Recent market developments and near-term prospects

Presented by:

Hojatollah Ghanimi Fard, Ph.D.

Head, Petroleum Studies Department, OPEC

On the occasion of the

IEA-IEF-OPEC Symposium on Energy Outlooks

22nd January 2014, Riyadh, Saudi Arabia

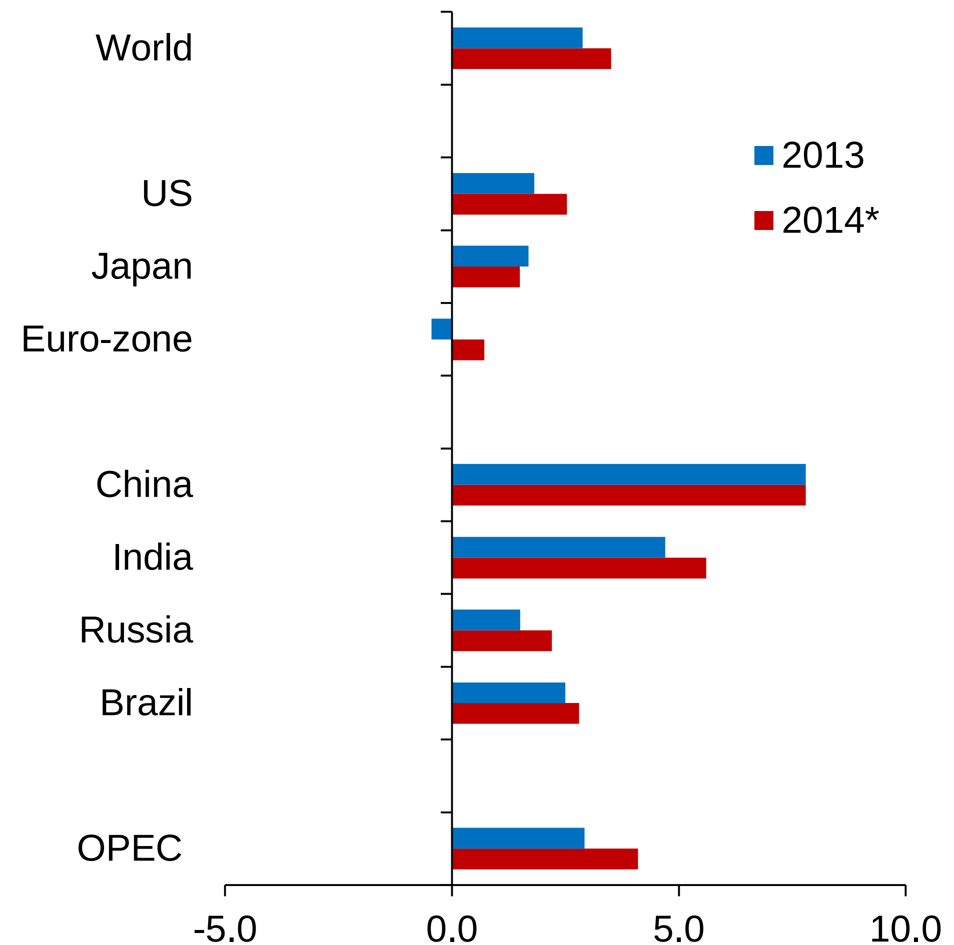
©2014 Organization of the Petroleum Exporting Countries

Outline

- **Review of market for 2013 and outlook for 2014**
- **Price developments**
- **Conclusion**

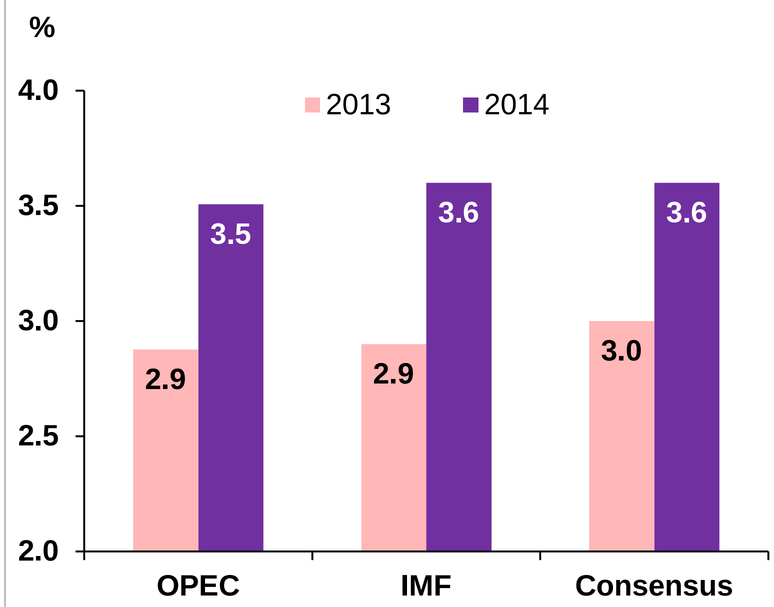
Performance of the world economy,
percentage change from the previous year

GDP growth in selected countries, %



	World	OECD	DCs
2013	2.9	1.2	3.7
2014*	3.5	1.9	4.2
Average growth rates (2009-13)	**2.8**	**0.8**	**4.3**

