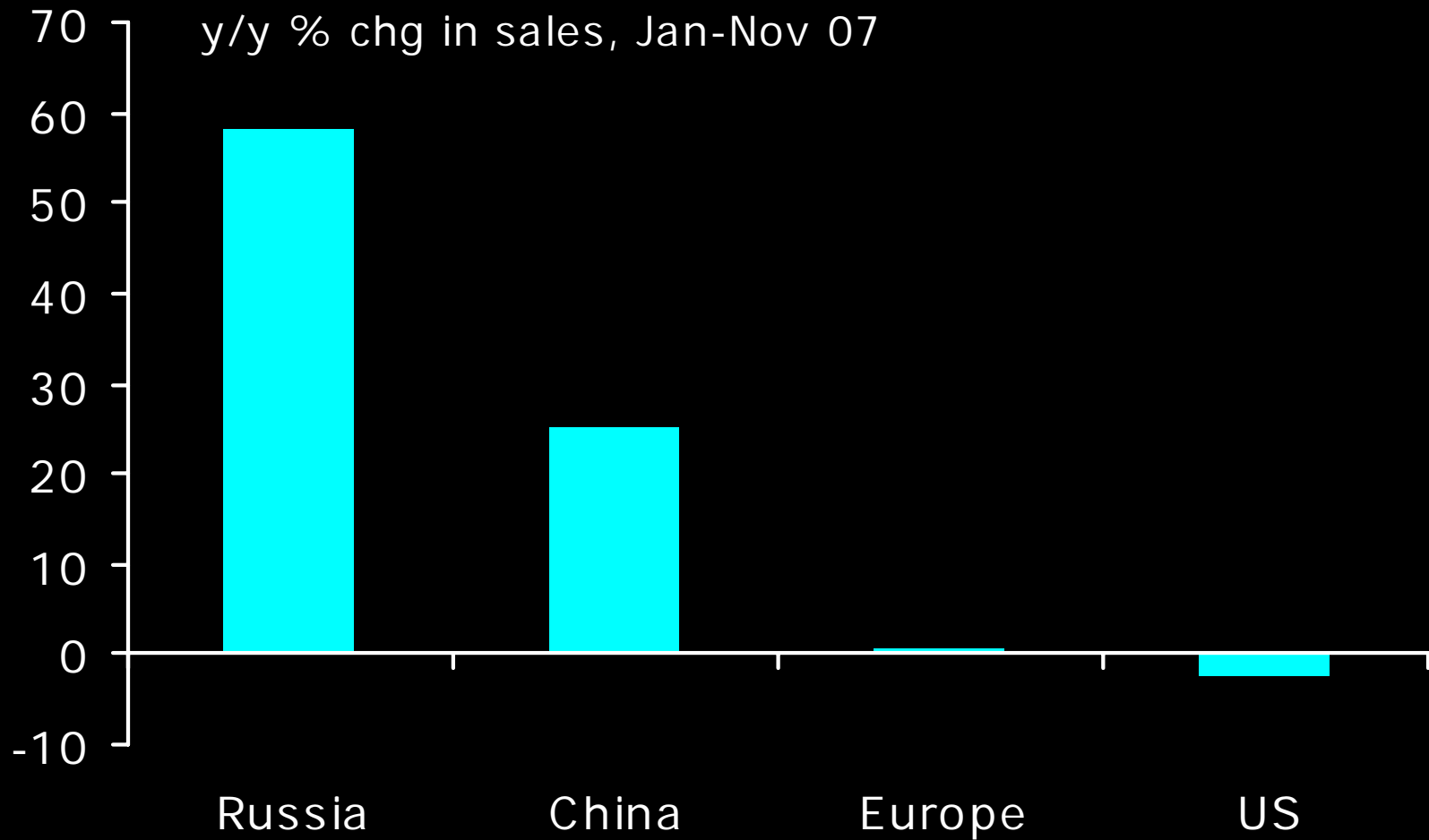


# Gasoline Prices Around the World

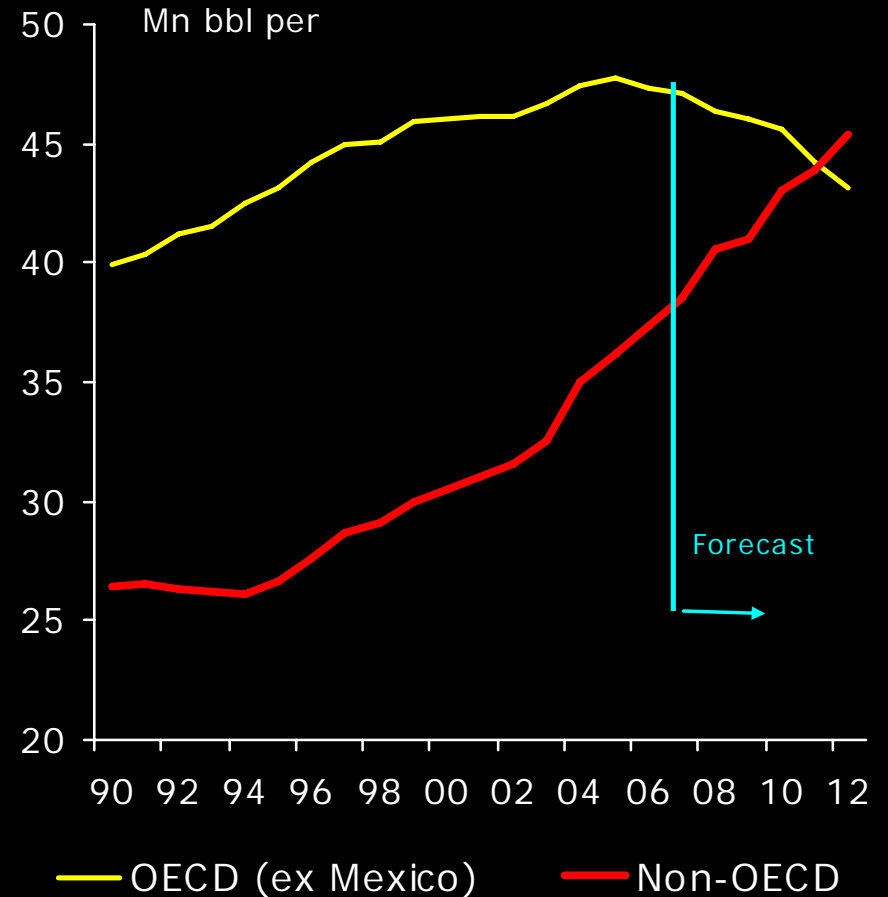
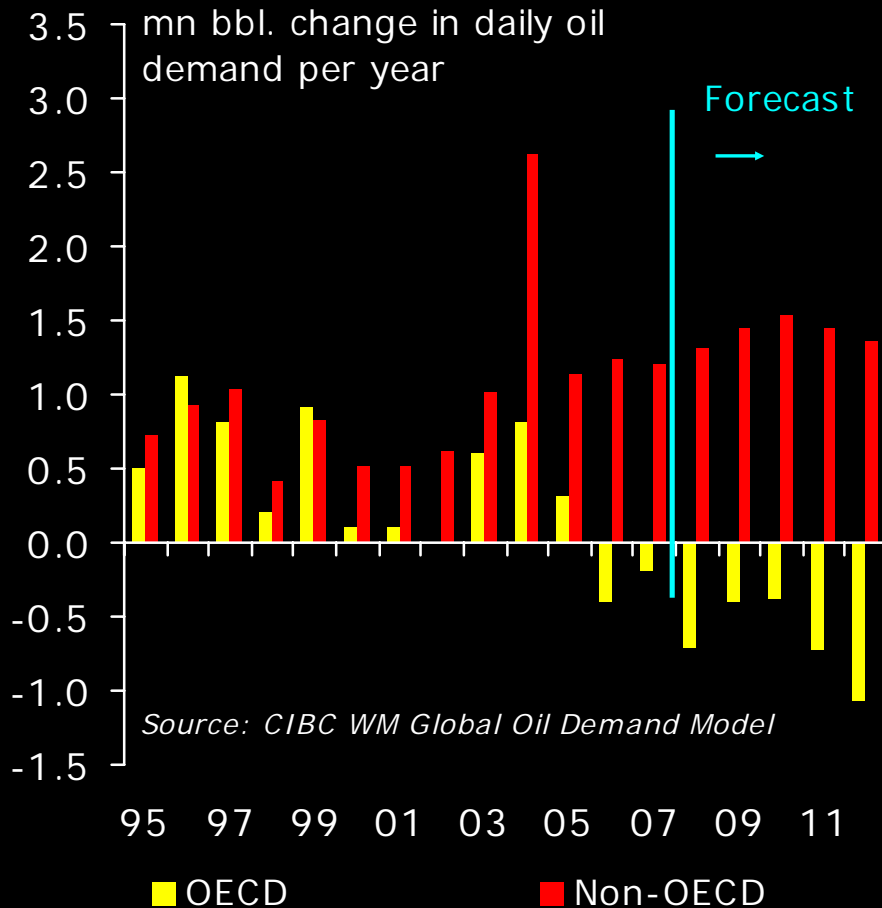




