



# Independent Stock Idea

Intraday September 4, 2018

## Suncor Energy (SU) Oil Value Upside

<i>Symbol</i>	SU	<i>Ebitda Next Twelve Months ending 9/30/19 (US\$mm)</i>	12,600
<i>Rating</i>		<i>Natural Gas/Ebitda (%)</i>	0
<i>Price (US\$/sh)</i>	40.35	<i>Natural Gas and Oil Production/Ebitda (%)</i>	78
<i>Pricing Date</i>	9/4/18	<i>Developed Reserves/Production NTM</i>	8.8
<i>Shares (mm)</i>	1641	<i>EV/Ebitda</i>	6.8
<i>Market Capitalization (US\$mm)</i>	66,200	<i>PV/Ebitda</i>	8.0
<i>Debt (US\$mm)</i>	19,300	<i>Undeveloped Reserves (%)</i>	47
<i>Enterprise Value (EV) (US\$mm)</i>	85,500	<i>Natural Gas and Oil Ebitda (US\$/boe)</i>	34.30
<i>Present Value (PV) (US\$mm)</i>	101,300	<i>Downstream Uplift (US\$/boe)</i>	16.62
<i>Net Present Value (US\$/share)</i>	50	<i>Oil and Gas Ebitda Margin (%)</i>	56
<i>EV/Market Cap</i>	1.29	<i>Top Line/Ebitda (%)</i>	0
<i>McDep Ratio - EV/PV</i>	0.84	<i>Price/Earnings Next Twelve Months</i>	11
<i>Dividend Yield (%/year)</i>	2.7	<i>Distribution Next Twelve Months (US\$/sh)</i>	1.09
Note: Estimated cash flow and earnings tied to one-year prices of US\$70 a barrel and \$3 a million btu			
Reported results may vary widely from estimates. Estimated present value per share revised only infrequently.			
Estimated present value presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.			
For historical analysis of SU since 2004 see <a href="http://www.mcdep.com/2su.htm">www.mcdep.com/2su.htm</a>			

### Summary and Recommendation

The common stock of Integrated Oil Producer **Suncor Energy (SU)** has 24% appreciation potential to Net Present Value (NPV) of US\$50 a share, the price we estimate would reflect a long-term unlevered rate of return of 7% a year at an oil price of US\$70 a barrel. Facing new demand/supply uncertainty, oil price may be in a trend that carries it higher than the current level near \$70. Meanwhile, third quarter results, to be reported on or about October 26, are likely to be strong considering that the U.S. benchmark oil price will likely be up 40% from the same period a year ago (see table [Operating and Financial Estimates](#) on page 2). Oil production accounts for about 80% of cash flow and oil sands accounts for about 80% of oil revenue. Compared to larger, more global peers, Suncor has faster, more volatile oil volume growth (see chart [Volume](#) on page 3). Oil equivalent price is higher than for peers mainly because SU sells little lower-priced natural gas (see chart [Price](#) on page 3). Refining and marketing operations not only add value but also act countercyclically to price for oil production (see chart [Downstream](#) on page 4). Putting it all together Suncor underperformed in cash flow trend in the oil price downturn 2014-2016 and outperformed on the way up since early 2016 (see chart [Ebitda](#) on page 4). The stock looks attractive for investment at current oil price as it pays a 2.7% cash dividend and throws off free cash flow. There is operating leverage to positive momentum in oil price. Though political challenges are making it hard to grow production long-term, we are optimistic that eventually transportation, envirotax and trade concerns can be worked out for mutual benefit. At a McDep Ratio at 0.84 we like the stock along with others in our coverage (see [Tables 1-4](#) on pages 5-8).

