

Recent market developments and near-term prospects

Presented by:

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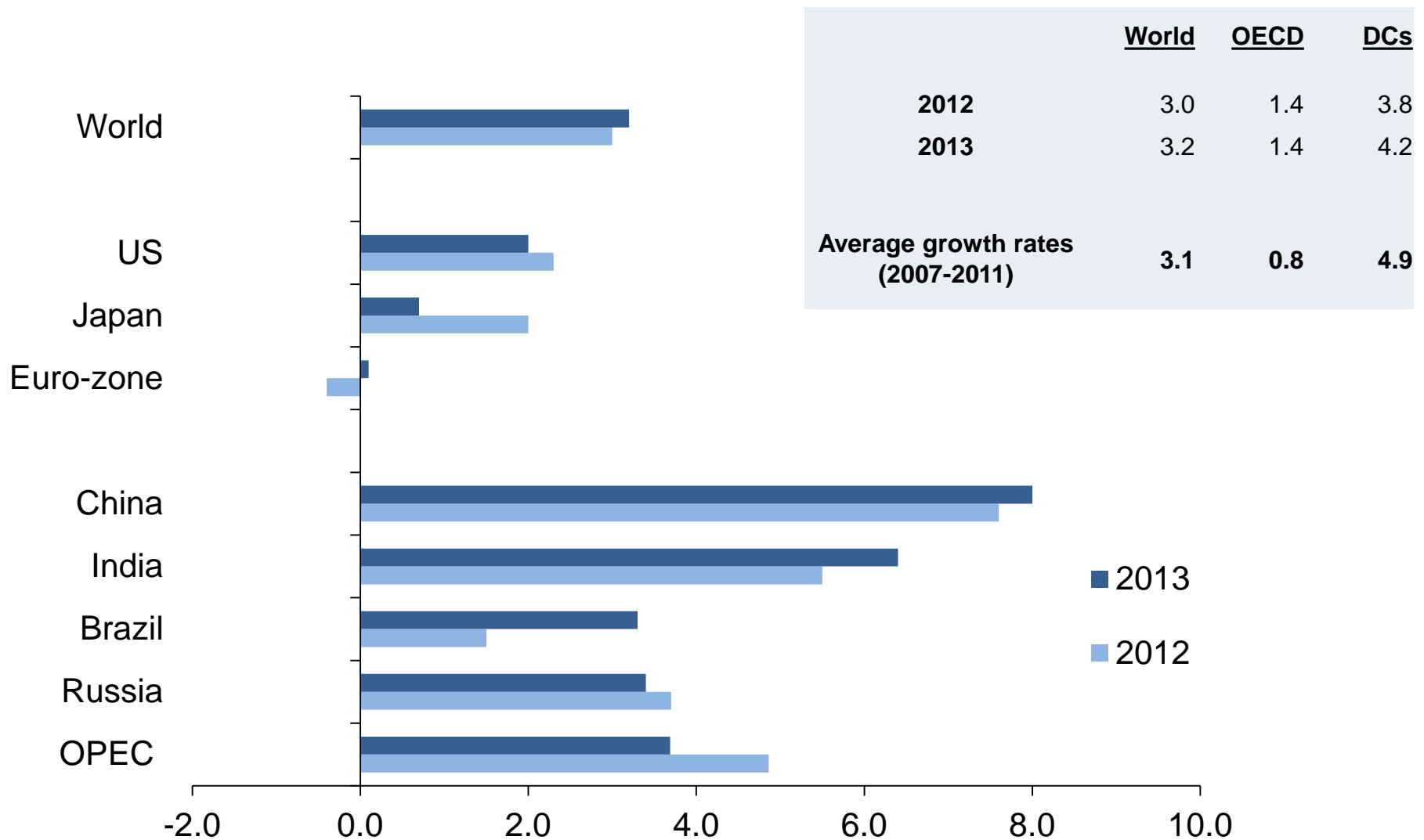
- **Review of market for 2012 and outlook for 2013**
- **Price developments**
- **Conclusion**