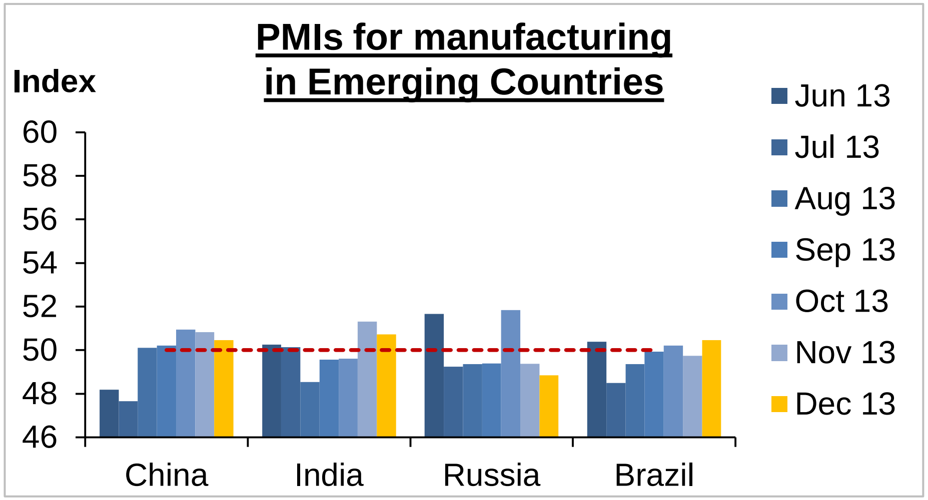
World GDP growth comparison

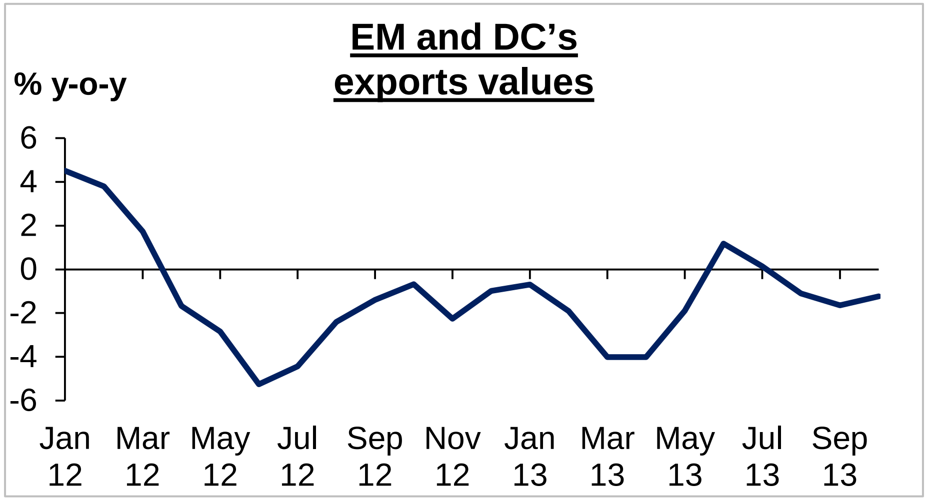


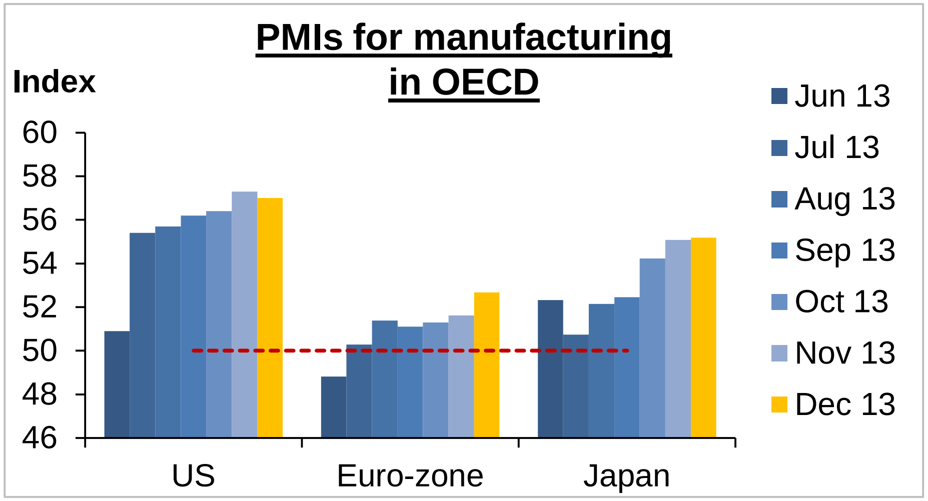
*: Forecast

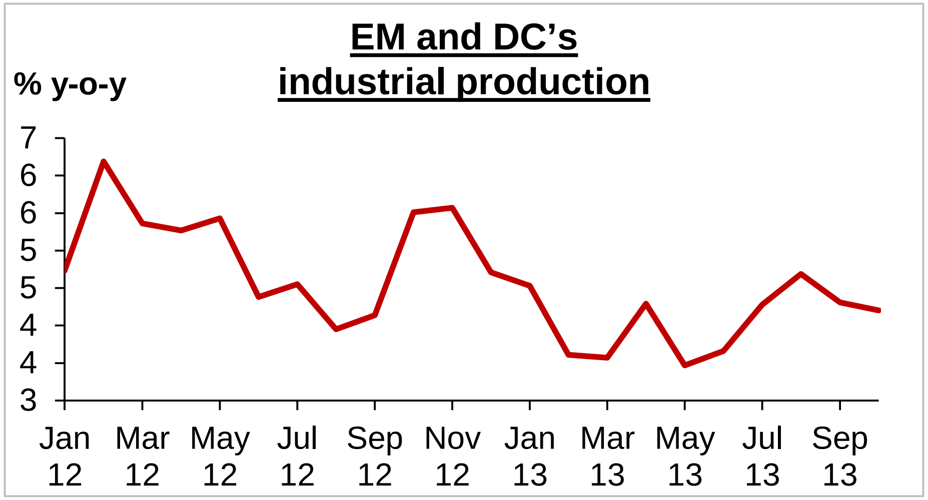
©2014 Organization of the Petroleum Exporting Countries

Recent momentum mainly from developed economies







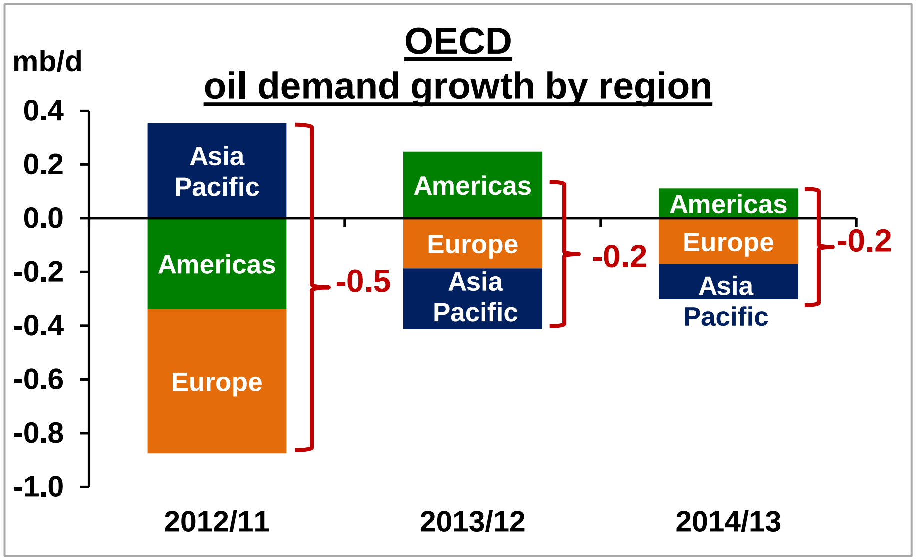


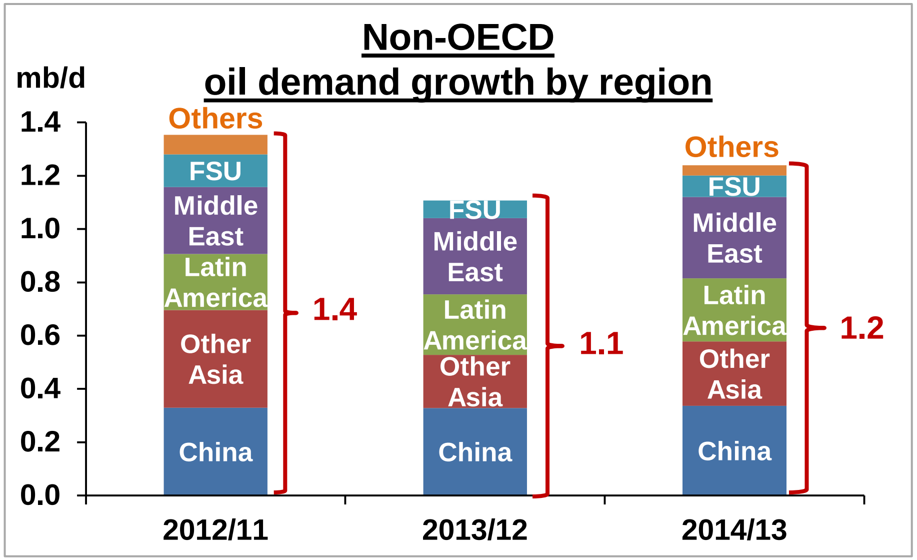
Sources: Haver Analytics, Markit, JP Morgan and Japan Materials Management Association.

