

# The Position of Big Oil this Earnings Season – A Makeover is Necessary-Petraco is on the Frontlines of a Greener Future

*Petraco is one of the oldest independent trading companies in Europe, priding itself on great expertise and strong connection with its customers.*

LUGANO, TESSIN, SWITZERLAND, February 5, 2021 /EINPresswire.com/ -- The rebounding of share prices and rising oil benchmarks are the two things certainly not forgotten by [Big Oil](#) majors. The world's biggest oil companies are slowly able to regain some ground under their feet, largely due to the help of OPEC+ and Big Pharma.



The Position of Big Oil this Earnings Season – A Makeover is Necessary and Petraco is on the Frontlines of a Greener Future

In 2020, Big Oil had become unprofitable during the historical drop in demand brought about by the coronavirus pandemic and thus had to write down tens of billions of dollars' worth of assets. Alone BP's writedowns added up to \$17.5 billion, while Exxon, which opposed writedowns until the ultimate possible moment, stated last November it will book writedowns in its fourth quarter reports, amounting between \$17 and \$20 billion. While share prices of several oil companies have increased, including BP's and Exxon's, several major trading companies, including Vitol and Gunvor, recently indicated they do not expect peak demand to be reached until the next decade. [The Petraco Group](#) has also offered a cautiously optimistic outlook on the year 2021.

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Problems cannot be solved at the same level of awareness that created them.”

*Albert Einstein*

Nevertheless, the above mentioned write-downs have already been factored in by the market, thus the reports by the majors should not have too great a negative effect on the prices of their shares. The share prices have seen a nice recovery since further developments have been made

regarding the Covid-19 vaccine and the ongoing OPEC+ cuts, however they have still not reached being the go-to they once were; arguably they will remain so for quite a long while.

While oil prices tanked last year under the strain of the pandemic, to respond to the crisis, Big Oil relied on cost cuts and spending revisions. Herewith, spending plans remain cautious, and they are likely to stay so until the world comes back to some sort of normality, expected by the banks to happen by the end of this year. However, some super majors may still surprise with plans for the current year, providing they feel bold enough with Brent above \$50 a barrel.

Finally, emission-cutting plans will be leading this earnings season, as they do in every industry now, as the world has commenced with the quest of reducing its carbon footprint. This in turn means that diversification into new, greener business areas, if done right, could boost stock prices even more. Trading houses, including Mercuria, Vitol, Gunvor and [Petraco](#) have also put forward their renewed commitment to sustainability as growing global demand for energy is increasingly correlated with a low-carbon future.

Simultaneously, asset streamlining, and inorganic growth will also be important in Big Oil's key business areas of oil and gas production and processing. At the end of the day not all Big Oil shareholders are the ESG kind, irregardless of activist groups on a mission to pressure the biggest polluters towards a cleaner future, there remain many who hold Big Oil, as they believe oil and gas will remain vital for our life and planet for decades to come.

When asked about the future on oil and gas, a spokesperson for Petraco Group stated that 'something about how working towards a 'greener oil' future is a big priority for Petraco...

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