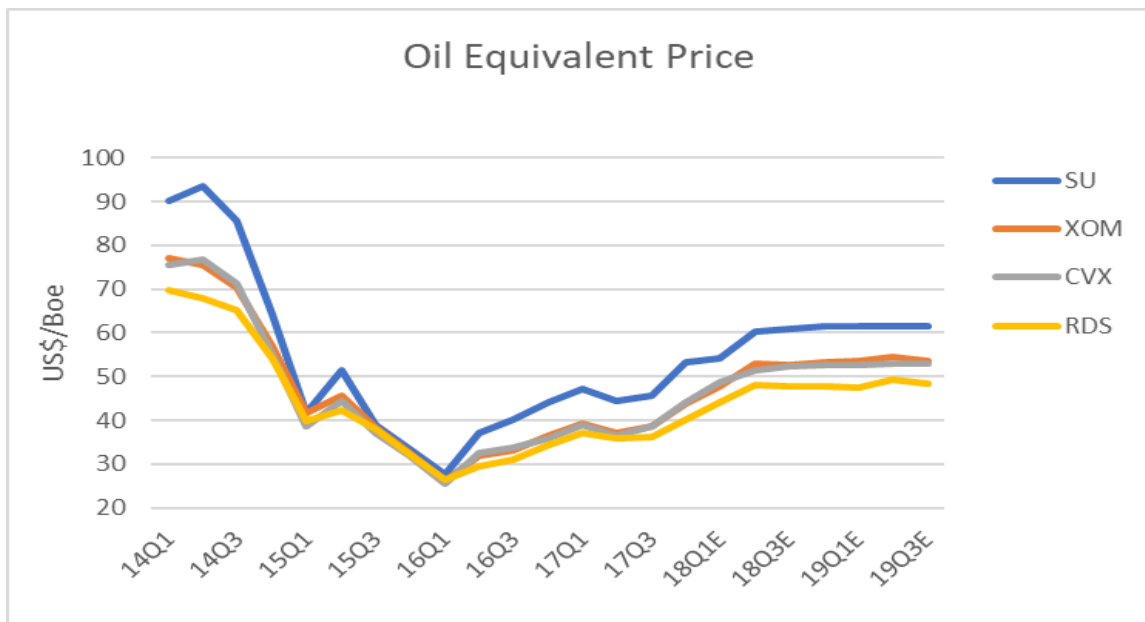
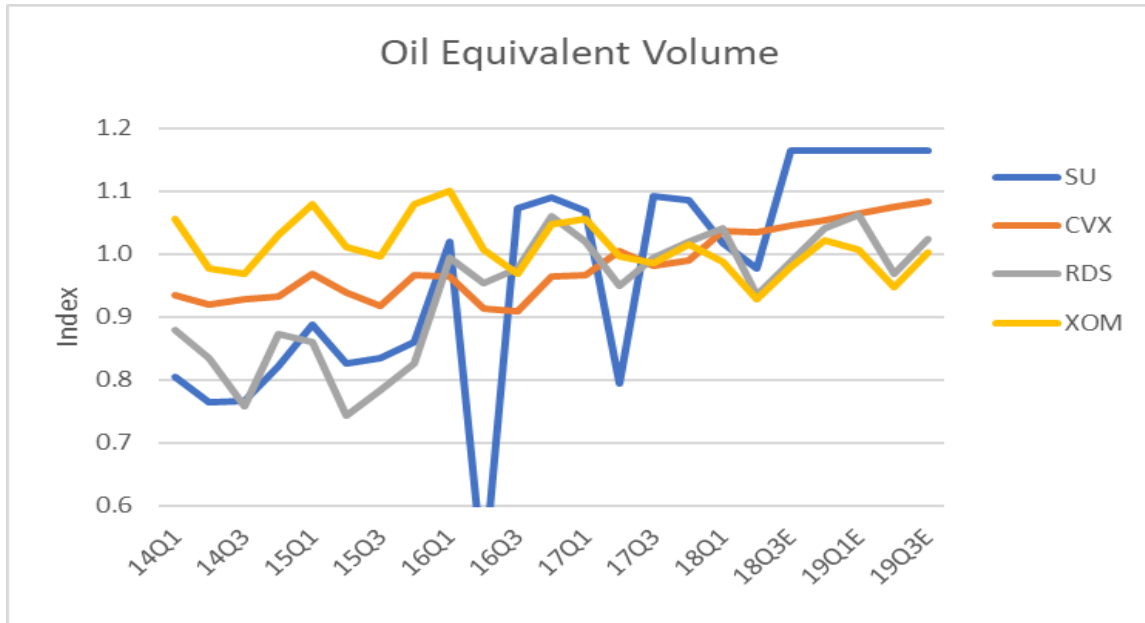
Kurt H. Wulff, CFA

