



INTERNATIONAL ENERGY FORUM

# COMPARATIVE ANALYSIS OF MONTHLY REPORTS ON THE OIL MARKET

Summary findings from a comparison of data and forecast  
on the oil market by the International Energy Agency, and  
Organization of the Petroleum Exporting Countries

October 2017



# IEF Summary of Key Oil Market Findings 15 October 2017

## Comparative Analysis of OPEC and IEA Monthly Releases on the Oil Market

### Note by the Secretary General of the International Energy Forum

This summary report by the International Energy Forum (IEF) builds on the outcomes and insights gained from the comparative analysis of short-term reports on the oil market that the International Energy Agency (IEA), and the Organization of the Petroleum Exporting Countries (OPEC) release on a monthly basis.

The IEF conducts a comprehensive comparative analysis of the short-, medium-, and long-term energy outlooks of the IEA and OPEC, to inform the IEA-IEF-OPEC Symposium on Energy Outlooks that the IEF hosts in Riyadh as part of the trilateral work programme on a yearly basis.

This monthly summary provides key findings gained from comparing basic historical data and short-term forecasts that the IEA and OPEC provide in the IEA Oil Market Report, and the OPEC Monthly Oil Market Report, enhancing market transparency by informing IEF stakeholders on how perspectives on the oil market of both organization evolve over time on a regular basis.

Dr Sun Xiansheng  
Secretary General  
International Energy Forum



## Graphs

### Comparative Analysis of OPEC and IEA Monthly Releases on the Oil Market

#### Key points

- New economic growth estimates signal strengthening global economic recovery, despite structural challenges that remain to be overcome according to IMF and OPEC projections.
- IEA slows OECD Oil demand growth, but OPEC sees OECD demand increase on better economic data. Minor revisions in opposite directions steady growth in the Non-OECD.
- Perspectives on US oil production's responsiveness to market rebalancing differ: Non-OPEC supply growth estimates by OPEC and the IEA for 2018 diverge by 0.6 mb/d.

*OPEC has increased its 2017 world economic growth forecast for the third consecutive month to 3.6%, and projects world economic growth to slow to 3.5% in 2018; but reflecting upward revisions of ten basis points compared to last month's OPEC assessments. New IMF world economic growth forecasts released this month, that the IEA incorporates in its projections, note that the world economy is strengthening, and equally raise estimates by ten basis points to 3.6% in 2017, and to 3.7% in 2018 indicating sustained growth in contrast to OPEC's more reserved 2018 estimate, and notwithstanding long-term challenges. Many oil and gas exporters remain particularly exposed to sharp reductions in foreign earnings the IMF notes.*

*Stronger economic data on the OECD region and China see OPEC assessments edge closer to estimates by the IEA. OPEC and IEA now project 2017 demand growth at around 1.5 and 1.6 mb/d respectively, and estimate 2018 demand growth slows to 1.4 mb/d. But on a regional level assessments differ. The IEA has broken the trend of monthly upward revisions in 2017 OECD demand growth since June, with a downward revision of 70 kb/d reaching 350 kb/d. A consequence of a slow-down in OECD demand growth over the summer and hurricane impacts it notes. In contrast, OPEC revised OECD demand growth upward by 60 kb/d to reach 430 kb/d compared to last month's assessment of 370 kb/d for 2017 OECD demand growth. This is largely on account of the impact of low oil prices, economic recovery, and robust vehicle sales in Europe OPEC states.*

*OPEC has downgraded non-OPEC supply growth by 100 kb/d to reach 0.7 mb/d in 2017, concurring with the 2017 assessment of the IEA for non-OPEC supply growth. OPEC also revised its 2018 assessment for non-OPEC supply downwards by 60 kb/d to 0.9 mb/d. This marks a contrast of 0.6 mb/d to the much more bullish assessment by the IEA that projects non-OPEC supply growth will reach 1.5 mb/d in 2018. Views on how U.S. unconventional production will respond to market rebalancing differ.*



## Graphs

### Comparative Analysis of OPEC and IEA Monthly Releases on the Oil Market

#### ***Demand data***

Despite increased confidence in oil demand growth on stronger economic data, and low oil price impacts, IEA has moderated demand growth projections, while OPEC for the third month has revised total 2017 demand growth estimates upward. OPEC and the IEA see 2017 world demand total 96.81 mb/d, and 97.71 mb/d, diverging by 0.9 mb/d, marking a year to year demand increase of 1.45 mb/d, and 1.6 mb/d respectively.