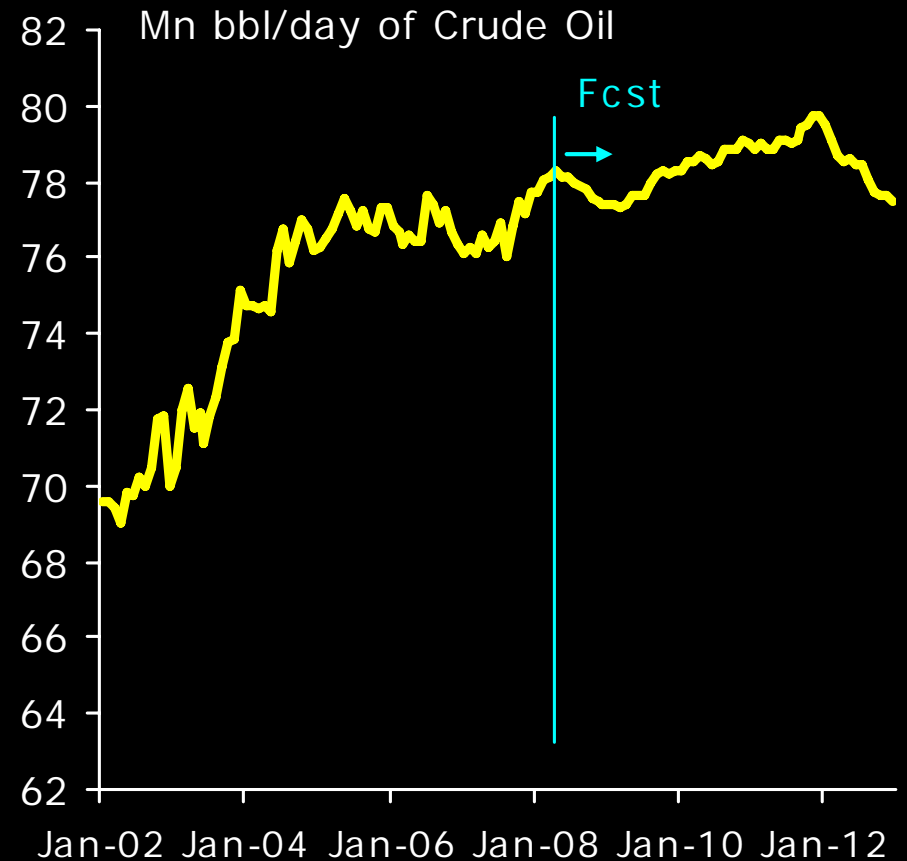
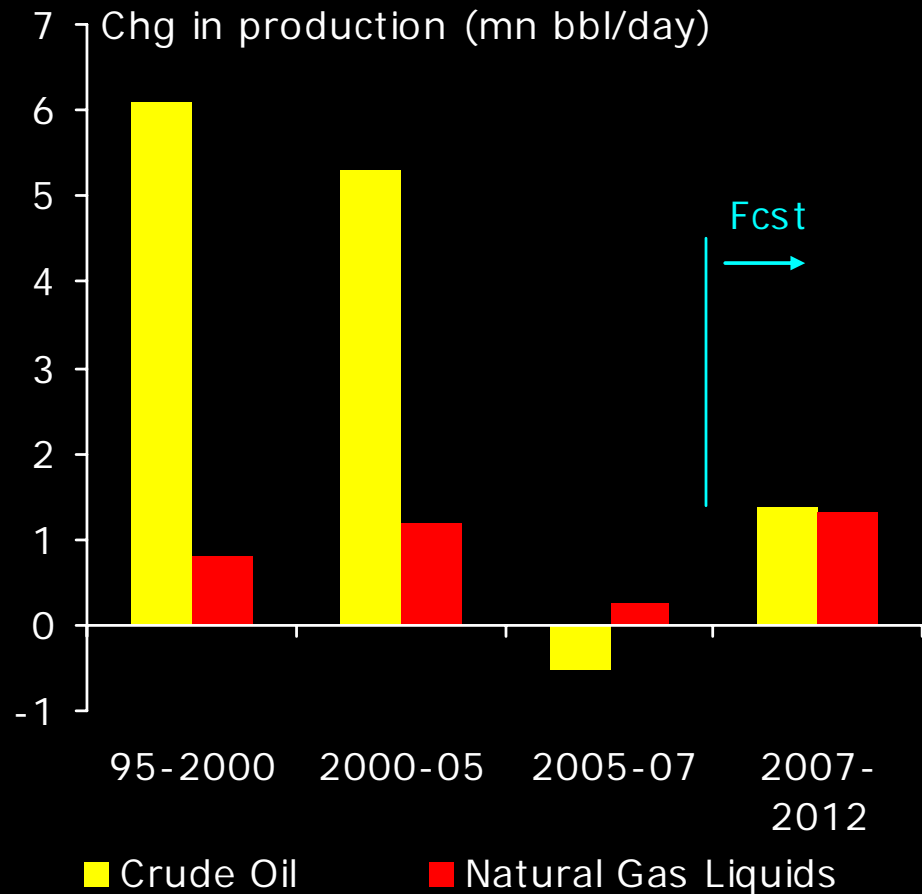
# Soaring Rates of Car Ownership



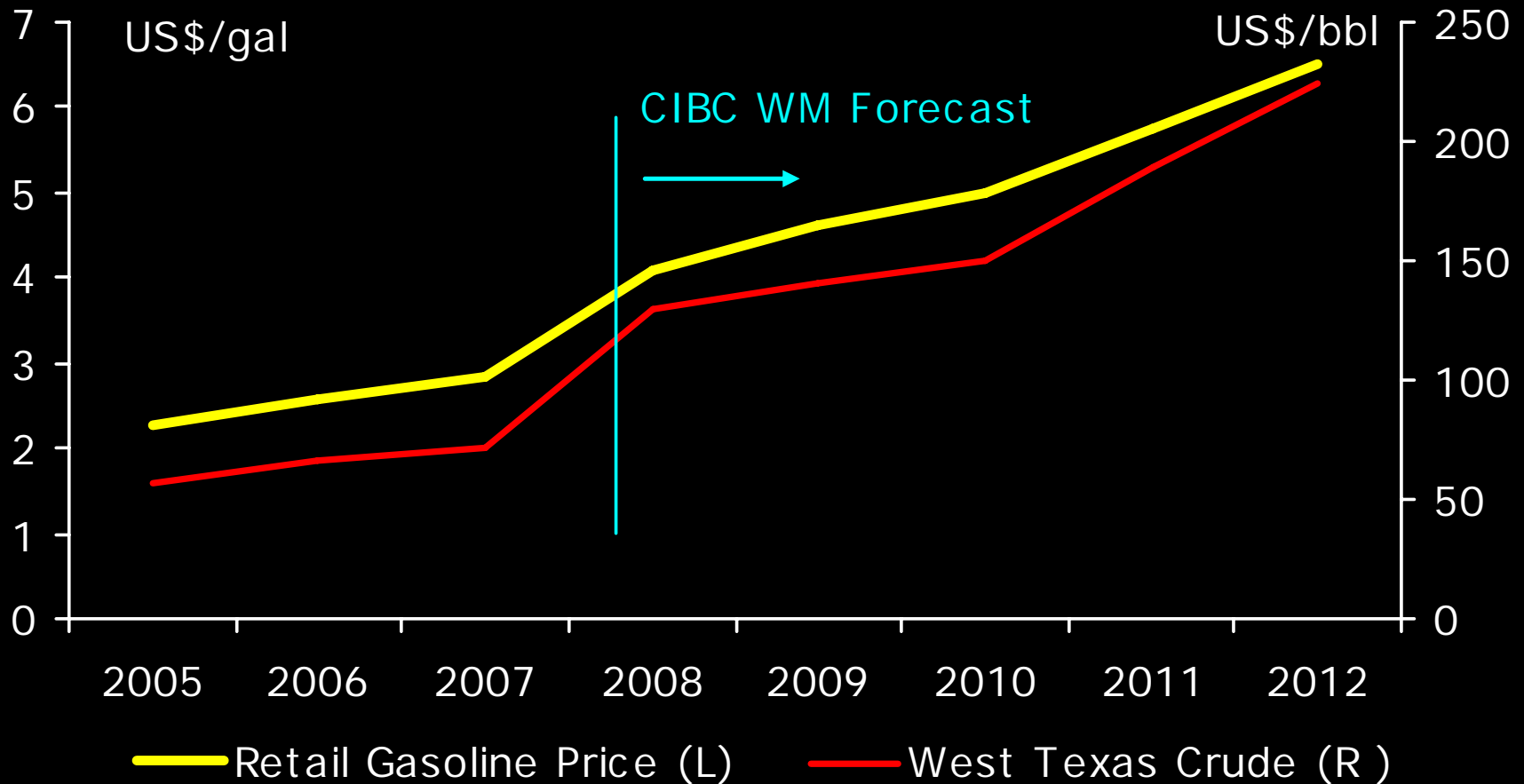
# Oil Consumption Has Peaked in the OECD