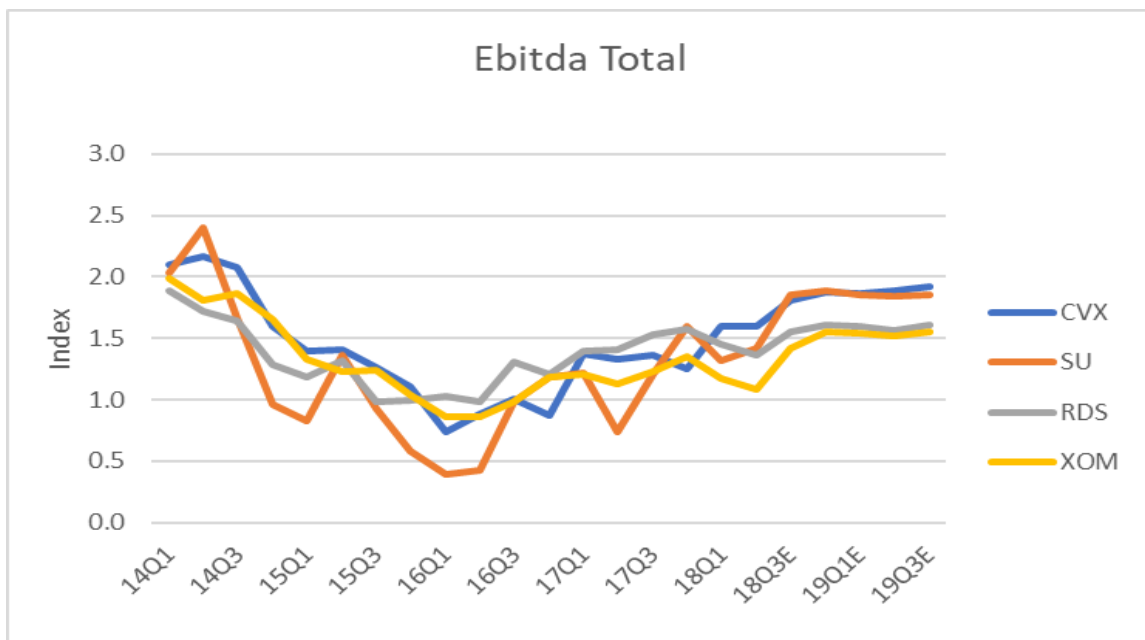
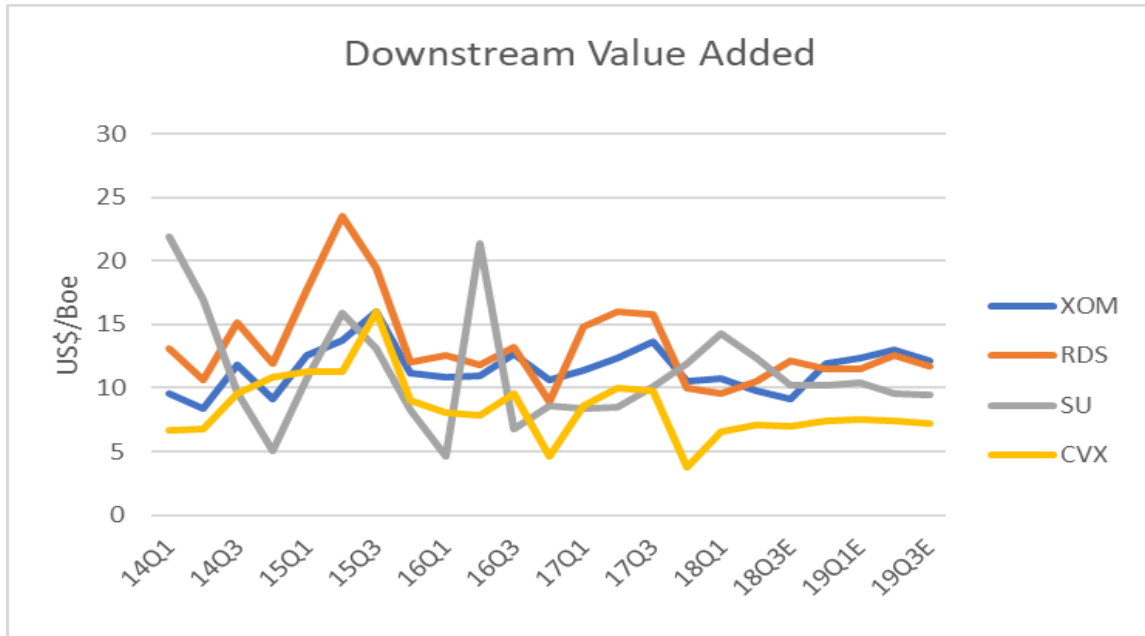