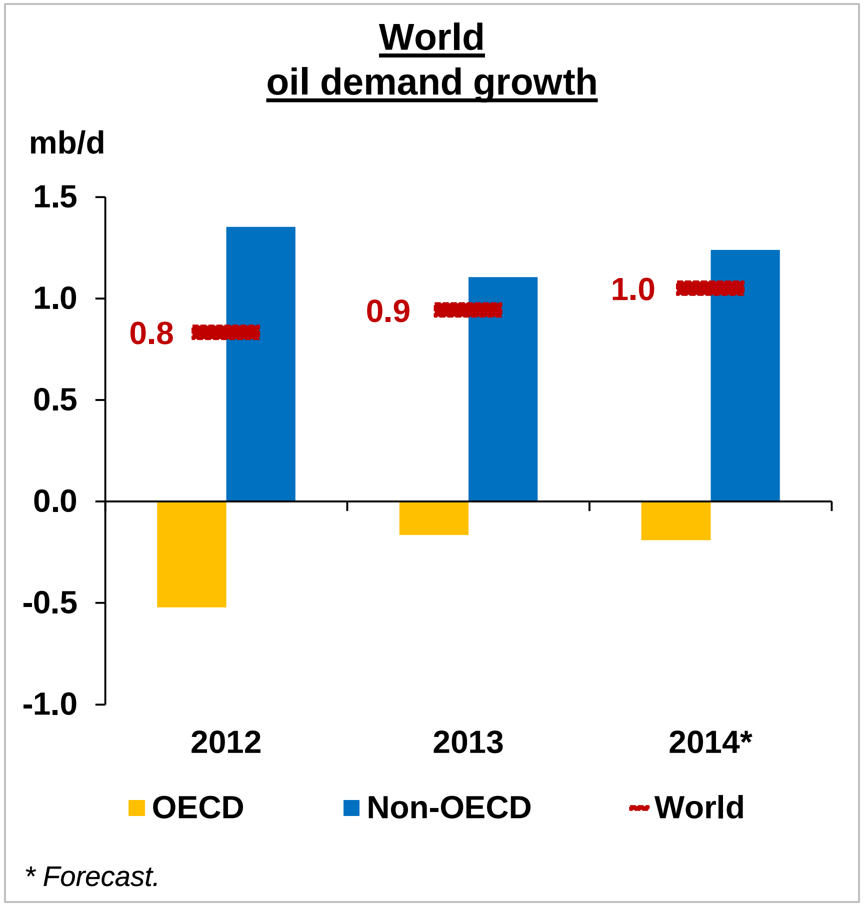
©2014 Organization of the Petroleum Exporting Countries

