



# CEO's Report

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## Overview

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The 4th Annual Monaco Energy Security Forum took place on May 31, 2019, at the Yacht Club of Monaco addressing the post-election order, its challenges and impact on energy-independence and security.

His Serene Highness, Prince Albert II of Monaco opened the forum, which gathered more than 500 hundred attendees. Among them, were, key energy market payers and thought leaders and leading policy makers, including, current President of the Republic of Croatia, Kolinda Grabar-Kitarovic, Anders Fogh Rasmussen (Prime Minister of Denmark 2001-2009 and NATO Secretary General 2009-2014, Aleksander Kwasniewski (President of Poland 1995-2005), Alfred Gusenbauer (Chancellor of Austria 2007-2008), Petar Stoyanov (President of Bulgaria 1997-2002), Ambassador John E. Herbst (Director of the Atlantic Council's Dinu Patriciu Erurasia Center), Ambassador Dick Morningstar (Founding Chairman of the Atlantic Council's Global Energy Center), Alan Riley (Senior Fellow at the Institute of Statecraft and Atlantic Council's Global Energy Center) and Paula J. Dobriansky (Senior Fellow of Diplomacy Project at Harvard Kennedy School's Belfer Center for Science and International Affairs, Vice Chair of The National Executive Committee at the U.S. Water Partnership and Former U.S. Under Secretary of State for Global Affairs)



Mr. Angelos Tsigkopoulos, Founder & CEO of Diorasis Capital Ltd, had stated in a [Press Release on 19 April 2019](#): *"We are delighted to support one of the fastest growing international events that gathers the most significant players of the energy industry, globally. We always aim to keep our investors and investees up-to-date and present them with facts from an angle that will possibly affect both, their buy and sell strategies".*

Our CEO was present at the forum and he presents his view in this short report.

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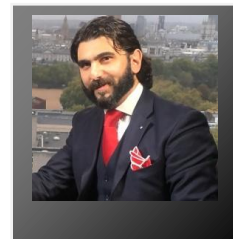
## Message from our Founder & CEO

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While access to energy resources has been at the epicentre of every country's strategic considerations over time, Diorasis Capital sought the views of decision makers on the impact of International Energy Relations, in order to facilitate the investment decisions of the members of our investment club, Diorasis Capital Club.

Energy, at its different forms, is a vital good for daily operations; while its tradable commodities significantly shape global economy, I discussed the correlation between the efforts for access to energy resources of key players and the strong geopolitics of recent years, including sanctions to Russia from the EU and US. I obtained a deeper understanding of the new global energy map and exchanged views with EU and US officials about its impact on key industries and sectors.

Panel discussions analysed the past, current and future status of International Energy Relations versus a number of factors. I am happy to present my view in this report and encourage discussion and exchange of opinions.



Angelos C. Tsigkopoulos  
Founder & CEO

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## Newly discovered energy sources in the Eastern Mediterranean Vs Sanctions on Russia

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### **My view was clear; competition not sanctions.**

The strategy of Russia in the energy game and the annexation of Crimea in 2014, were inevitably a subject of discussion. In this context, I suggested that, since the current tensions in international relations are at an all-time high, amid US-China trade war, a change of policy towards Russia could balance the Russia – US – EU relations and ease the Cold War-like tensions.

Since Europe depends heavily on Russia for covering its oil and gas needs, the newly discovered geographical sources of energy, in the Exclusive Economic Zones (EEZ) of Greece, Cyprus, Israel and Egypt, could be the answer to Russian monopoly. Following this strategy and by introducing the above alternative geographical sources of energy, the words “*sanctions*” and “*isolation*” could be replaced by the word “*competition*”. Like with any other monopoly, introducing a cheaper alternative, Russia would be left with no other option but to lower its energy prices, resulting to cheaper energy for both, residential and commercial consumers in Europe.

Both, US and EU officials agreed that this could potentially be a unique and realistic approach, they, however expressed their concerns and the need for action, for protection of the human rights of the ethnic groups in Crimea, like the Tatars, Belarusians, Jews, Armenians etc.

Motivating them to see the bigger picture and therefore the key to the solution, I suggested that the role of Hellas should be upgraded in the region and supported by all allied countries-members of the NATO and EU. Hellas, being the southern border of Europe and a rich in energy and other natural resources, country, could play, and must play, a vital role to the stability of international energy relations. I further reminded the officials the, more than 100,000 of Hellenic origin population in Crimea and the rich Hellenic heritage of the region, dating in the 6<sup>th</sup> century BC, when Crimea was a Hellenic colony. This cultural heritage, by default, makes Hellas a key allied country for international stability and should this is used wisely, a business agreement between all major energy players could be achieved under diplomatic terms that will ensure and promote peace and cooperation, not sanctions.

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**\*Newly discovered energy sources in the Eastern Mediterranean Vs Commodities' market**

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**A headache for asset allocation?**

I expressed my view that, supply and demand will be a game changer in the commodities' market. Since newly discovered sources of energy means more options and more options means greater competition, it is only natural the newly discovered energy sources to push the commodities' market lower.

I therefore, for the next 3-5 years, expect lower ROI for investors in traditional commodities, and an upward trend of the USD, against all major currencies.

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**Newly discovered energy sources in the Eastern Mediterranean Vs Shipping**

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**And the winner is..... Shipping!**

For shipping, I filtered my view on the impact of the newly discovered energy sources into two facts; the first fact is the potential business increase for crude carriers and liquefied gas carriers, while the second fact is the potential for increased profit margins not only from new cargo contracts and the lower fuel cost but from the financial benefits a ship enjoys when is proven "green" by the [Green Award Foundation](#).

In simple terms, ships do not only carry oil and/or gas but also use them as fuel. Therefore, as competition will push the oil and gas price down, profit margins will increase due to the decrease of the cost of fuel for ships, while profit margins can further increase through the financial benefits which, among other, include discounts on port fees, of running a "green" ship.

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**Conclusion**

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In a concise conclusion, it is clear that International Energy Relations are significantly ruled by an interrelated relation between the political and economic status of the major industry players. It is therefore their duty to ensure a balance to the energy deals for maintaining world peace; that can be achieved by having diplomacy at the top of their grand strategy. Diplomacy leaves room for negotiation and a possible solution; sanctions do not.

*\*This view expresses my personal view only and by no means constitutes investment advice neither a financial promotion.*