OPEC and the IEA project 2018 world demand totals 98.19 mb/d, and 99.12 with the IEA projecting world oil demand reaches the 100 mb/d point in the fourth quarter. 2018 assessments of the IEA and OPEC diverge by 0.93 mb/d and mark a year to year increase of 1.38 mb/d and 1.4 mb/d respectively. OPEC revised demand growth for 2018 up by 15 kb/d. IEA's outlook for demand growth in 2018 remains unaltered.

#### ***Supply data***

High compliance with the OPEC Non-OPEC agreement to adjust production, and incidental reductions due to data revisions and outages notwithstanding, world oil supply remains resilient as year on year increases show: OPEC and the IEA project total world supply in 2017 at 96.8 and 97.7 mb/d, diverging by 0.9 mb/d, and mark a year on year increase of 1 mb/d, and 0.7 mb/d in 2017 respectively. OPEC and IEA forecast total world supply in 2018 at 98.23 mb/d, and 99.1 mb/d, diverging by 1 mb/d, and mark a year on year increase of 1.43 mb/d, and 1.4 mb/d respectively.

#### ***Non-OPEC supply***

OPEC expects non-OPEC supply to grow by 0.68 mb/d and 0.94 mb/d in 2017 and 2018 reaching 57.69 mb/d, and 58.64 mb/d in 2017 and 2018 following downward revisions by 100 kb/d and 60 kb/d in this month's OPEC report respectively based on US rig count declines and lower productivity factors. This compares to the IEA unchanged projections of non-OPEC supply to grow year on year by 0.7 mb/d and 1.5 mb/d reaching 58.1 mb/d, and 59.6 mb/d in 2017, and 2018.

#### ***OPEC supplies***

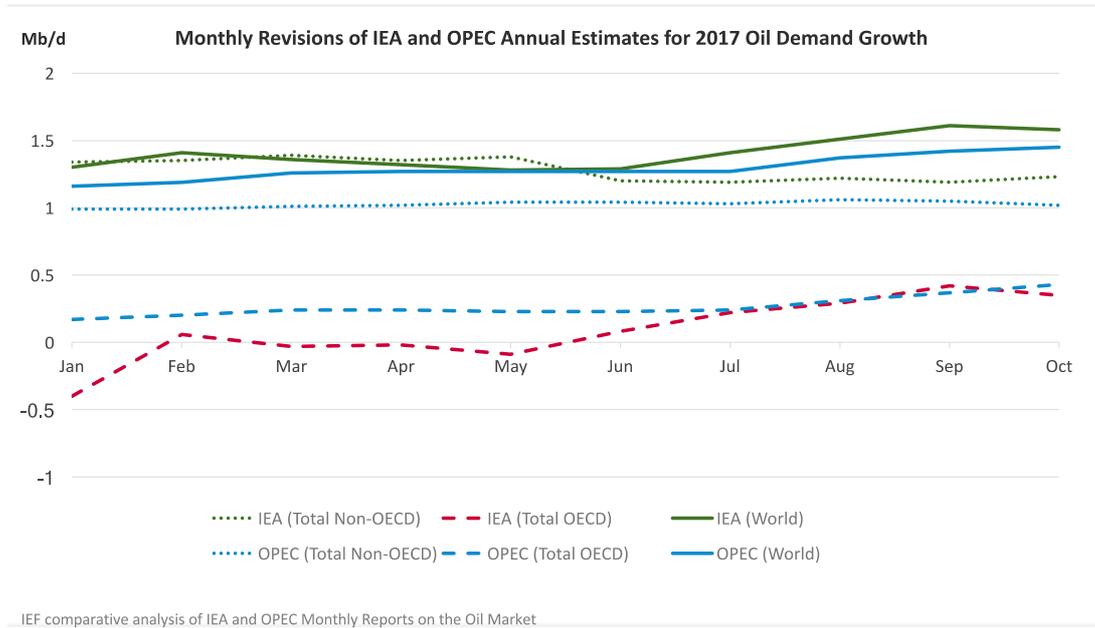
IEA notes that 2017 OPEC crude production at 32.65 mb/d, down by 400 kb/d compared to last year, remained unchanged from 32.7 mb/d it reported last month as lower Venezuelan supplies, balanced output growth from Iraq and Libya. For 2018 IEA estimates OPEC crude production at 32.5 b/d, down by 200 kb/d year on year. OPEC notes that OPEC crude output increased by 88 kb/d reaching 32.75 in September and, records OPEC crude to reach 32.8 mb/d in 2017, marking a 600 kb/d year on year increase in contrast to IEA assessments. OPEC projects OPEC crude production to increase by 300 kb/d reaching 33.1 mb/d in 2018.