# Independent Stock Idea

Intraday September 4, 2018

<b>Suncor</b>										
<b>Next Twelve Months Operating and Financial Estimates</b>										
(Canadian Dollars)										
	<i>Q3</i>	<i>Year</i>	<i>Q2</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Next Twelve Months</i>
	<i>9/30/17</i>	<i>2017</i>	<i>6/30/18</i>	<i>9/30/18</i>	<i>12/31/18</i>	<i>2018</i>	<i>3/31/19</i>	<i>6/30/19</i>	<i>9/30/19</i>	<i>9/30/19</i>
<b>Volume</b>										
Oil Sands (mmb)	43.2	157	39.1	48.8	48.8	175	47.7	48.2	48.8	193
Syncrude	14.6	49	10.7	13.8	13.8	51	13.5	13.7	13.8	55
E&P Canada	3.9	20	5.3	5.2	5.2	21	5.1	5.2	5.2	21
E&P International	6.3	25	5.1	4.9	4.9	20	4.8	4.8	4.9	19
Total Oil (mmb)	68.1	250	60.3	72.7	72.7	268	71.1	71.9	72.7	288
Days	92	365	91	92	92	365	90	91	92	365
Oil Sands (mbd)	469	429	430	530	530	480	530	530	530	530
Syncrude	159	134	118	150	150	140	150	150	150	150
E&P Canada	43	54	59	57	57	58	57	57	57	57
E&P International	69	68	56	53	53	55	53	53	53	53
Total Oil (mbd)	740	685	662	790	790	733	790	790	790	790
<b>Price</b>										
Currency (US\$/C\$)	0.80	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77	0.77
WTI Cushing (\$US/bbl)	48.20	50.94	67.86	69.20	70.00	67.49	70.00	70.00	70.00	70.00
WTI Cushing (C\$/bbl)	60.25	65.97	88.13	90.20	91.24	87.29	91.24	91.24	91.24	91.24
Oil Sands	53.78	58.21	71.16	72.83	73.67	70.14	73.67	73.67	73.67	73.67
Syncrude	60.68	66.58	86.73	88.76	89.78	85.75	89.78	89.78	89.78	89.78
E&P Canada	67.23	71.40	97.30	99.58	100.73	95.46	100.73	100.73	100.73	100.73
E&P International	62.99	67.32	93.88	96.08	97.19	92.47	97.19	97.19	97.19	97.19
Total Oil (C\$/bbl)	56.90	61.79	78.15	79.34	80.26	76.80	80.26	80.26	80.26	80.26
<b>Revenue (\$mm)</b>										
Oil Sands	2,322	9,125	2,785	3,551	3,592	12,299	3,514	3,553	3,592	14,251
Syncrude	888	3,261	931	1,225	1,239	4,383	1,212	1,226	1,239	4,916
E&P Canada	265	1,400	519	522	528	2,030	517	522	528	2,096
E&P International	398	1,668	474	468	474	1,845	464	469	474	1,880
Total Oil	3,873	15,454	4,709	5,767	5,833	20,557	5,706	5,770	5,833	23,143
Other	4,156	16,722	5,719	5,719	5,719	21,659	5,719	5,719	5,719	22,876
Total	8,029	32,176	10,428	11,954	12,026	43,158	11,889	11,958	12,026	47,899
<b>Expense</b>										
Upstream	2,164	8,189	2,538	2,616	2,616	10,301	2,560	2,588	2,616	10,381
Downstream	3,300	13,554	4,755	4,819	4,819	17,776	4,819	4,819	4,819	19,276
<b>Ebitda (\$mm)</b>										
Upstream	1,709	7,265	2,171	3,150	3,217	10,256	3,147	3,182	3,217	12,760
Downstream	856	3,169	964	900	900	3,883	900	900	900	3,600
Total Ebitda	2,565	10,433	3,135	4,050	4,117	14,139	4,047	4,082	4,117	16,360
Exploration	13	104	19	19	30	100	30	30	30	120
Deprec., Deplet., & Amort.	1,281	5,601	1,391	1,391	1,391	5,597	1,391	1,391	1,391	5,564
Other	-	-	-	-	-	-	-	-	-	-
<b>Ebit</b>	1,271	4,728	1,725	2,640	2,696	8,442	2,626	2,661	2,696	10,678
Interest	36	216	209	209	209	759	209	209	209	836
<b>Ebt</b>	1,235	4,512	1,516	2,431	2,487	7,683	2,417	2,452	2,487	9,842
Income Tax	370	1,354	318	511	522	1,613	508	515	522	2,067
<b>Net Income (\$mm)</b>										
Upstream	475	1,741	679							
Downstream	597	2,304	685							
Unallocated	(208)	(886)	(166)							
Total	864	3,159	1,198	1,921	1,965	6,069	1,909	1,937	1,965	7,775
<b>Shares (millions)</b>										
Per share (\$)	1,662	1,662	1,641	1,641	1,641	1,641	1,641	1,641	1,641	1,641
Ebitda Margin Upstream	0.52	1.90	0.73	1.17	1.20	3.70	1.16	1.18	1.20	4.74
Ebitda Margin Upstream	44%	47%	46%	55%	55%	50%	55%	55%	55%	55%
Tax Rate	30%	30%	21%	21%	21%	21%	21%	21%	21%	21%