World oil demand outlook in 2014

y-o-y change

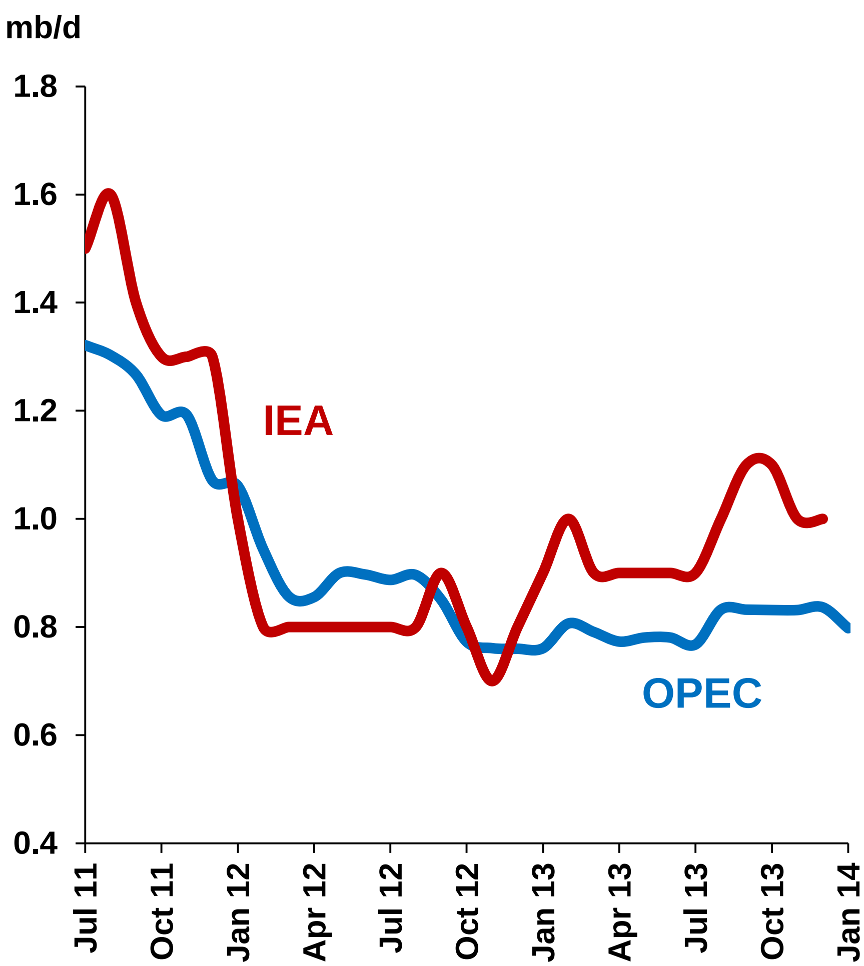




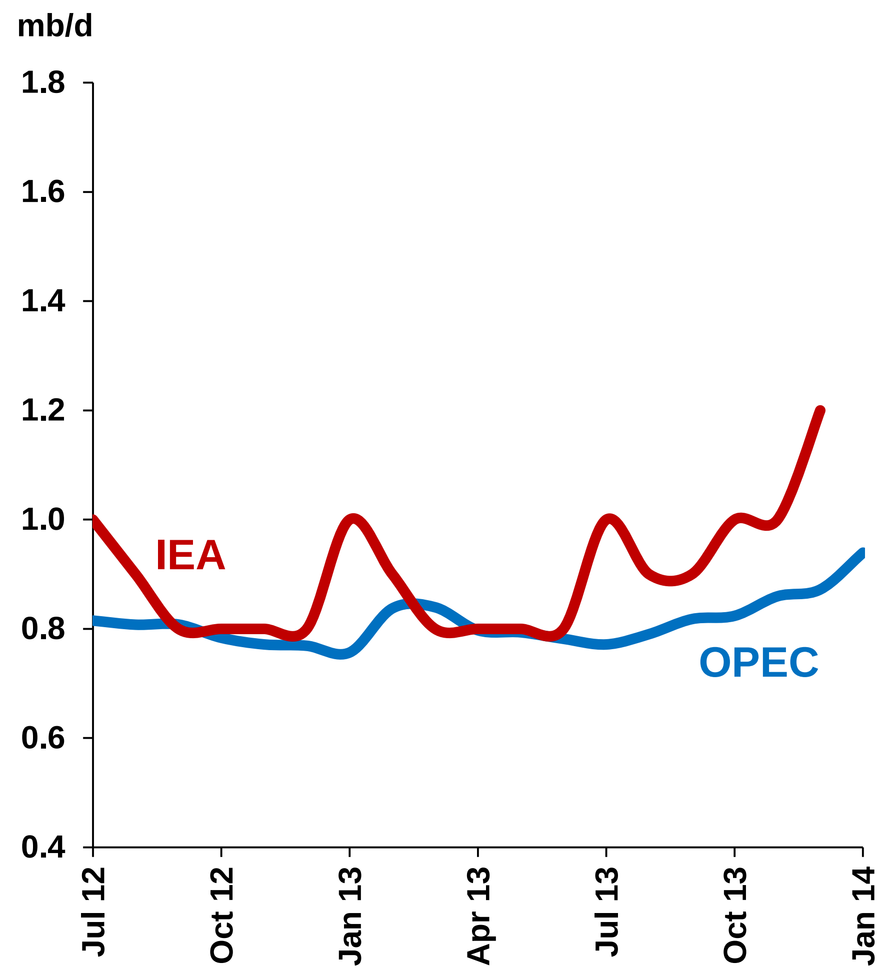


OPEC and IEA revisions of world oil demand growth forecasts for 2012-2013

Year 2012

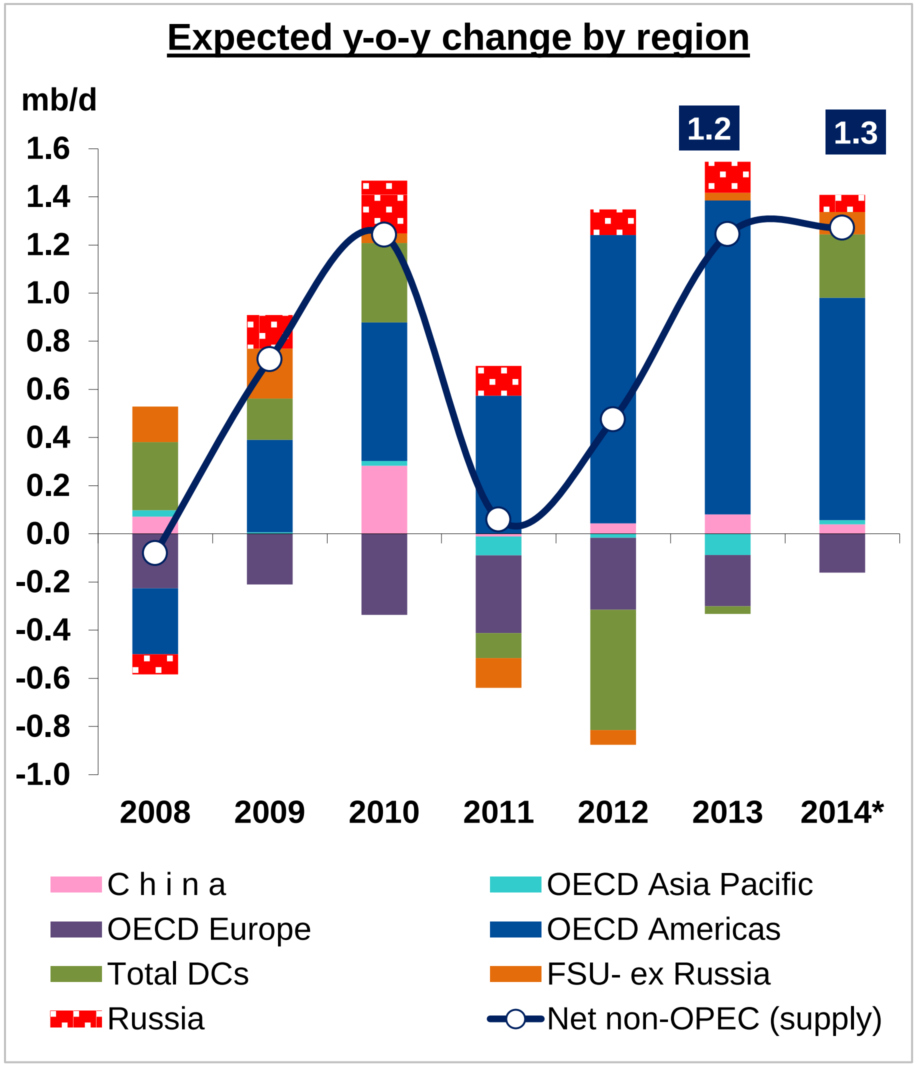


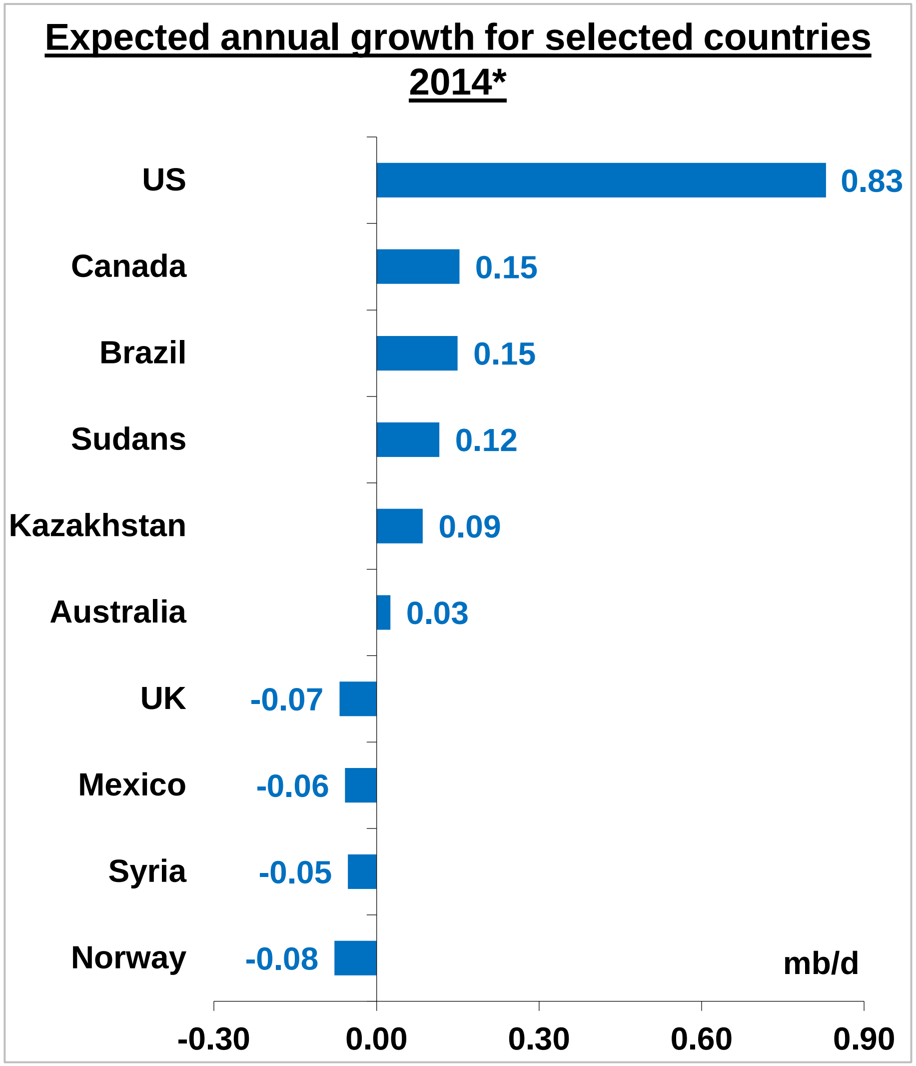
Year 2013