# Graphs

## Comparative Analysis of OPEC and IEA Monthly Releases on the Oil Market

### IEA slows OECD Oil Demand Growth, OPEC sees increase Minor revisions in opposite directions steady growth in the Non-OECD

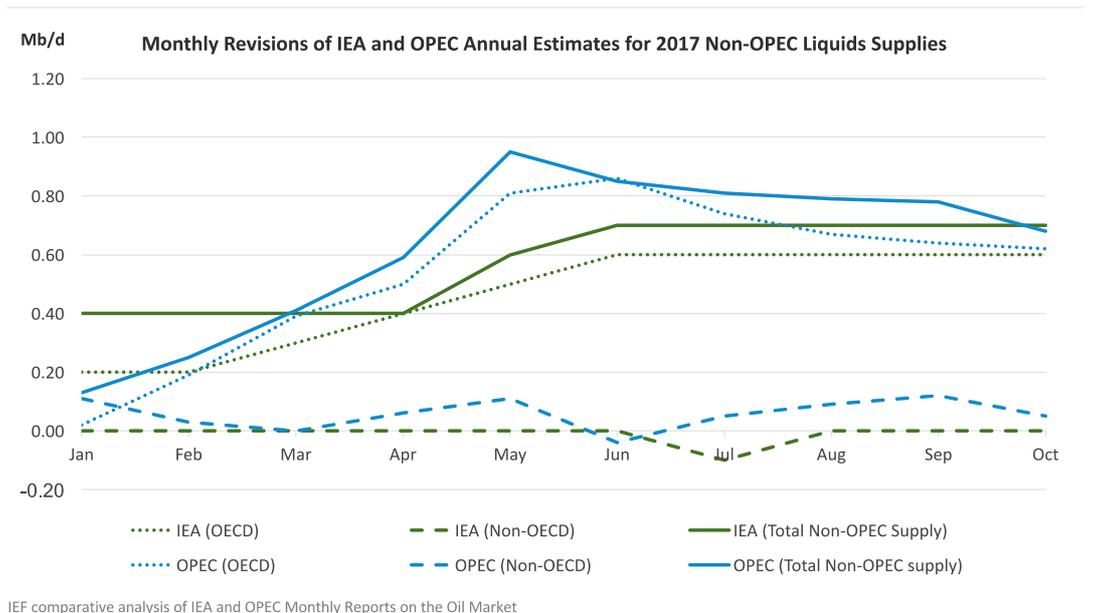


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### IEA and OPEC agree on Total, and Non-OPEC supply growth After OPEC further downgrades non-OECD, and OECD supply estimates



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