Recent market developments and near-term prospects

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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
- US
- Japan
- Euro-zone
- China
- India
- Russia
- Brazil
- OPEC

2013: OPEC, Brazil, Russia, India, China, Euro-zone, Japan, US, World
2014*: World, OECD, DCs

Average growth rates (2009-13)

<table>
<thead>
<tr>
<th>Year</th>
<th>World</th>
<th>OECD</th>
<th>DCs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2.9</td>
<td>1.2</td>
<td>3.7</td>
</tr>
<tr>
<td>2014*</td>
<td>3.5</td>
<td>1.9</td>
<td>4.2</td>
</tr>
</tbody>
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World GDP growth comparison

- 2013: OPEC, IMF, Consensus
- 2014: OPEC, IMF, Consensus

*: Forecast
Recent momentum mainly from developed economies

World oil demand outlook in 2014

y-o-y change

OECD oil demand growth by region

Europe

Asia Pacific

Americas

-0.5

-0.2

0.0

2012/11

2013/12

2014/13

Non-OECD oil demand growth by region

FSU

Middle East

Latin America

Other Asia

China

0.8

0.9

1.0

2012

2013

2014*

OECD

Non-OECD

World

* Forecast.
OPEC and IEA revisions of world oil demand growth forecasts for 2012-2013
Non-OPEC supply continues positive growth in 2014, y-o-y change, mb/d

**Expected y-o-y change by region**

- **China**: -0.08
- **OECD Europe**: -0.05
- **OECD Americas**: -0.06
- **Total DCs**: -0.07
- **FSU-ex Russia**: 0.03
- **Russia**: 0.09
- **Net non-OPEC (supply)**: 0.12

**Expected annual growth for selected countries 2014***

- **US**: 0.83
- **Canada**: 0.15
- **Brazil**: 0.15
- **Sudans**: 0.12
- **Kazakhstan**: 0.09
- **Australia**: 0.03
- **UK**: -0.07
- **Mexico**: -0.06
- **Syria**: -0.05
- **Norway**: -0.08

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

Year 2012

Year 2013
OPEC contributes to well-supplied market

**OPEC NGLs (2007-2014*)**

- OPEC NGLs (LHS)
- Cumulative growth (RHS)

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

- Difference between world demand and non-OPEC supply incl. OPEC NGLs
- OPEC crude oil production

* Forecast
OECD commercial stocks & China oil inventories

Healthy level in days of forward cover

OECD commercial stocks

Deviation from 5-year average

Estimated Chinese oil stocks

OECD demand vs. days of forward cover

Pre crisis

Post crisis

Max/Min
2008-12

Days

mb/d

mb

mb

mb

Jan 10
Feb 10
Mar 10
Apr 10
May 10
Jun 10
Jul 10
Aug 10
Sep 10
Oct 10
Nov 10
Dec 10

Jan 11
Feb 11
Mar 11
Apr 11
May 11
Jun 11
Jul 11
Aug 11
Sep 11
Oct 11
Nov 11
Dec 11

Jan 12
Feb 12
Mar 12
Apr 12
May 12
Jun 12
Jul 12
Aug 12
Sep 12
Oct 12
Nov 12
Dec 12

Jan 13
Feb 13
Mar 13
Apr 13
May 13

Jan 08
Jul 08
Jan 09
Jul 09
Jan 10
Jul 10
Jan 11
Jul 11
Jan 12
Jul 12
Jan 13
Jul 13

Total OECD

Americas

Europe

Asia Pacific

Products

Crude

Total

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Crude price developments

OPEC Reference Basket (ORB) 2008 to date

ICE Brent & Nymex WTI, monthly

Yearly volatility index

Brent-WTI spread, monthly

*2014 = year-to-date.
Crude oil futures market and speculation

Nymex WTI price vs. managed money net positions

ICE Brent price vs. managed money net positions

Managed money net long positions (RHS)
WTI (LHS)

Managed money net long positions (RHS)
ICE Brent (LHS)
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.
Thank you

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