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Slight improvement in the world economic outlook

percentage change from the previous year

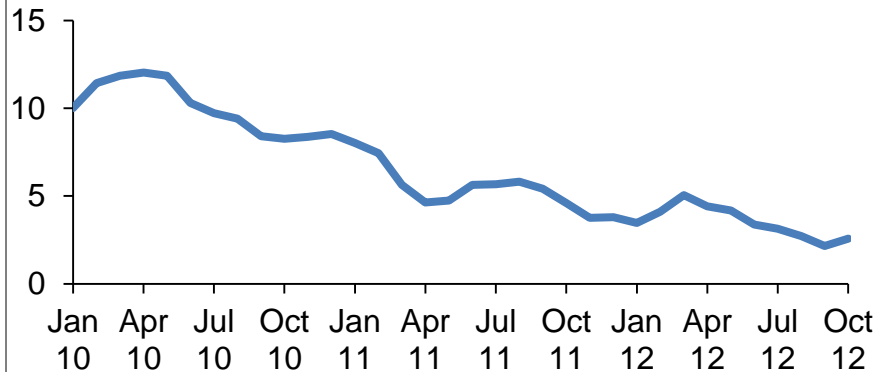


	<u>World</u>	<u>OECD</u>	<u>DCs</u>
2012	3.0	1.4	3.8
2013	3.2	1.4	4.2
Average growth rates (2007-2011)	3.1	0.8	4.9

The global economy stabilized in the 4Q, gaining slight momentum in 2013

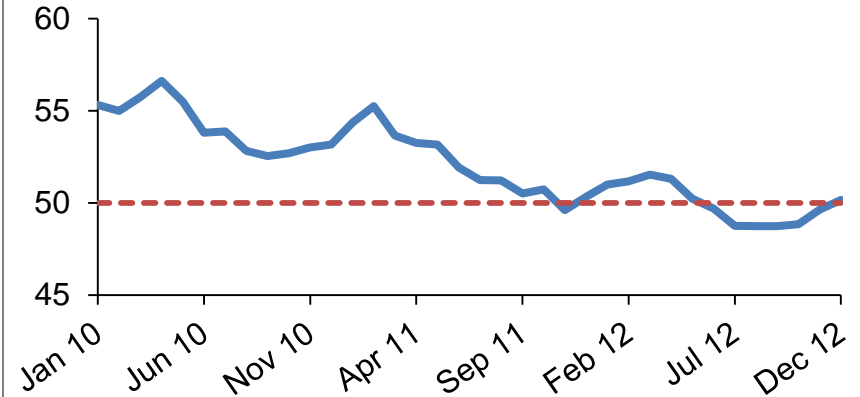


Global industrial production, % change y-o-y



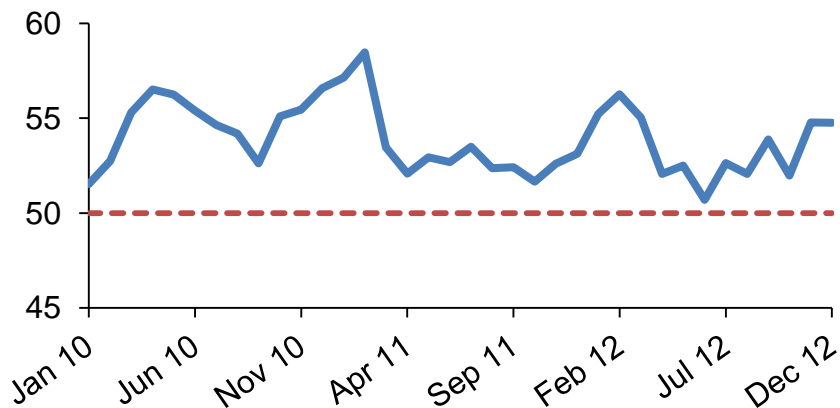
Source: Netherlands Bureau for Economic Policy Analysis and Haver analytics.

Global PMI manufacturing (by JP Morgan)



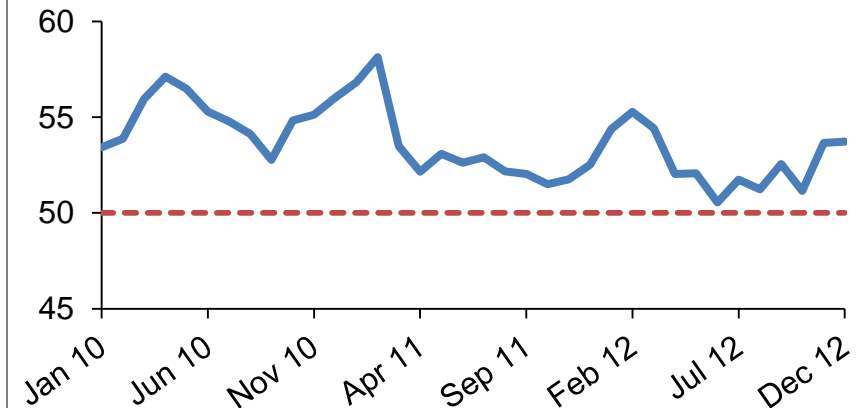
Source: JP Morgan, Markit and Haver analytics.