# Independent Stock Idea

Intraday September 4, 2018

**Table 1**  
**McDep Energy Stocks**  
**Ranked by McDep Ratio**

		Price (US\$/sh)	Market Cap (US\$m)	Enterprise Value (\$mm)	EV/ Market Cap	EV/ Ebitda NTM	PV/ Ebitda NTM	Oil Prod'n/ Ebitda (%)	Dist. Yield NTM (%)	McDep Ratio (EV/PV)	
	Symbol/Rating	4-Sep 2018									
<b>Integrated</b>											
	Exxon Mobil Corporation	XOM	80.52	344,000	434,000	1.26	7.6	8.3	51	4.1	0.91
	Suncor Energy	SU	40.35	66,000	85,000	1.29	6.8	8.0	78	2.7	0.84
	Chevron Corporation	CVX	118.84	228,000	288,000	1.26	6.6	8.0	64	3.8	0.83
	Royal Dutch Shell	RDS-B	67.49	283,000	399,000	1.41	6.9	9.2	49	5.6	0.75
	<i>Total or Median</i>			<i>921,000</i>	<i>1,206,000</i>	<i>1.28</i>	<i>6.8</i>	<i>8.2</i>	<i>57</i>	<i>3.9</i>	<i>0.84</i>
<b>Large Independent</b>											
	Occidental Petroleum Corp.	OXY	79.42	60,900	74,600	1.22	7.8	7.5	71	3.9	1.05
	ConocoPhillips	COP	73.23	87,000	109,000	1.25	6.9	7.4	78	1.6	0.93
	EOG Resources, Inc.	EOG	117.47	68,100	75,200	1.10	7.3	8.0	90	0.3	0.91
	Pioneer Natural Resources	PXD	171.80	29,400	32,000	1.09	7.1	8.2	94	0.0	0.87
	<i>Total or Median</i>			<i>245,400</i>	<i>290,800</i>	<i>1.16</i>	<i>7.2</i>	<i>7.8</i>	<i>84</i>	<i>0.9</i>	<i>0.92</i>
<b>Mid-Size Independent</b>											
	Hess Corporation	HES	66.24	19,700	27,100	1.38	10.3	9.0	89	1.5	1.14
	Continental Resources	CLR	64.75	24,300	30,600	1.26	7.4	7.8	83	-	0.94
	Devon Energy Corporation	DVN	42.51	22,300	27,000	1.21	7.0	9.4	88	0.8	0.75
	Cimarex Energy Company	XEC	84.19	8,000	9,600	1.20	5.8	9.1	85	0.8	0.64
	Marathon Oil Corporation	MRO	21.21	18,030	24,700	1.37	5.8	9.6	89	0.9	0.61
	<i>Total or Median</i>			<i>92,300</i>	<i>119,000</i>	<i>1.26</i>	<i>7.0</i>	<i>9.1</i>	<i>88</i>	<i>0.8</i>	<i>0.75</i>
<b>Small Independent</b>											
	California Resources	CRC	40.86	1,700	8,500	4.9	6.0	7.7	93	-	0.77
	Whiting Petroleum Corporation	WLL	50.81	4,700	7,800	1.68	5.0	7.9	97	-	0.63
	Range Resources	RRC	16.16	4,000	8,600	2.17	5.2	8.7	45	0.5	0.60
	Birchcliff Energy Ltd.	BIREF	3.53	1,000	1,600	1.66	4.7	9.1	48	2.2	0.52
	<i>Total or Median</i>			<i>11,400</i>	<i>26,500</i>	<i>1.92</i>	<i>5.1</i>	<i>8.3</i>	<i>71</i>	<i>0.2</i>	<i>0.61</i>
<b>Income</b>											
	Permian Basin RT	PBT	8.87	410	410	1.00	13.8	15.5	80	7.2	0.89
	Sabine Royalty Trust	SBR	43.40	630	630	1.00	12.0	13.8	72	8.3	0.87
	Dorchester Minerals, L.P.	DMLP	18.55	600	600	1.00	8.3	10.8	86	10.5	0.77
	San Juan Basin Royalty Trust	SJT	5.81	270	270	1.00	11.4	15.7	-	8.6	0.73
	Cross Timbers Royalty Trust	CRT	15.32	90	90	1.00	8.4	13.6	38	9.8	0.61
	<i>Total or Median</i>			<i>2,000</i>	<i>2,000</i>	<i>1.00</i>	<i>11.4</i>	<i>13.8</i>	<i>72</i>	<i>8.6</i>	<i>0.77</i>

EV = Enterprise Value = Market Cap and Debt; Ebitda = Earnings before interest, tax, depreciation, amort.