©2014 Organization of the Petroleum Exporting Countries

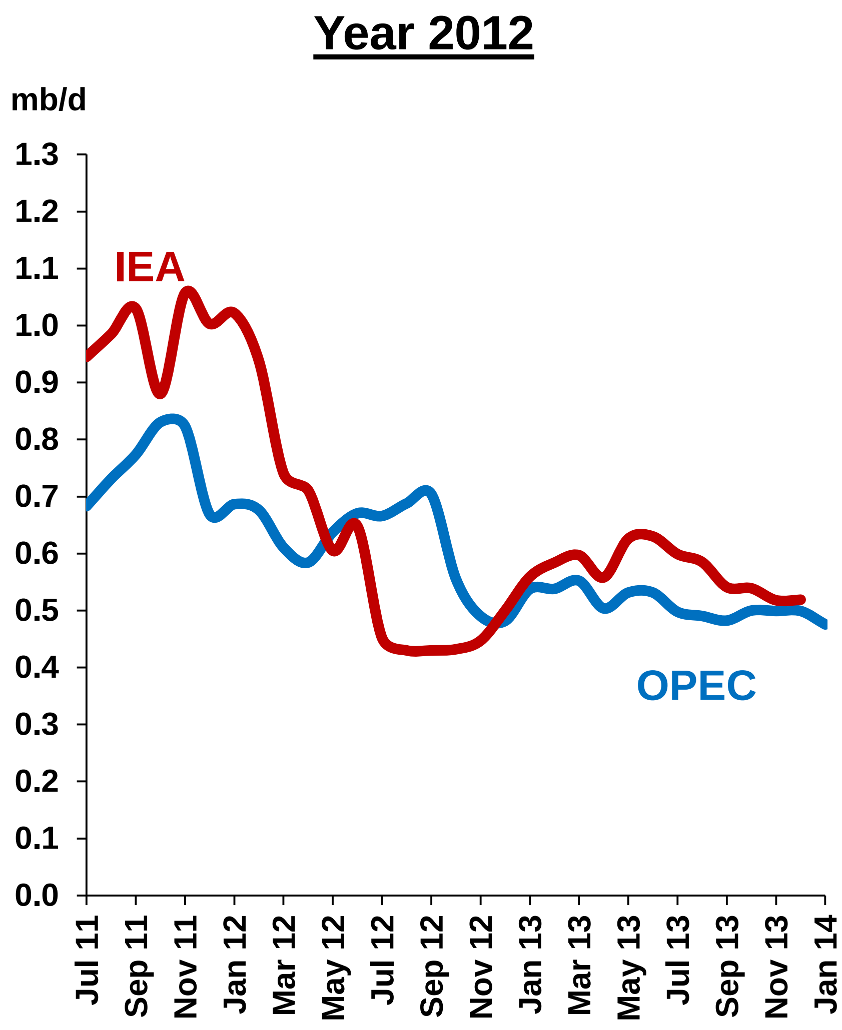
Non-OPEC supply continues positive growth in 2014, y-o-y change, mb/d

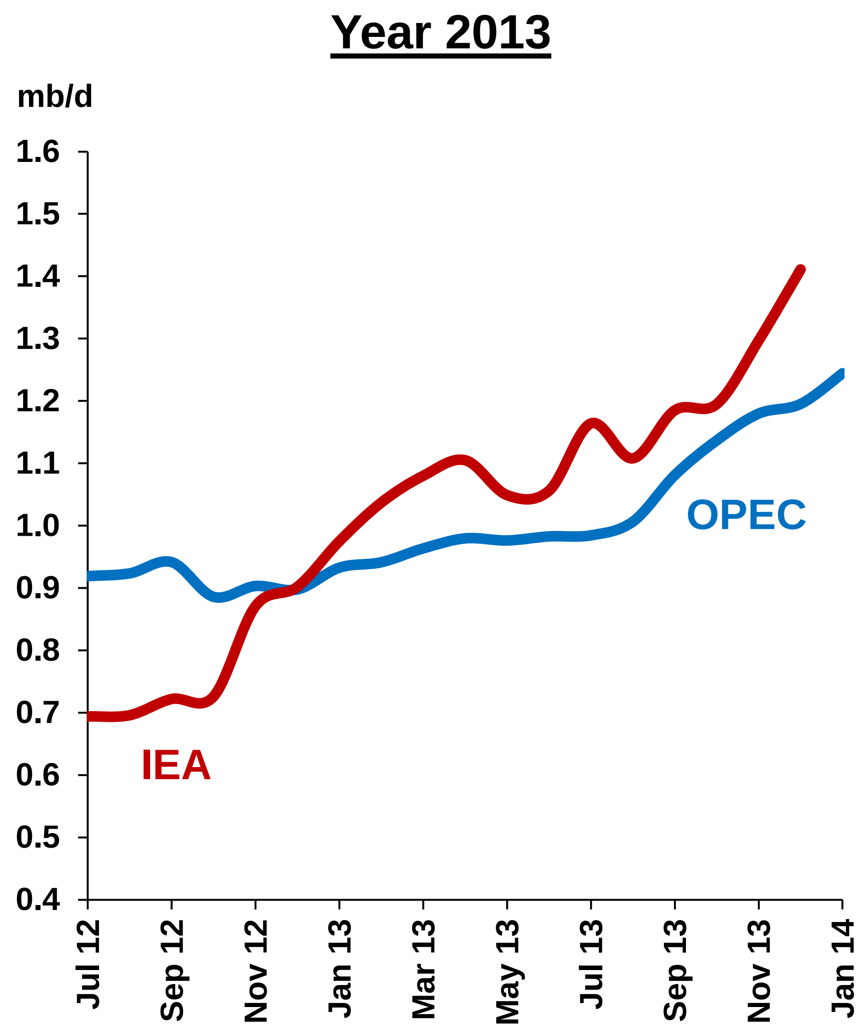




** Forecast.*

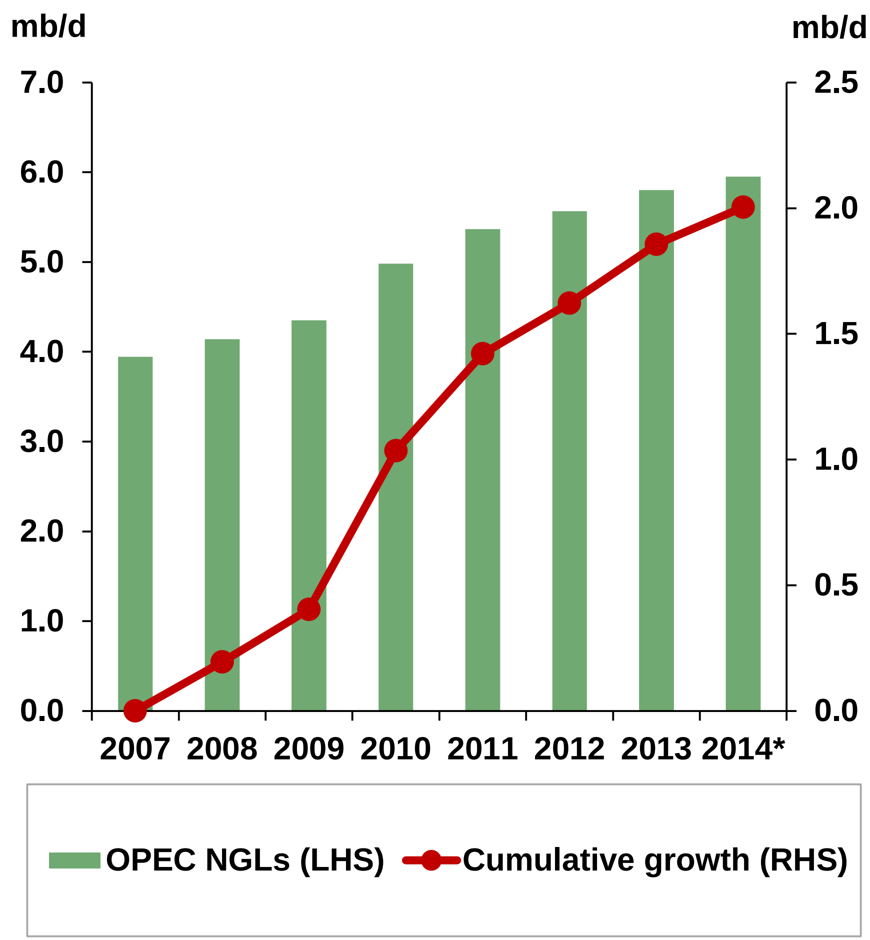
OPEC and IEA revisions of non-OPEC supply growth forecasts for 2012-2013