Global PMI services (by JP Morgan)



Source: JP Morgan, Markit and Haver analytics.

Global PMI composite output (by JP Morgan)

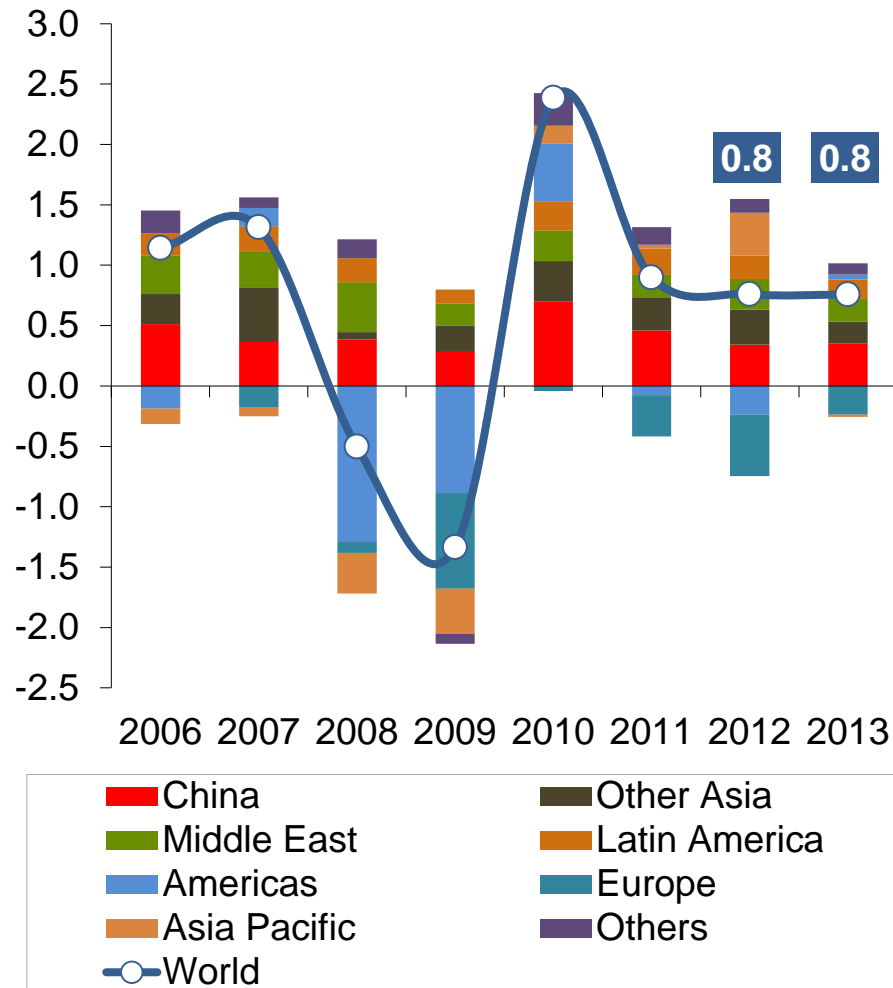


Source: JP Morgan, Markit and Haver analytics.