Estimated Ebitda (cash flow) tied to one-year prices of US\$70 a barrel and \$3 a million btu. NTM = Next Twelve Months ending 9/30/19.

Estimated Present Value (PV) presumes a long-term price for oil of US\$70 a barrel and natural gas, \$4.00 a million btu.

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses. For historical research see [www.mcdep.com](http://www.mcdep.com)



# Independent Stock Idea

Intraday September 4, 2018

	Symbol/Rating	Price	Upstream NTM				Down-	Total	Distrib./ Ebitda (%)	Distrib. NTM (\$/sh)
		(US\$/sh)	Volume (mmboe)	Equiv. Price (\$/boe)	Ebitda Margin (%)	Ebitda (\$/boe)	stream Uplift (\$/boe)	Ebitda NTM (\$mm)		
		4-Sep 2018								
<b>Integrated</b>										
Royal Dutch Shell	RDS-B	67.49	1355	48.22	65	31.20	11.81	42,264	27	3.76
Exxon Mobil Corporation	XOM	80.52	1426	53.66	52	27.70	12.34	39,497	25	3.28
Chevron Corporation	CVX	118.84	1081	52.83	62	32.80	7.40	35,468	20	4.48
Suncor Energy	SU	40.35	288	61.58	56	34.27	9.47	9,881	14	1.09
	<i>Total or Median</i>		<i>4150</i>	<i>53.24</i>	<i>59</i>	<i>32.00</i>	<i>10.64</i>	<i>127,109</i>	<i>22</i>	
<b>Large Independent</b>										
ConocoPhillips	COP	73.23	490	52.09	62	32.10	0.00	15,738	9	1.14
EOG Resources, Inc.	EOG	117.47	288	48.13	74	35.63	0.00	10,271	2	0.37
Occidental Petroleum Corp.	OXY	79.42	258	47.60	58	27.60	9.29	7,131	25	3.12
Pioneer Natural Resources	PXD	171.80	134	45.99	72	33.30	0.00	4,475	0	0.08
	<i>Total or Median</i>		<i>1171</i>	<i>47.87</i>	<i>67</i>	<i>32.70</i>	<i>0.00</i>	<i>37,616</i>	<i>5</i>	
<b>Mid-Size Independent</b>										
Marathon Oil Corporation	MRO	21.21	148	41.65	69	28.60	0.00	4,236	4	0.20
Continental Resources	CLR	64.75	117	43.98	81	35.70	0.00	4,160	-	-
Devon Energy Corporation	DVN	42.51	199	34.04	57	19.40	0.00	3,863	4	0.32
Hess Corporation	HES	66.24	101	46.17	57	26.20	0.00	2,639	11	1.00
Cimarex Energy Company	XEC	84.19	85	29.37	66	19.40	0.00	1,643	4	0.64
	<i>Total or Median</i>		<i>649</i>	<i>41.65</i>	<i>66</i>	<i>26.20</i>	<i>0.00</i>	<i>16,542</i>	<i>4</i>	
<b>Small Independent</b>										
Range Resources	RRC	16.16	144	20.67	56	11.60	0.00	1,666	1	0.08
Whiting Petroleum Corporation	WLL	50.81	49	47.86	67	32.10	0.00	1,566	-	-
California Resources	CRC	40.86	49	55.73	52	29.20	0.00	1,429	-	-
Birchcliff Energy Ltd.	BIREF	3.53	23	19.77	75	14.90	0.00	335	6	0.08
	<i>Total or Median</i>		<i>264</i>	<i>34.27</i>	<i>62</i>	<i>22.05</i>	<i>0.00</i>	<i>4,995</i>	<i>1</i>	
<b>Income</b>										
Dorchester Minerals, L.P.	DMLP	18.55	2.38	40.41	75	30.15	0.00	72	88	1.94
Sabine Royalty Trust	SBR	43.40	1.79	35.48	83	29.54	0.00	53	100	3.62
Permian Basin RT	PBT	8.87	1.16	43.23	60	25.90	0.00	30	99	0.64
San Juan Basin Royalty Trust	SJT	5.81	3.74	12.35	51	6.35	0.00	24	98	0.50
Cross Timbers Royalty Trust	CRT	15.32	0.39	43.64	64	27.84	0.00	11	82	1.50
	<i>Total or Median</i>		<i>9</i>	<i>40.41</i>	<i>64</i>	<i>27.84</i>	<i>0.00</i>	<i>189</i>	<i>98</i>	