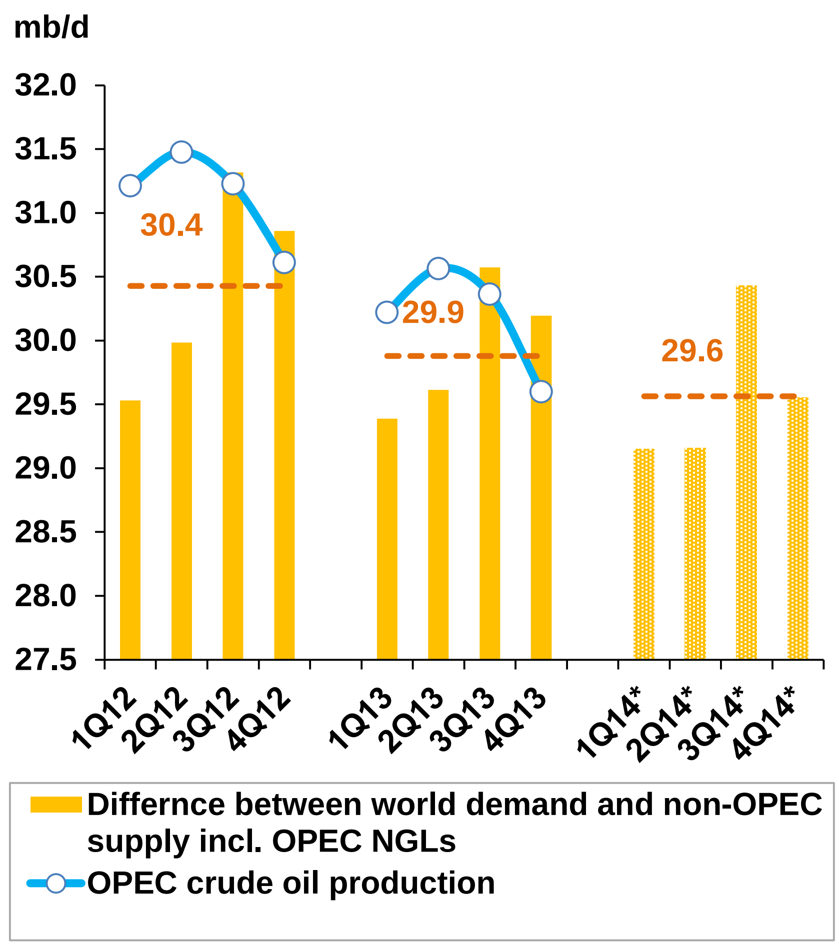


OPEC contributes to well-supplied market

OPEC NGLs
(2007-2014*)



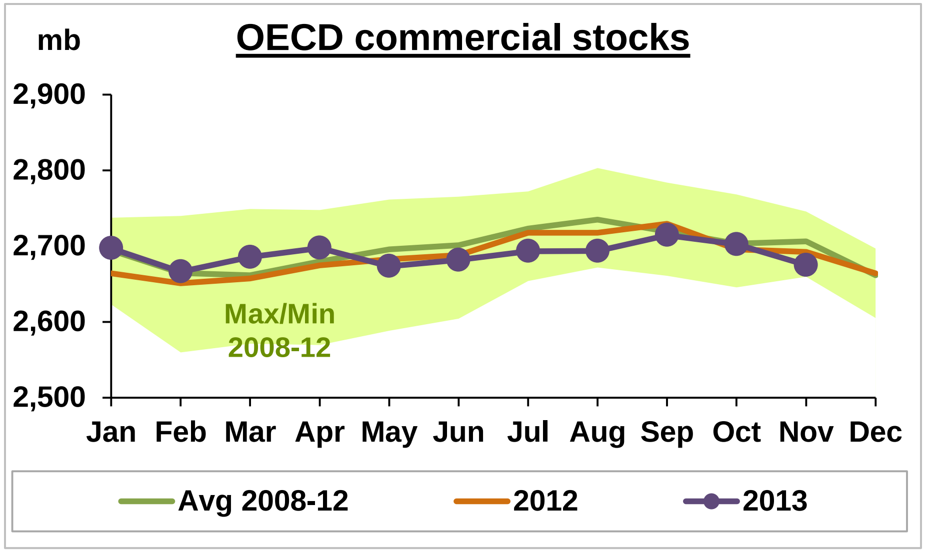
Current OPEC crude production will fully meet expected market needs in this year