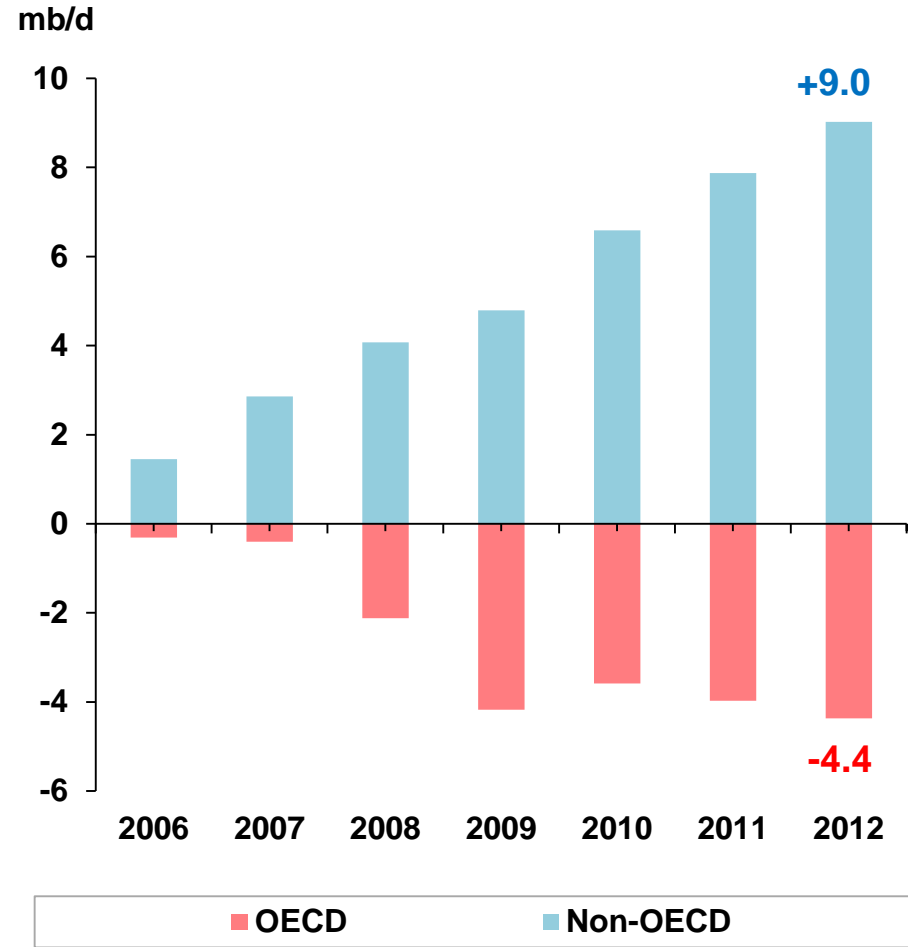
World oil demand growth exclusively coming from non-OECD, y-o-y change, mb/d