For historical research see [www.mcdep.com](http://www.mcdep.com)



# Independent Stock Idea

Intraday September 4, 2018

**Table 3**  
**McDep Energy Stocks**  
**Net Present Value Per Share**

		<i>Price</i> <i>(US\$/sh)</i>	<i>Shares</i>	<i>Debt</i>	<i>P/E</i>	<i>Devel.</i> <i>Resrvs/</i> <i>Prod</i>	<i>Undev/</i> <i>Devel.</i>	<i>Nat</i> <i>Gas/</i> <i>Ebitda</i>	<i>Top</i> <i>Line/</i> <i>Ebitda</i>	<i>Net</i> <i>Present</i> <i>Value</i>	
	<i>Symbol/Rating</i>	<i>4-Sep</i> <i>2018</i>	<i>(mm)</i>	<i>(\$mm)</i>	<i>NTM</i>	<i>NTM</i>	<i>(%)</i>	<i>(%)</i>	<i>(%)</i>	<i>(US\$/sh)</i>	
<b>Integrated</b>											
	Chevron Corporation	CVX	118.84	1,919	60,359	14	7.0	57	22	150.00	
	Royal Dutch Shell	RDS-B	67.49	4,188	116,710	12	7.3	22	32	100.00	
	Exxon Mobil Corporation	XOM	80.52	4,271	90,130	13	9.8	52	27	90.00	
	Suncor Energy	SU	40.35	1,641	19,254	11	8.8	87		50.00	
	<i>Median</i>					<i>8.1</i>	<i>55</i>				
<b>Large Independent</b>											
	Pioneer Natural Resources	PXD	171.80	171	2,600	20	6.7	9	6	200.00	
	EOG Resources, Inc.	EOG	117.47	580	7,071	16	4.7	43	10	130.00	
	ConocoPhillips	COP	73.23	1,181	22,036	13	7.1	31	22	80.00	
	Occidental Petroleum Corp.	OXY	79.42	767	13,700	15	7.5	35	4	75.00	
	<i>Median</i>					<i>6.9</i>	<i>33</i>				
<b>Mid-Size Independent</b>											
	Cimarex Energy Company	XEC	84.19	95	1,579	11	4.9	35	15	140.00	
	Continental Resources	CLR	64.75	375	6,333	19	5.2	121	17	70.00	
	Devon Energy Corporation	DVN	42.51	525	4,720	15	8.8	24	12	60.00	
	Hess Corporation	HES	66.24	298	7,397		7.2	59	11	55.00	
	Marathon Oil Corporation	MRO	21.21	850	6,712	17	6.1	60	11	40.00	
	<i>Median</i>					<i>6.1</i>	<i>59</i>				
<b>Small Independent</b>											
	Whiting Petroleum Corporation	WLL	50.81	92	3,170	29	6.9	84	3	100.00	
	California Resources	CRC	40.86	43	6,800		9.0	41	7	100.00	
	Range Resources	RRC	16.16	246	4,657	8	9.7	83	55	40.00	
	Birchcliff Energy Ltd.	BIREF	3.53	268	630	12	7.2	228	52	9.00	
	<i>Median</i>					<i>8.1</i>	<i>83</i>				
<b>Income</b>											
	Sabine Royalty Trust	SBR	43.40	15	-	12	9.9	3	33	100	50.00
	Cross Timbers Royalty Trust	CRT	15.32	6	-	10	12.6	-	69	82	25.00
	Dorchester Minerals, L.P.	DMLP	18.55	32	-	12	6.8	-	17	79	24.00
	Permian Basin RT	PBT	8.87	47	-	14	6.8	-	17	50	10.00
	San Juan Basin Royalty Trust	SJT	5.81	47	-	12	11.1	-	100	-	8.00
	<i>Median</i>					<i>9.9</i>					
P/E = Stock Price to Earnings. For historical research see <a href="http://www.mcdep.com">www.mcdep.com</a> .											