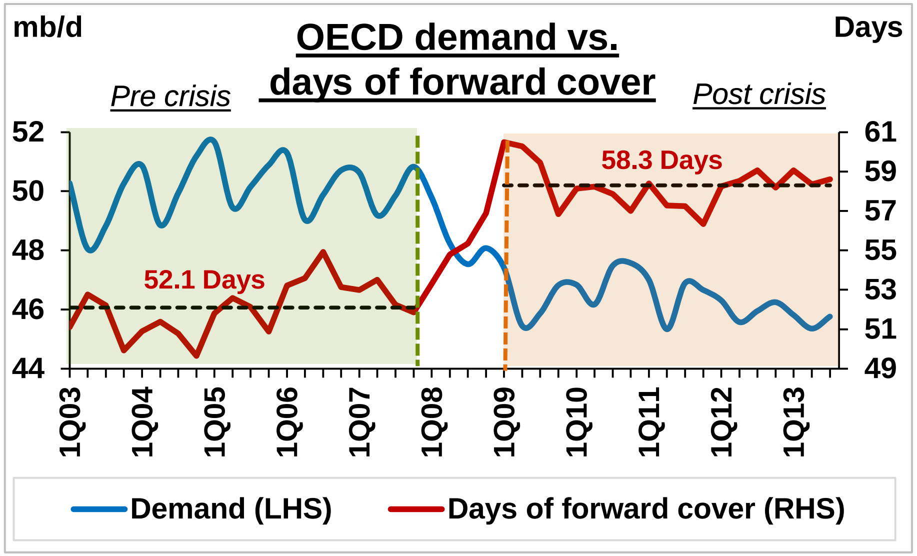


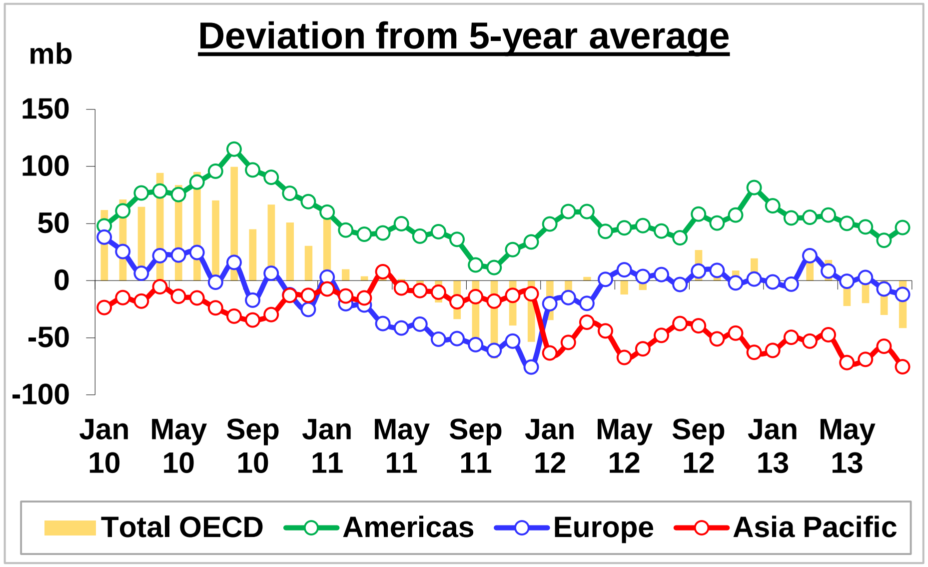
** Forecast*

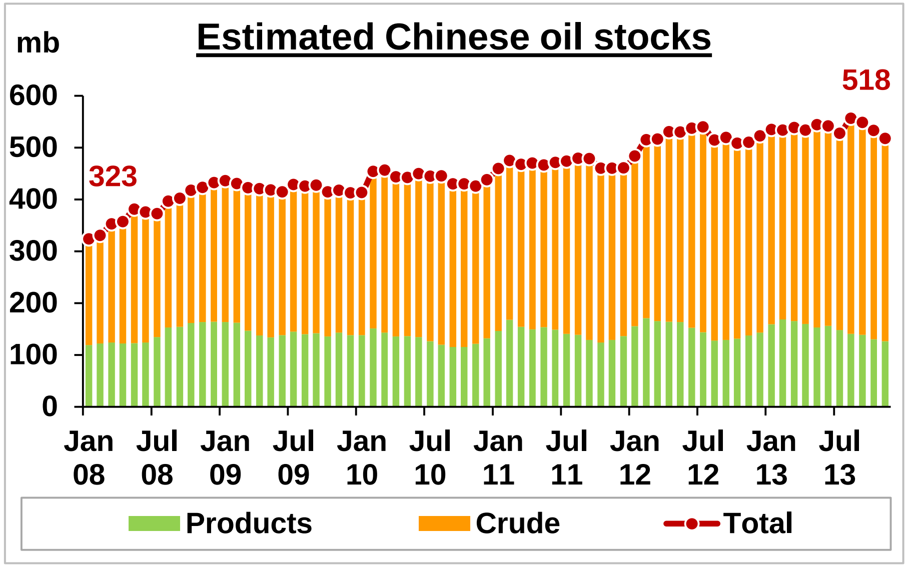
OECD commercial stocks & China oil inventories