World demand growth by region



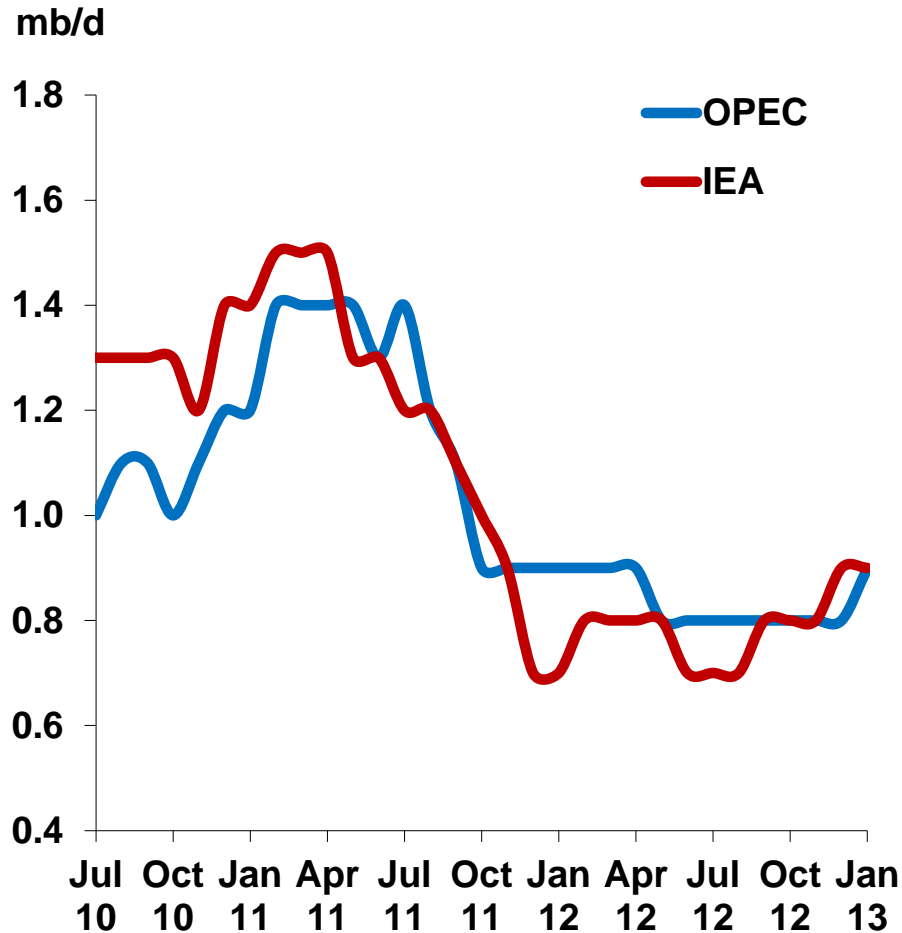
Cumulative oil demand growth



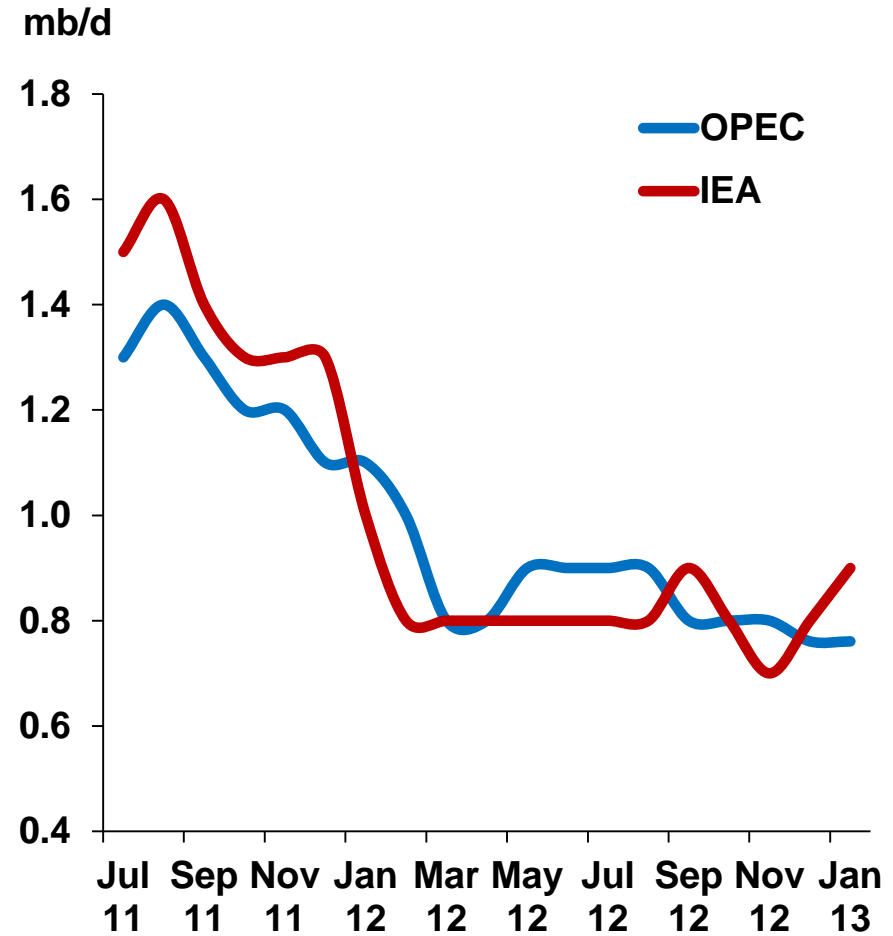
OPEC and IEA revisions of world oil demand growth forecasts for 2011-2012