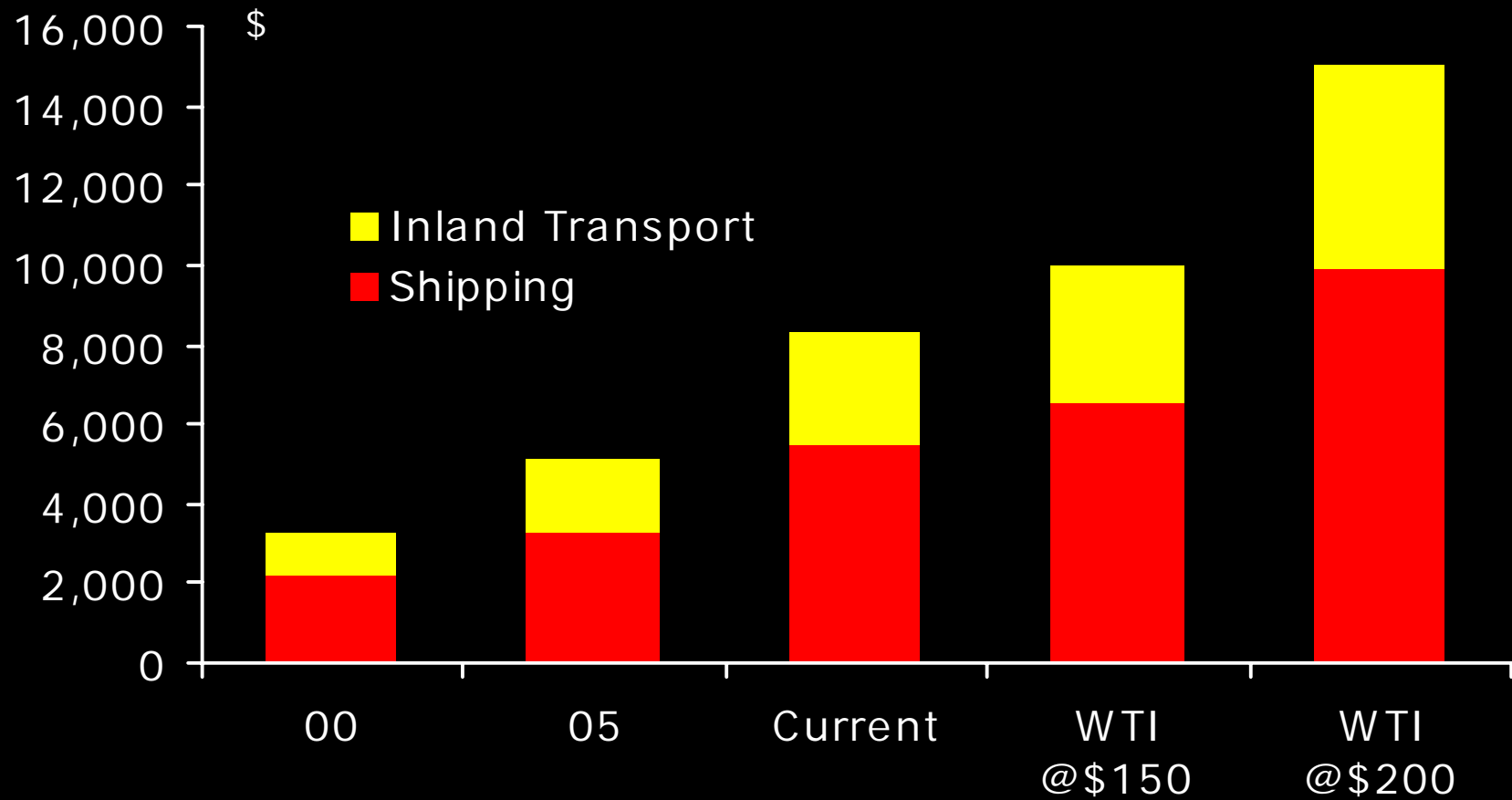
# No New Oil Production in Almost 3 Years



