Demand growth surprises to the upside

Global y-on-y Absolute Growth
Total Products Growth Rate

mb/d

1Q2012 3Q2013 1Q2015 3Q2016

LPG Naphtha JetKero Diesel Gasoline RFO Other Total (RHS)

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Europe providing the greatest surprise

OECD Europe Demand Growth, y-o-y

- Gasoline/Jet/Kerosene
- Gasoil
- FO/other
- LPG/naphtha
- Total
US has seen recent strong demand strength
Global oil supplies plunged in January

![Graph showing OPEC and Non-OPEC Oil Supply Year-on-Year Change]

- OPEC Crude
- Non-OPEC
- OPEC NGLs
- Total Supply
OPEC shows record initial compliance

**OPEC Crude Production**

(million barrels per day)

<table>
<thead>
<tr>
<th>Country</th>
<th>Dec 2016 Supply</th>
<th>Jan 2017 Supply</th>
<th>Supply Baseline</th>
<th>Agreed Cut</th>
<th>Actual Cut</th>
<th>January Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>1.12</td>
<td>1.05</td>
<td>1.09</td>
<td>-0.05</td>
<td>-0.04</td>
<td>78%</td>
</tr>
<tr>
<td>Angola</td>
<td>1.64</td>
<td>1.64</td>
<td>1.75</td>
<td>-0.08</td>
<td>-0.11</td>
<td>142%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>0.54</td>
<td>0.525</td>
<td>0.55</td>
<td>-0.03</td>
<td>-0.02</td>
<td>88%</td>
</tr>
<tr>
<td>Gabon</td>
<td>0.21</td>
<td>0.20</td>
<td>0.20</td>
<td>-0.01</td>
<td>0.00</td>
<td>22%</td>
</tr>
<tr>
<td>Iran</td>
<td>3.75</td>
<td>3.75</td>
<td>3.71</td>
<td>0.09</td>
<td>0.04</td>
<td>NA</td>
</tr>
<tr>
<td>Iraq</td>
<td>4.66</td>
<td>4.45</td>
<td>4.56</td>
<td>-0.21</td>
<td>-0.11</td>
<td>53%</td>
</tr>
<tr>
<td>Kuwait</td>
<td>2.81</td>
<td>2.71</td>
<td>2.84</td>
<td>-0.13</td>
<td>-0.13</td>
<td>98%</td>
</tr>
<tr>
<td>Qatar</td>
<td>0.63</td>
<td>0.61</td>
<td>0.65</td>
<td>-0.03</td>
<td>-0.04</td>
<td>127%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>10.45</td>
<td>9.98</td>
<td>10.54</td>
<td>-0.49</td>
<td>-0.56</td>
<td>116%</td>
</tr>
<tr>
<td>UAE</td>
<td>3.14</td>
<td>2.96</td>
<td>3.01</td>
<td>-0.14</td>
<td>-0.05</td>
<td>38%</td>
</tr>
<tr>
<td>Venezuela</td>
<td>2.10</td>
<td>2.05</td>
<td>2.07</td>
<td>-0.10</td>
<td>-0.02</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Total OPEC 11</strong></td>
<td><strong>31.05</strong></td>
<td><strong>29.93</strong></td>
<td><strong>30.97</strong></td>
<td><strong>-1.16</strong></td>
<td><strong>-1.04</strong></td>
<td><strong>90%</strong></td>
</tr>
<tr>
<td>Libya</td>
<td>0.62</td>
<td>0.69</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nigeria</td>
<td>1.39</td>
<td>1.44</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total OPEC</strong></td>
<td><strong>33.06</strong></td>
<td><strong>32.06</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Based on October 2016 OPEC secondary source figures, except Angola which is based on September 2016.
2. From OPEC supply baseline.
3. Iran was given a slight increase.
4. Libya and Nigeria are exempt from cuts.
Saudi, Angola, Qatar cut more than needed

Compliance based on Oct baseline versus Jan IEA supply
Non-OPEC supplies to turn the corner

Total Non-OPEC Supply, y-o-y Change

mb/d

1Q13 1Q14 1Q15 1Q16 1Q17

Other North America Total
US returns to growth during 2017

US Total Oil Supply - Yearly Change

-1.5 -1.0 -0.5 0.0 0.5 1.0 1.5 2.0

1Q13 1Q14 1Q15 1Q16 1Q17

mb/d

-1.5 -1.0 -0.5 0.0 0.5 1.0 1.5 2.0

1Q13 1Q14 1Q15 1Q16 1Q17

mb/d

Alaska California Gulf of Mexico NGLs Other Total Texas North Dakota
Oil price still within $54-58/bbl range

Benchmark Crude Prices

$/bbl

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WTI Cushing  N. Sea Dated  Dubai

Nov 16  Dec 16  Jan 17
OECD stocks fell below 3 billions in Dec

OECD Total Oil Stocks

- Range 2011-2015
- Avg 2011-2015
- 2015
- 2016

Jan | Mar | May | Jul | Sep | Nov | Jan
--- | --- | --- | --- | --- | --- | ---
2,600 | 2,700 | 2,800 | 2,900 | 3,000 | 3,100 | 3,200

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Oil market returning to balance?

**Demand/Supply Balance until 2Q17**

- **mb/d**
  - Range: -2.0 to 3.0
  - Vertical axis: 90 to 100

**Note:** For scenario purposes only, IEA assumes OPEC/non-OPEC output cuts implemented as announced.