Year 2011



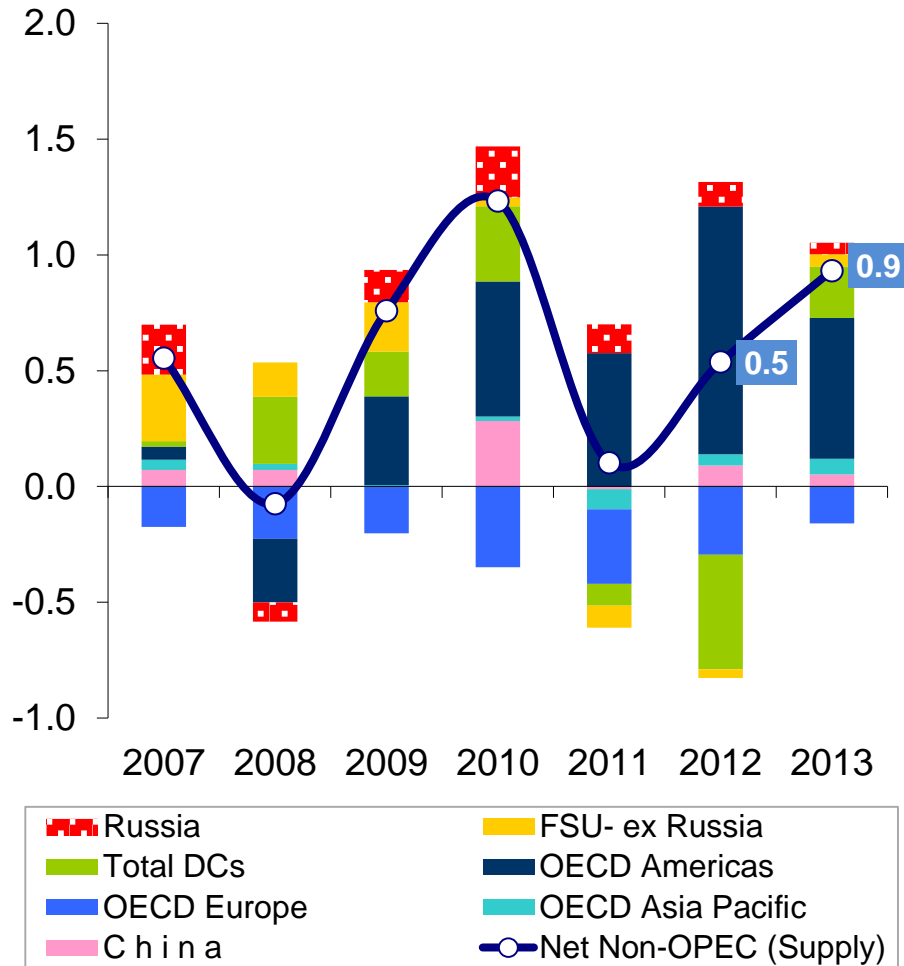
Year 2012



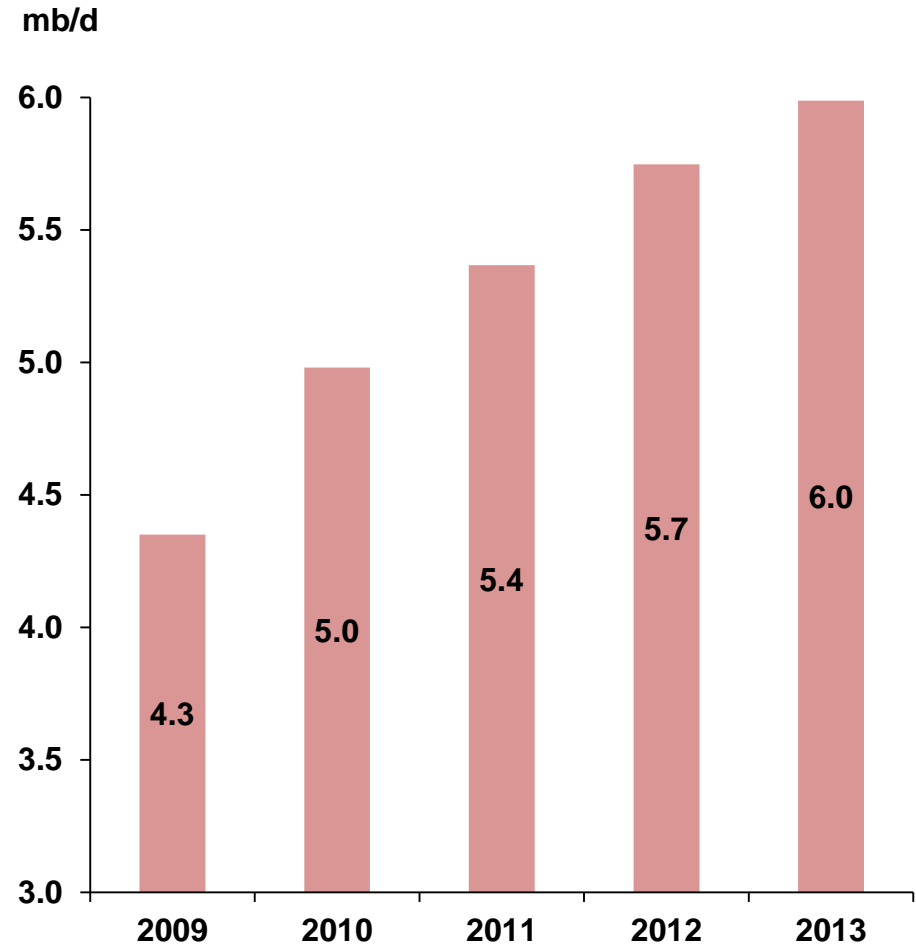
Non-OPEC supply continues positive growth in 2013, y-o-y change, mb/d