# \$200 Oil to Lift Gasoline Prices to Near \$7/gal

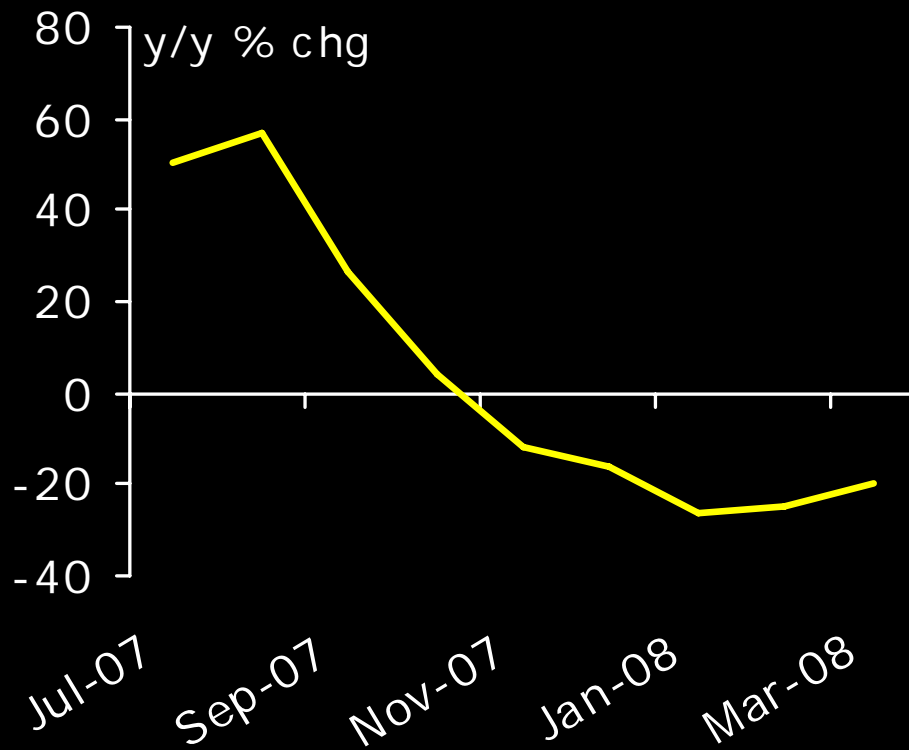


# Freight Cost of 40' Container From Shanghai to US East Coast

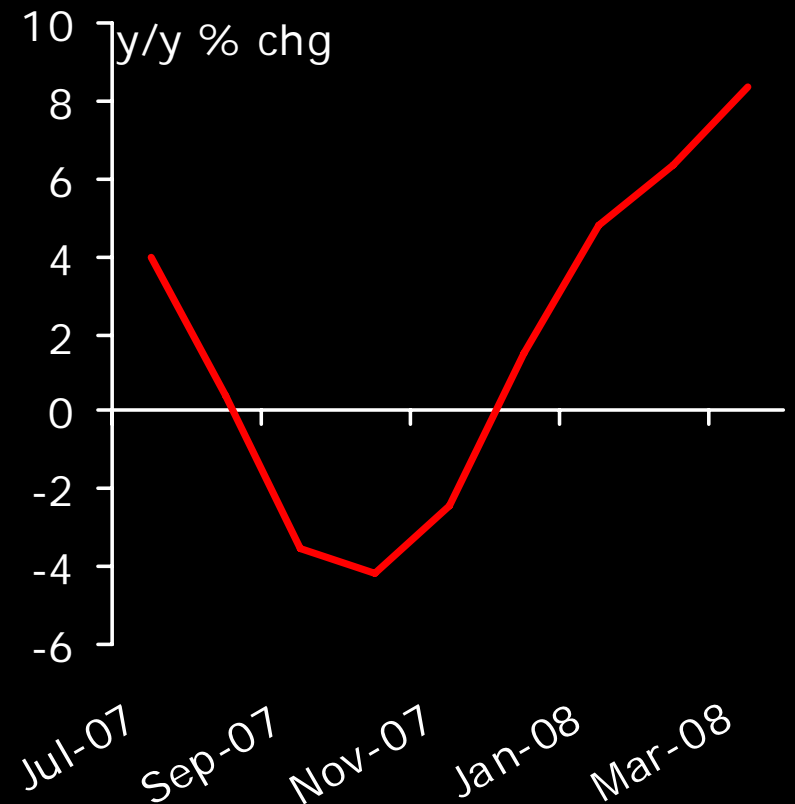


# China's Steel Exports to US Fall While US Steel Production Rises

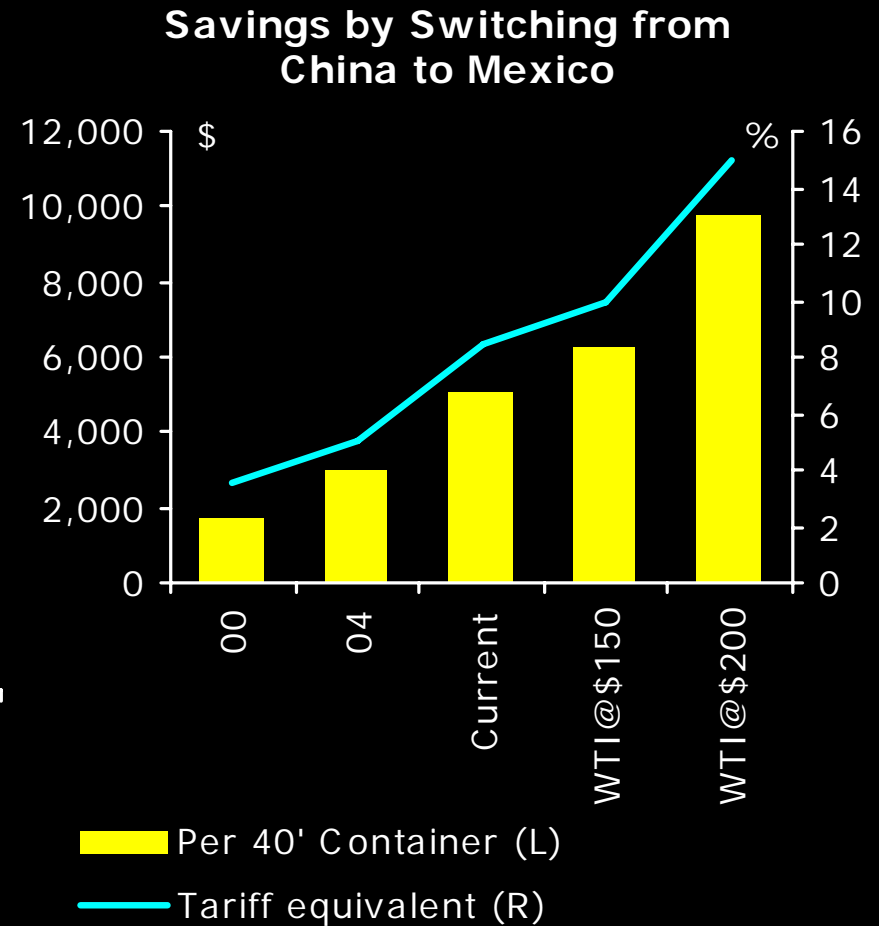
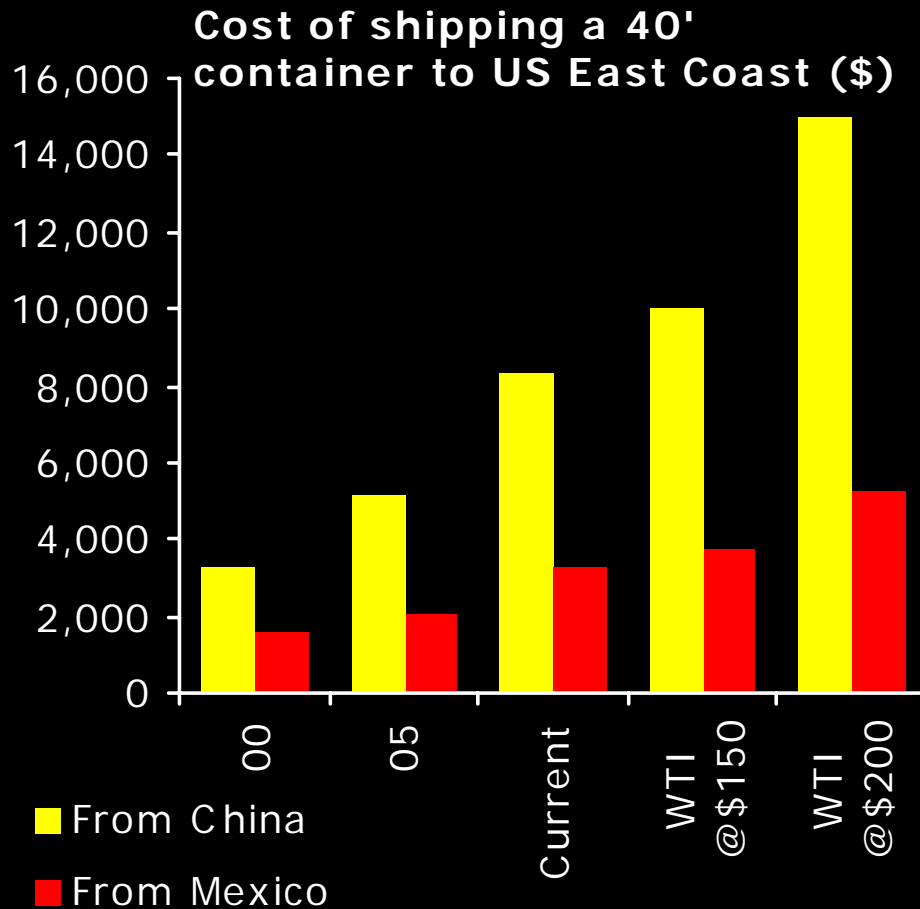
China's Steel Exports to the US