Healthy level in days of forward cover

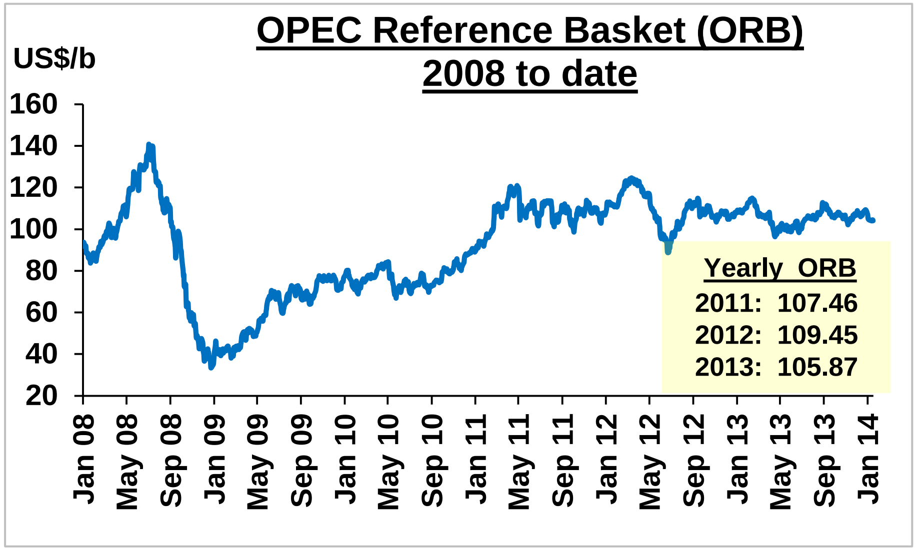


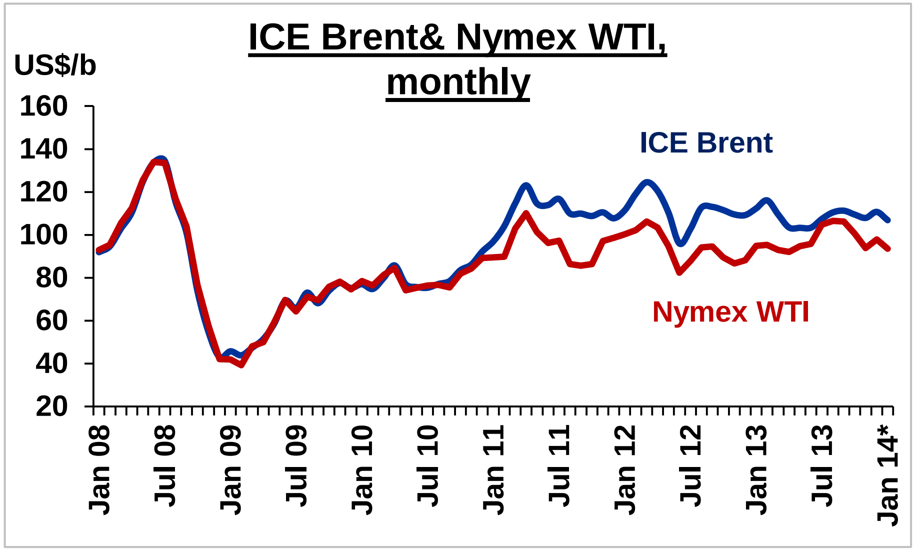


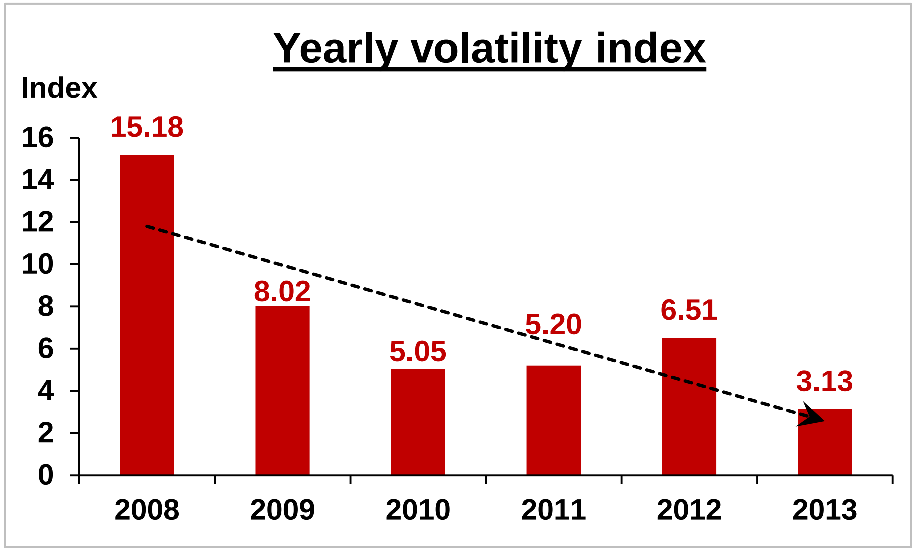


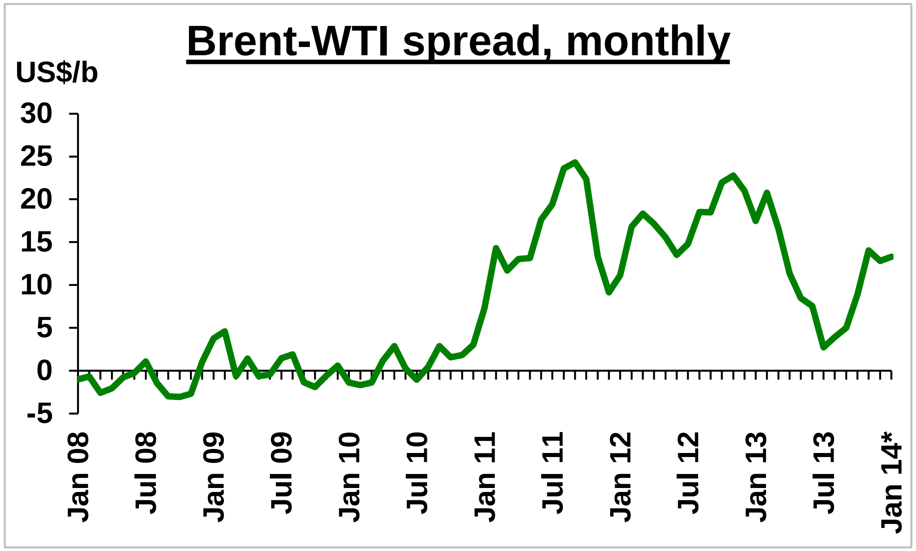


Crude price developments



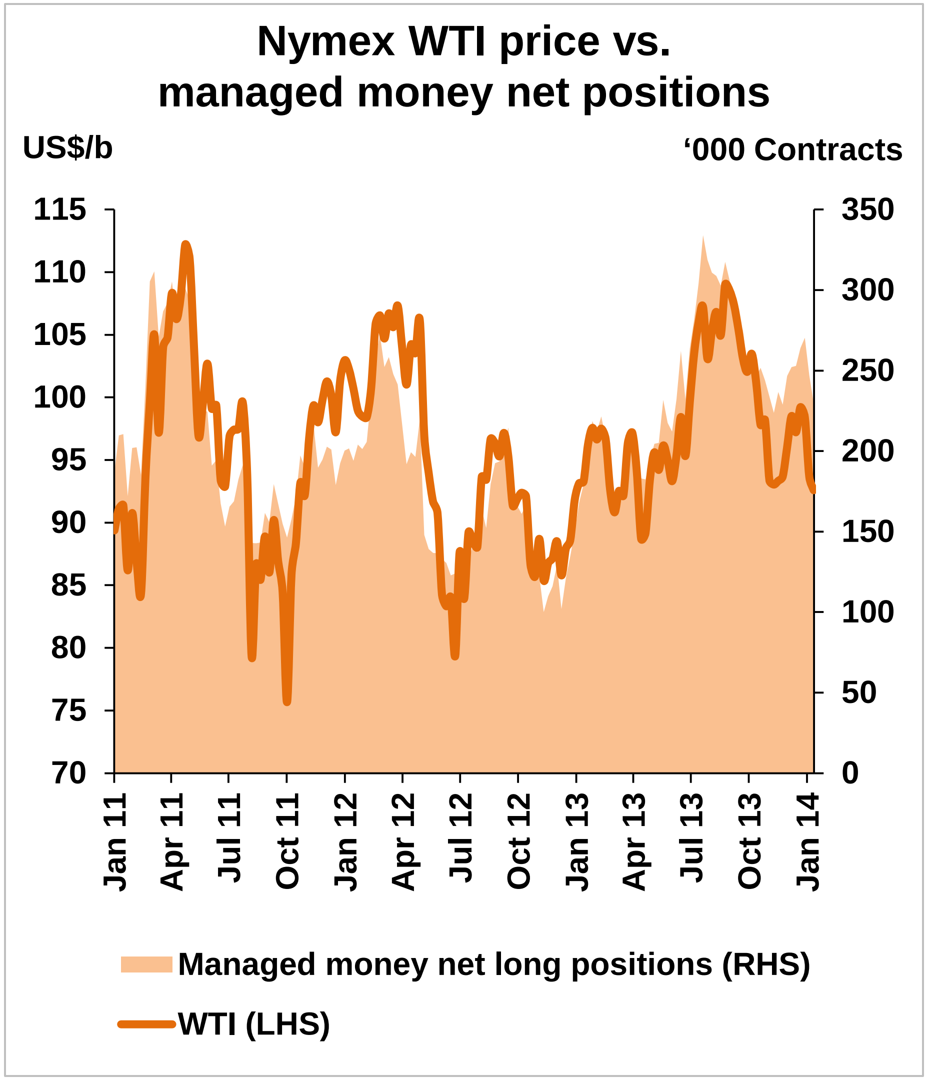


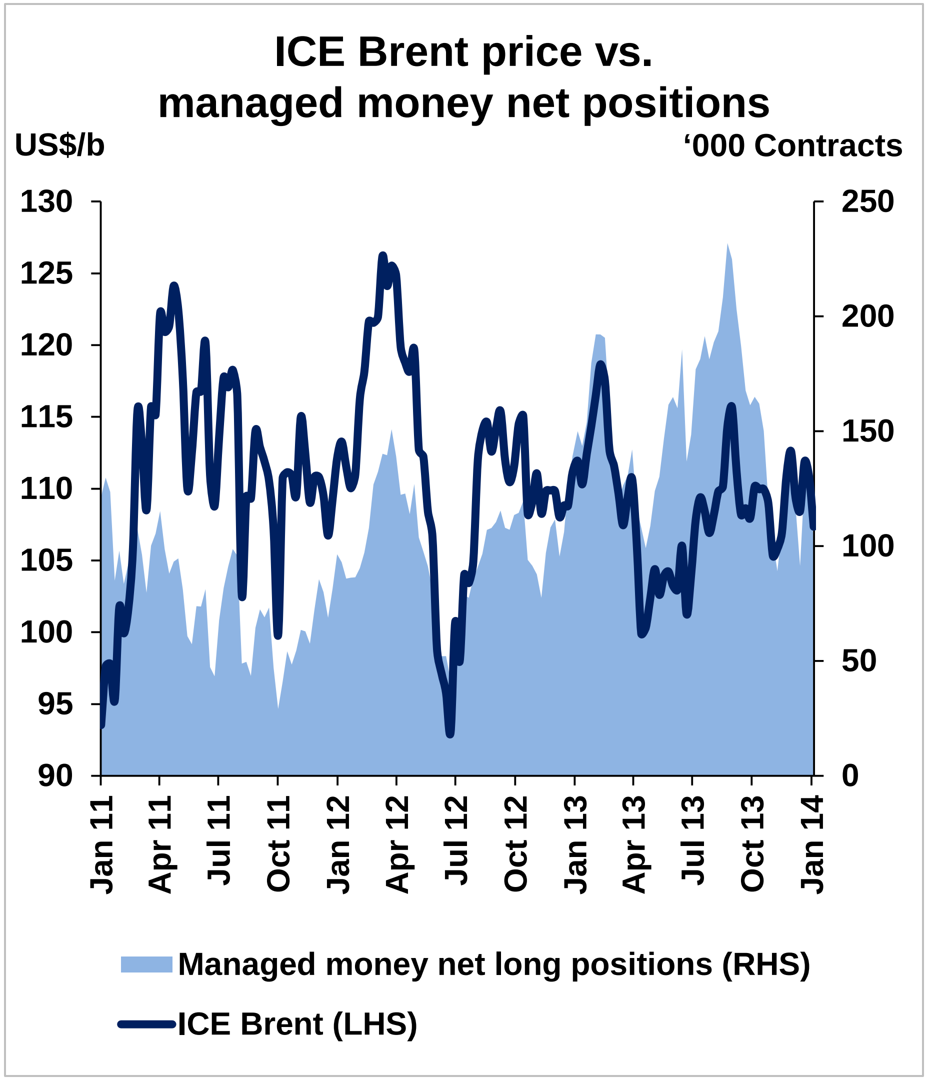




*2014 = year-to-date.

Crude oil futures market and speculation





Conclusions

- Latest indicators show that the global economic recovery will continue to improve this year, with OECD economies leading the momentum and also some emerging economies rebounding. However, fiscal uncertainties remain.
- Total oil demand growth continues to come from non-OECD countries, while OECD oil demand is still contracting, albeit at a slower rate.
- Higher non-OPEC oil supply and OPEC NGL growth will outpace projected world oil demand growth this year.
- Healthy levels of crude oil stocks in OECD countries and an ongoing rise in non-OECD inventories are indications of a well-supplied market.

©2014 Organization of the Petroleum Exporting Countries

www.opec.org

OPEC

Thank you