Non-OPEC supply by region



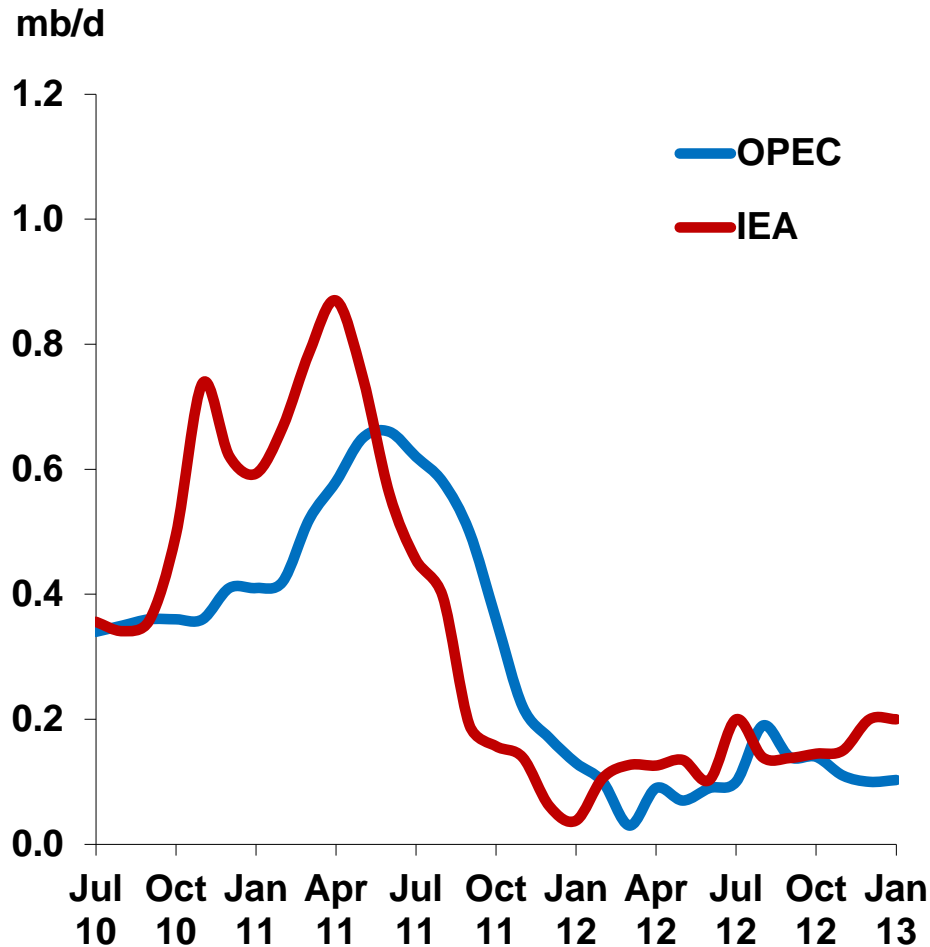
OPEC NGL production



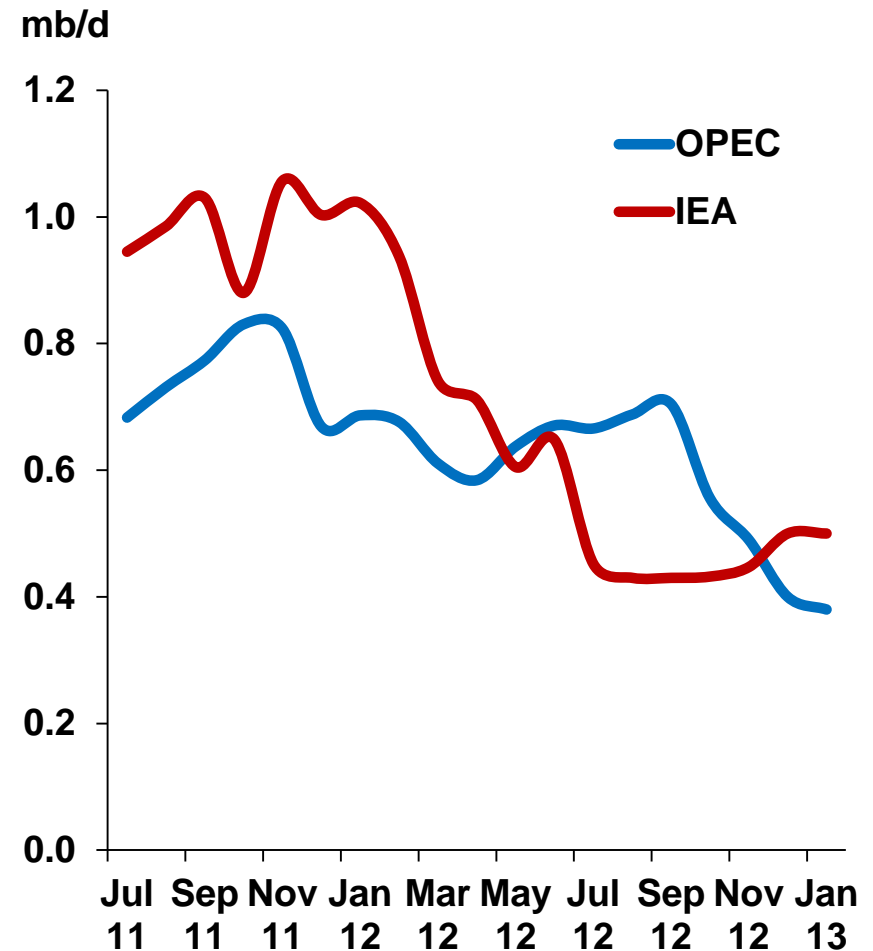