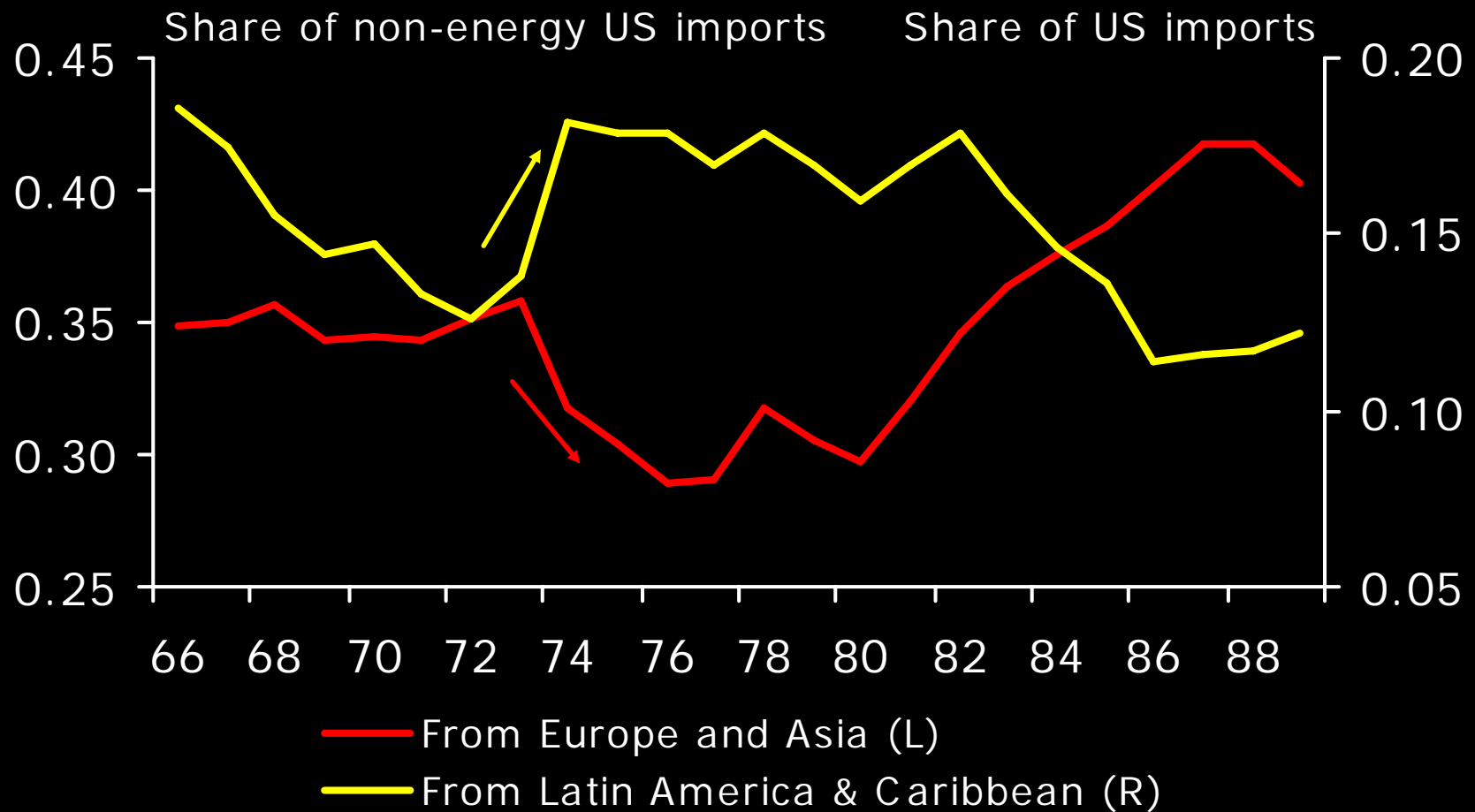
US Steel Production



# Mexican vs Chinese Shipping Costs at \$200/bbl Oil

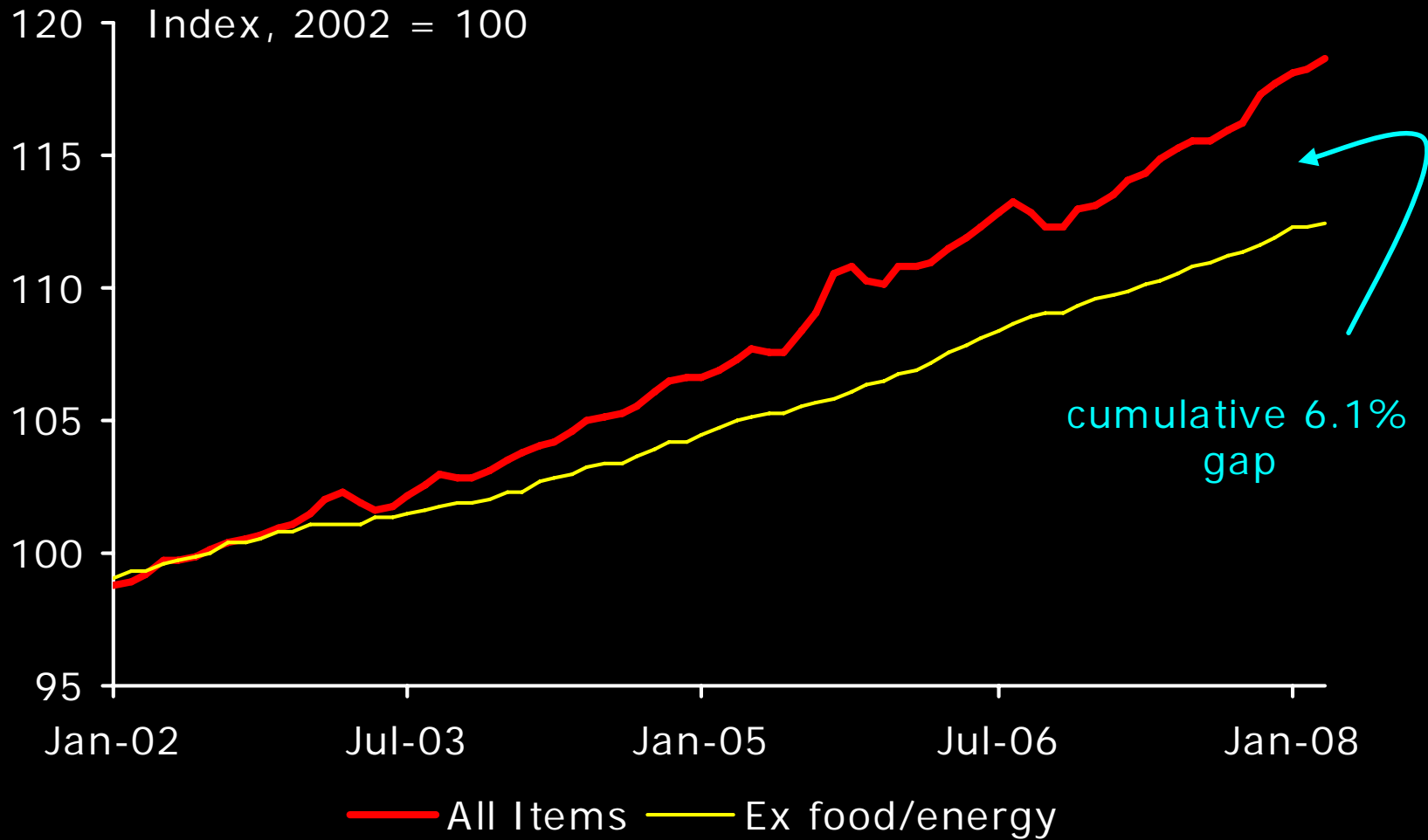


# Trade Diversion During the OPEC Oil Shocks

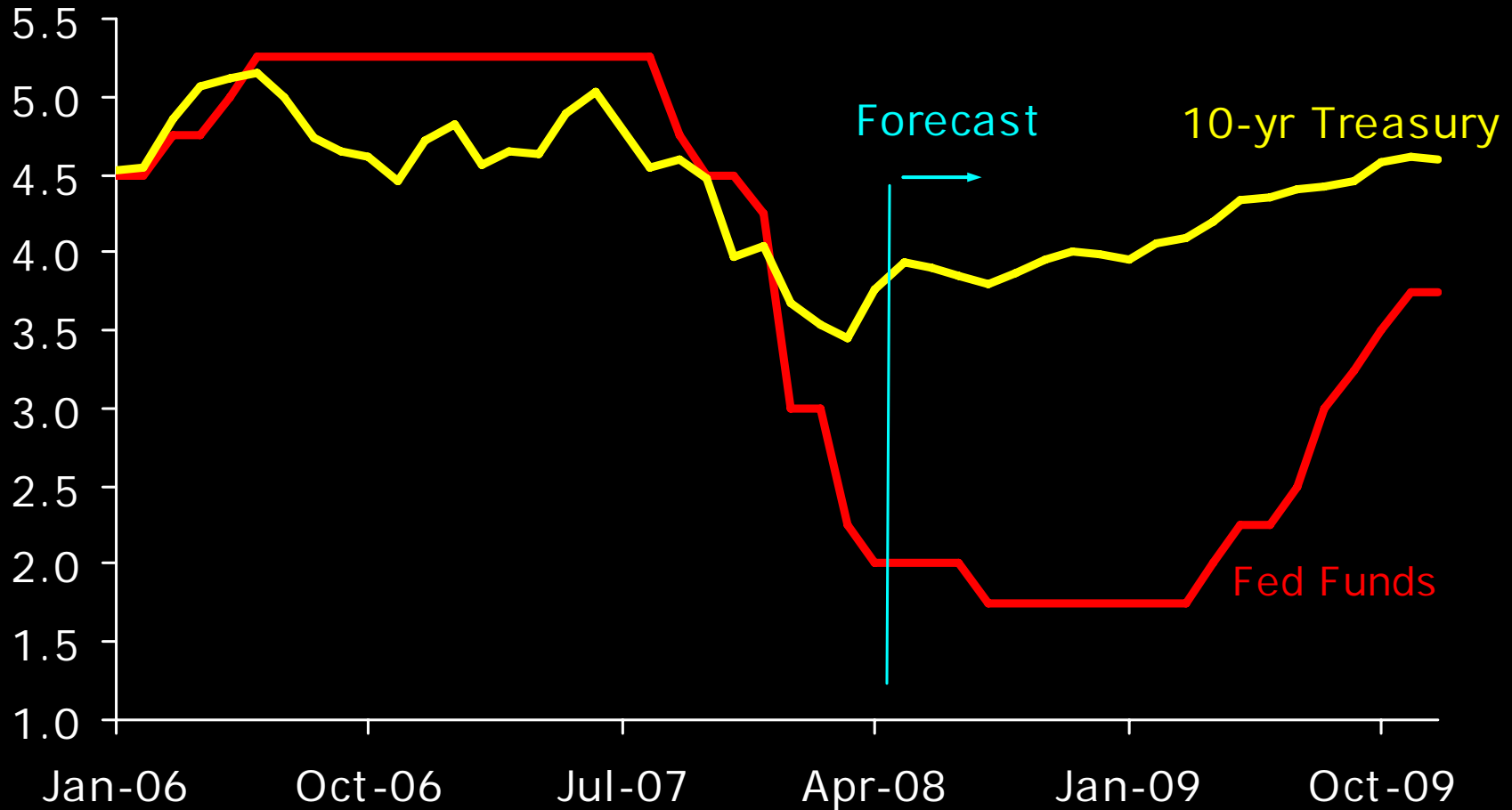




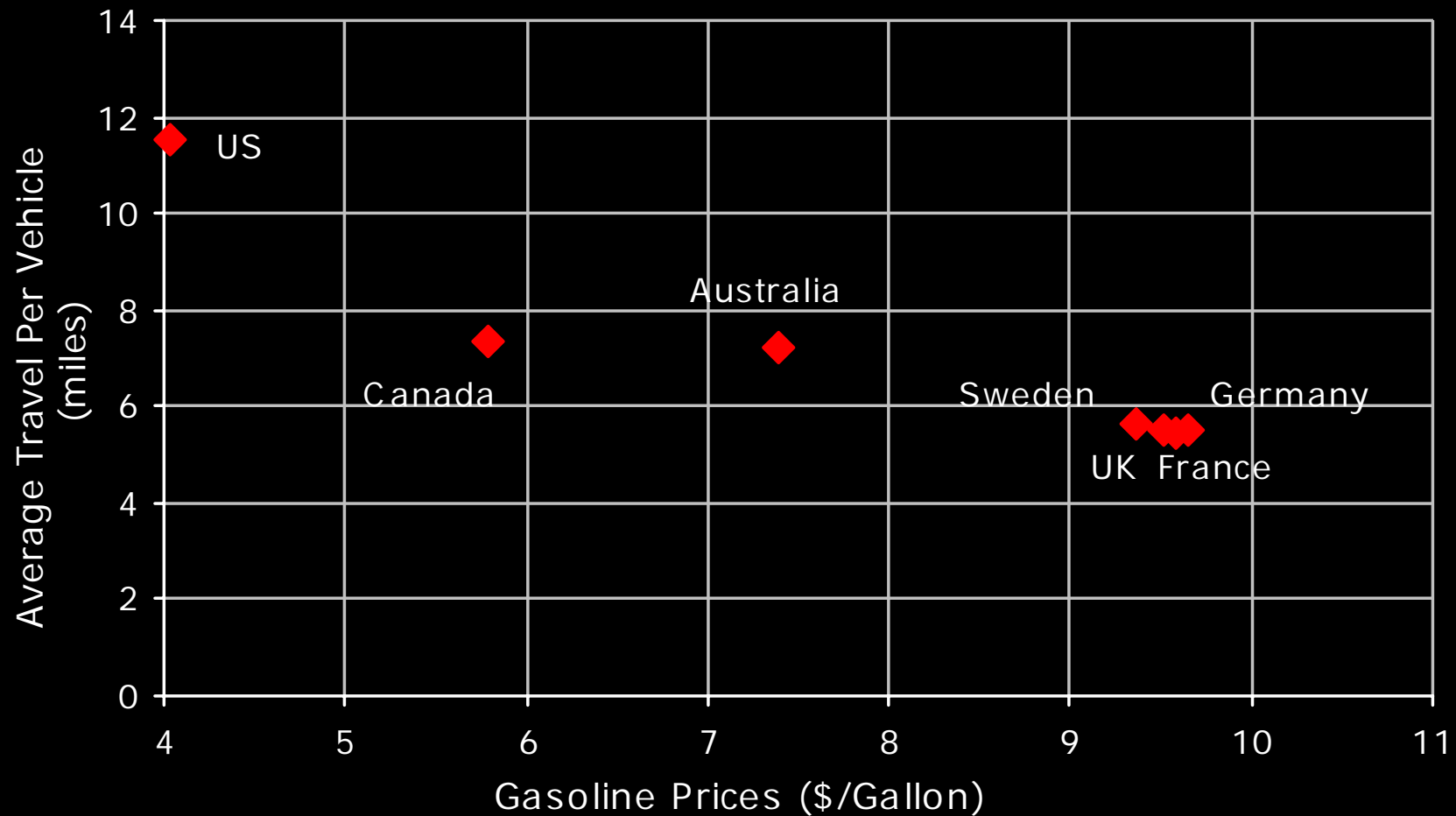
# The New Inflation: Core is Dead



# Reflation Will Force Fed to Reverse