# Independent Stock Idea

Intraday September 4, 2018

Table 4										
McDep Energy Stocks										
Total Return Year-to-Date 2018										
Ranked by Unlevered Total Return										
		Price	Price	Price	Cash	Equity	Unlevered			
	Symbol/Rati	(\$/sh)	(\$/sh)	Change	Distrib.	Total	Debt	Return	McDep	
		4-Sep	29-Dec	(%)	(%)	(%)	(\$/sh)	(%)	Ratio	
		2018	2017							
<b>Integrated</b>										
	Suncor Energy	SU	40.35	36.72	10	2	11	12	9	0.84
	Royal Dutch Shell	RDS-B	67.49	68.29	(1)	3	2	28	1	0.75
	Exxon Mobil Corporation	XOM	80.52	83.64	(4)	2	(2)	21	(1)	0.91
	Chevron Corporation	CVX	118.84	125.19	(5)	2	(3)	31	(3)	0.83
	<i>Median</i>				(2)		(0)		(0)	0.84
<b>Large Independent</b>										
	ConocoPhillips	COP	73.23	54.89	33	1	34	19	26	0.93
	EOG Resources, Inc.	EOG	117.47	107.91	9	0	9	12	8	0.91
	Occidental Petroleum Corp.	OXY	79.42	73.66	8	2	10	18	8	1.05
	Pioneer Natural Resources	PXD	171.80	172.85	(1)	0	(1)	15	(1)	0.87
	<i>Median</i>				8		10		8	0.92
<b>Mid-Size Independent</b>										
	Hess Corporation	HES	66.24	47.47	40	1	41	25	27	1.14
	Marathon Oil Corporation	MRO	21.21	16.93	25	1	26	8	18	0.61
	Continental Resources	CLR	64.75	52.97	22	-	22	17	17	0.94
	Devon Energy Corporation	DVN	42.51	41.40	3	0	3	9	2	0.75
	Cimarex Energy Company	XEC	84.19	122.01	(31)	0	(31)	17	(27)	0.64
	<i>Median</i>				22		22		17	0.75
<b>Small Independent</b>										
	Whiting Petroleum Corporation	WLL	50.81	26.48	92	-	92	34	40	0.63
	California Resources	CRC	40.86	19.44	110	-	110	160	12	0.77
	Birchcliff Energy Ltd.	BIREF	3.53	3.50	1	1	2	2	1	0.52
	Range Resources	RRC	16.16	17.06	(5)	0	(5)	19	(2)	0.60
	<i>Median</i>				46		47		7	0.61
<b>Income</b>										
	Dorchester Minerals, L.P.	DMLP	18.55	15.20	22	9	31	-	31	0.77
	Cross Timbers Royalty Trust	CRT	15.32	14.69	4	5	10	-	10	0.61
	Permian Basin RT	PBT	8.87	8.87	-	4	4	-	4	0.89
	Sabine Royalty Trust	SBR	43.40	44.60	(3)	4	1	-	1	0.87
	San Juan Basin Royalty Trust	SJT	5.81	8.24	(29)	3	(26)	-	(26)	0.73
	<i>Median</i>				-		4		4	0.77
	<i>Grand Median</i>				3		4		6	0.80
	<b>Natural Gas (\$/mmbtu)</b>		2.83	2.95	(4)					
	<b>Oil - West Texas Intermediate (\$/bbl)</b>		69.92	60.09	16					
	Total Stock Market - U.S.	VTI	149.81	137.25	9	1	10			
	Developed Markets - ex US	VEA	42.64	44.86	(5)	2	(3)			
	Emerging Markets	VWO	41.08	45.91	(11)	1	(10)			
	Total Stock Market - World	VT	75.55	74.26	2	1	3			

Source: McDep LLC, Yahoo, CME Group, Bloomberg

For historical research see [www.mcdep.com](http://www.mcdep.com)





# Independent Stock Idea

Intraday September 4, 2018

**Disclaimer:** This analysis was prepared by Kurt Wulff, Manager of McDep LLC. The firm used sources and data believed to be reliable but makes no representation as to their accuracy or completeness. This analysis is intended for informational purposes and is not a solicitation to buy or sell a security. Past performance is no guarantee of future results.

McDep or its employees may take positions in stocks the firm covers for research purposes. No trades in a subject stock shall be made within a week before or after a change in recommendation.

**Certification:** I, Kurt H. Wulff, certify that the views expressed in this research analysis accurately reflect my personal views about the subject securities and issuers. No part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this research analysis.

**Research Methodology/Ratings Description:** McDep LLC is an independent research originator focused on oil and gas stocks exclusively. The firm applies the forty years of experience of its analyst to estimate a present value of the oil and gas resources and other businesses of covered companies. That value is compared with a company's stock market capitalization and debt. Stocks with low market cap and debt relative to present value tend to outperform stocks with high market cap and debt relative to present value.