Course in '09



# Gas Prices & Driving: An International Perspective

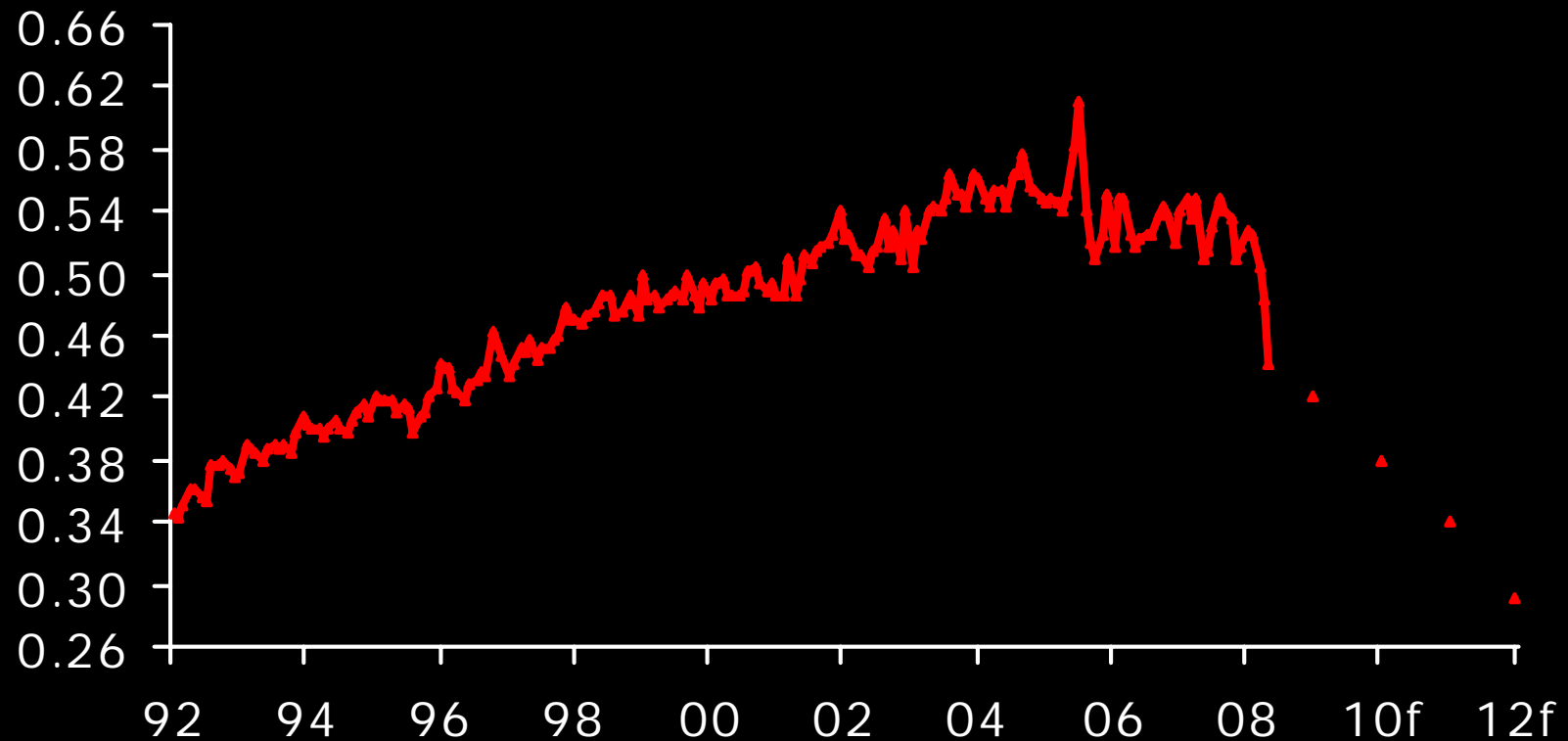


# US versus UK; Driving Behavior

		United States	United Kingdom
Used car to get to work	(%)	90.4	61.8
Total distance travelled	(miles)	20.9	7.0
Number of trips		4.0	2.0
No cars in household	(%)	8.0	30.6
2 cars or more in household	(%)	61.9	24.7

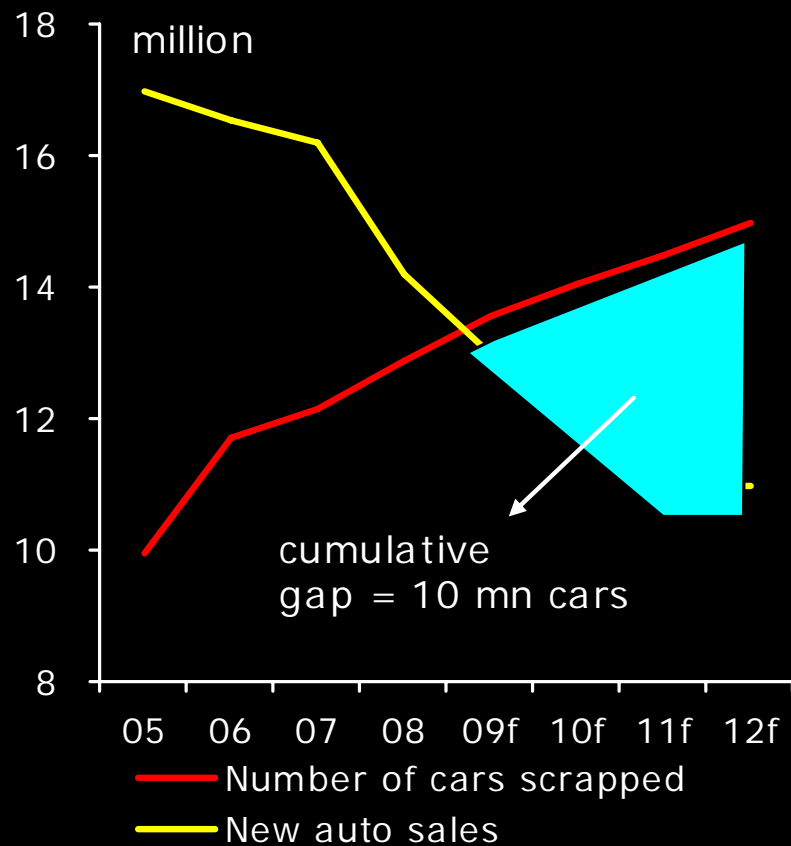
# Plunging SUV & Light Truck Sales

Light truck as a share of Total Vehicle Sales

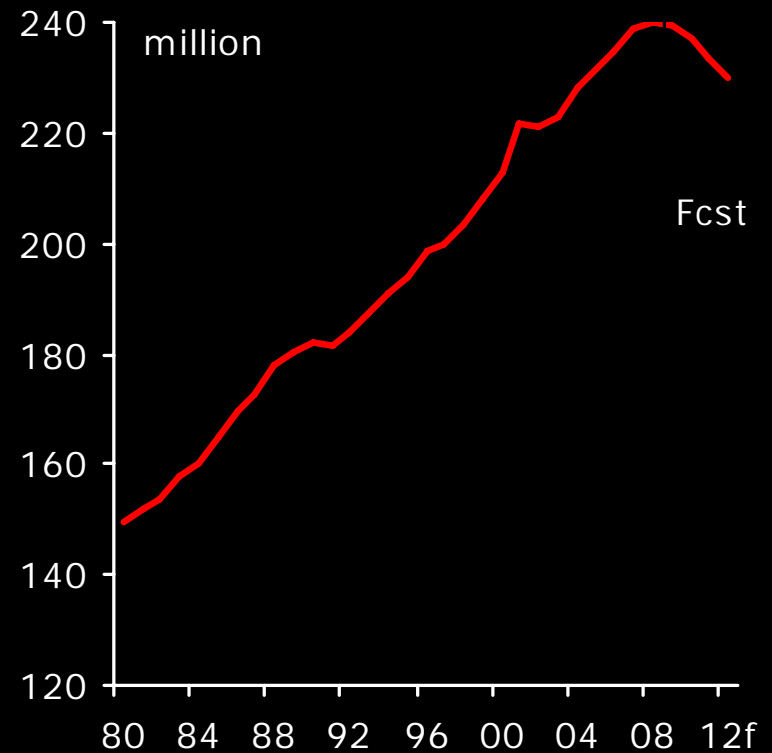


# 10 Million Less Vehicles on the Road by 20212

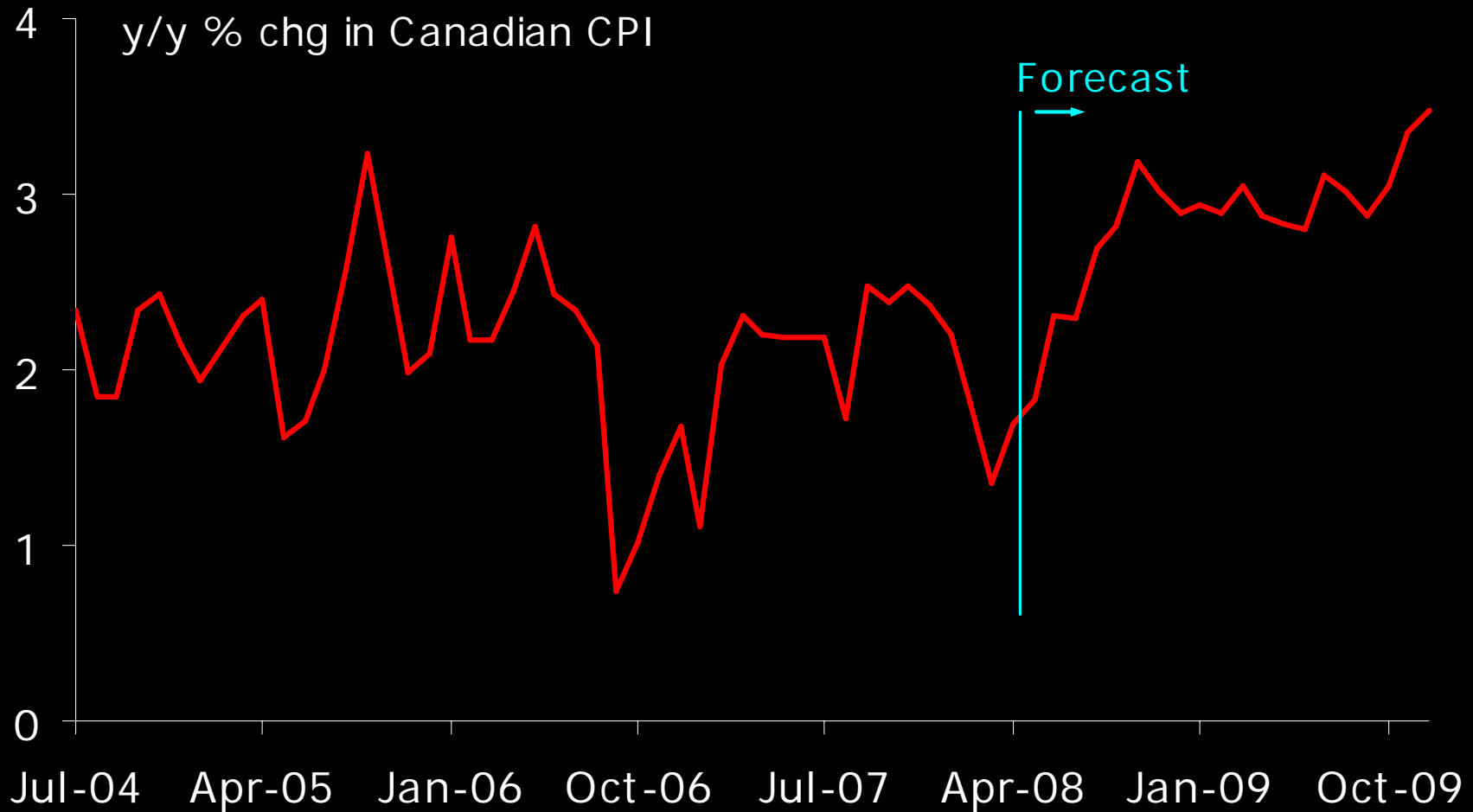
## Auto Scrapping vs. Sales



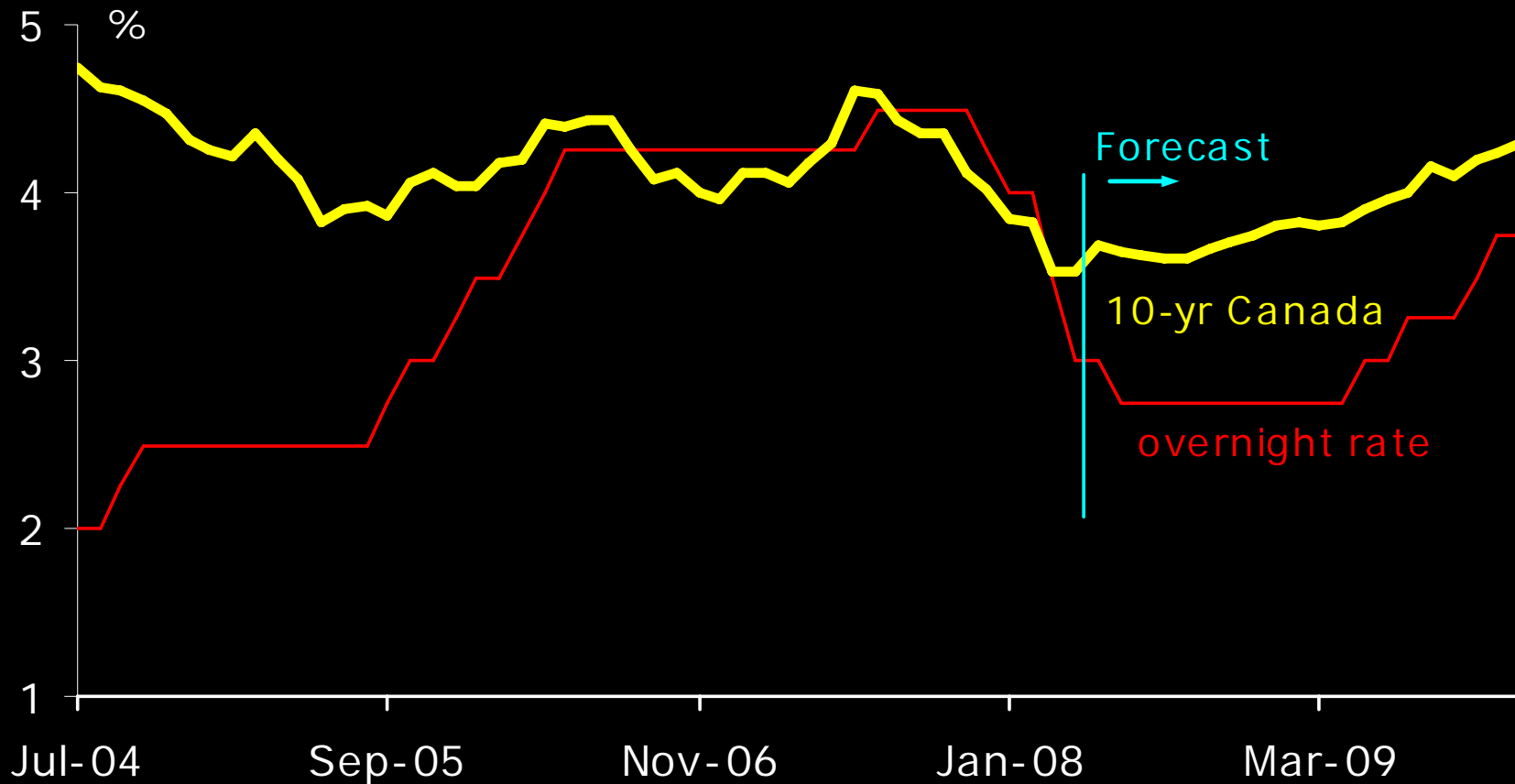
## Number of Vehicles



# Canadian Inflation to Double in Next Year

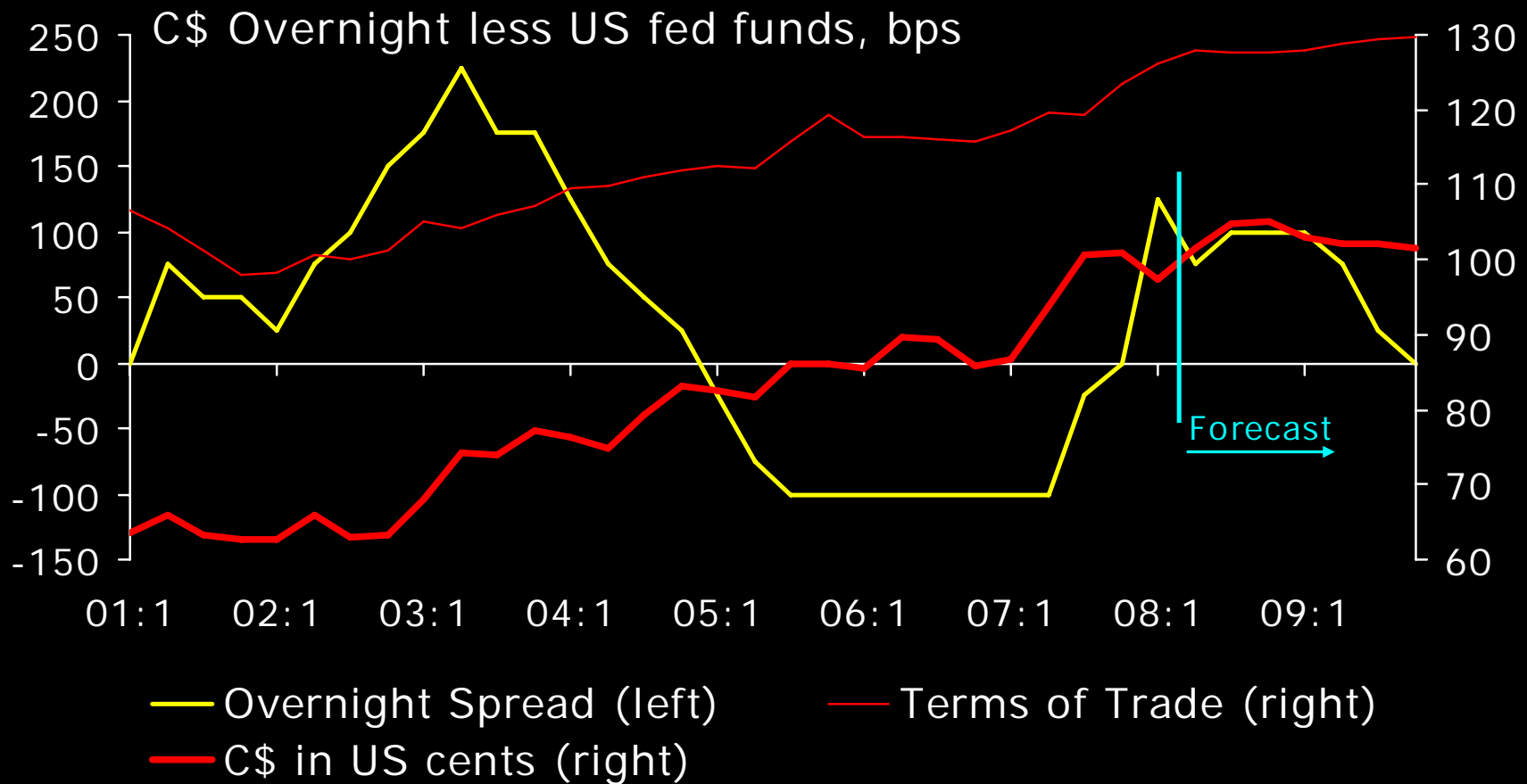


# At Least 100 bps of Tightening by BoC in 2009



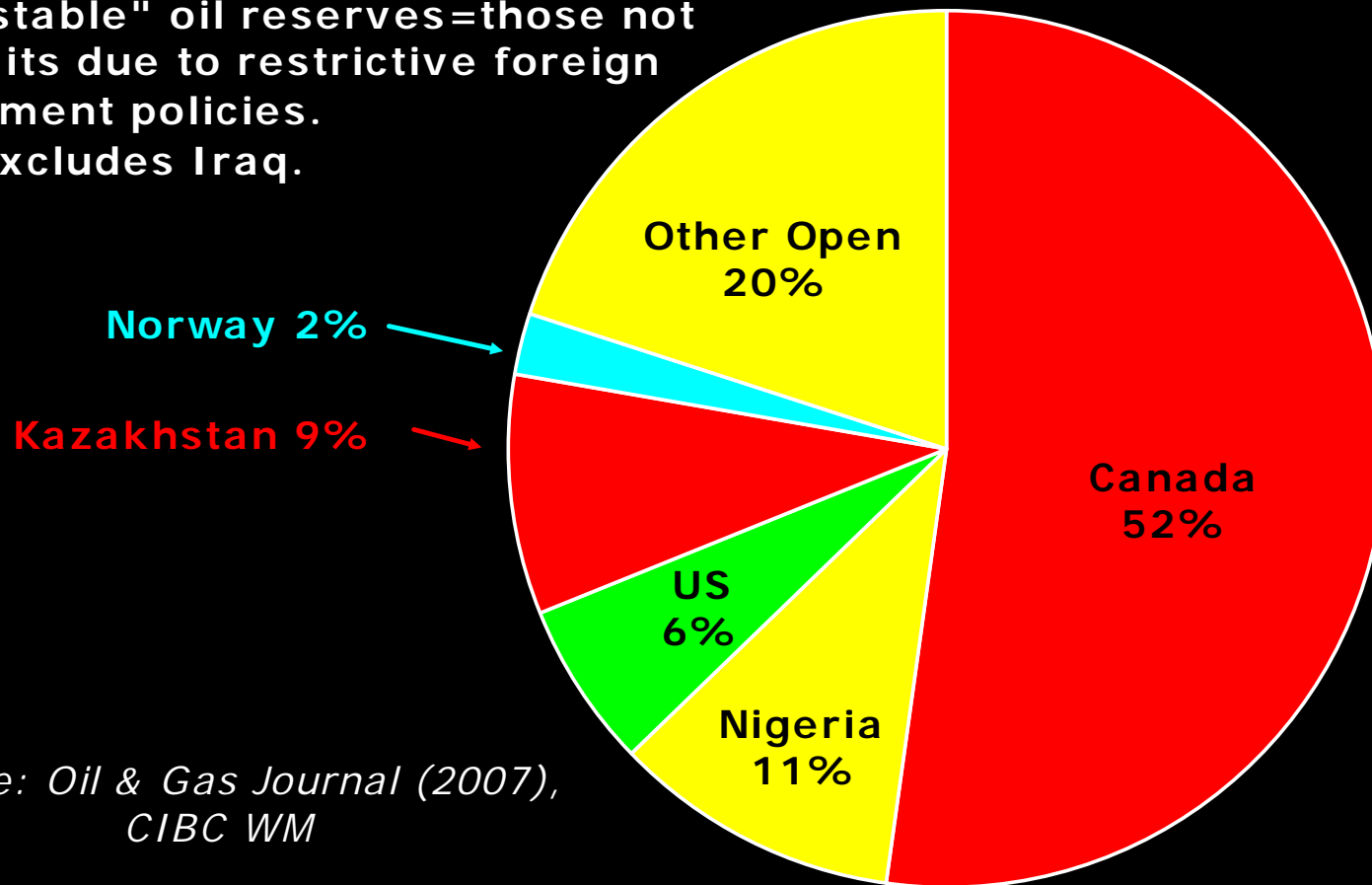


# Soaring Oil Prices + Positive Carry Will Keep C\$ in Range Above Parity



# Canadian Oil Sands Over Half of World's Investable Oil Reserves

"Investable" oil reserves=those not off limits due to restrictive foreign investment policies.  
Also excludes Iraq.



Source: Oil & Gas Journal (2007),  
CIBC WM

# Energy-Driven TSX to Top 16,000 Next Year