OPEC and IEA revisions of Non-OPEC supply growth forecasts for 2011-2012



Year 2011



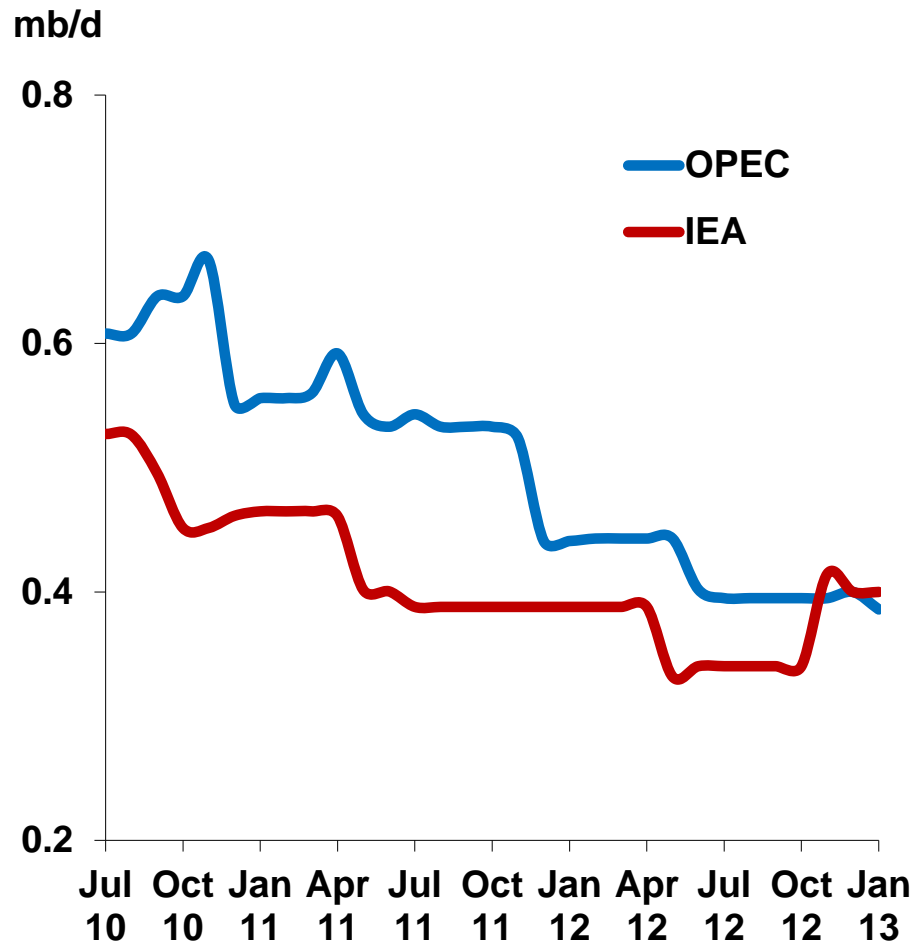
Year 2012



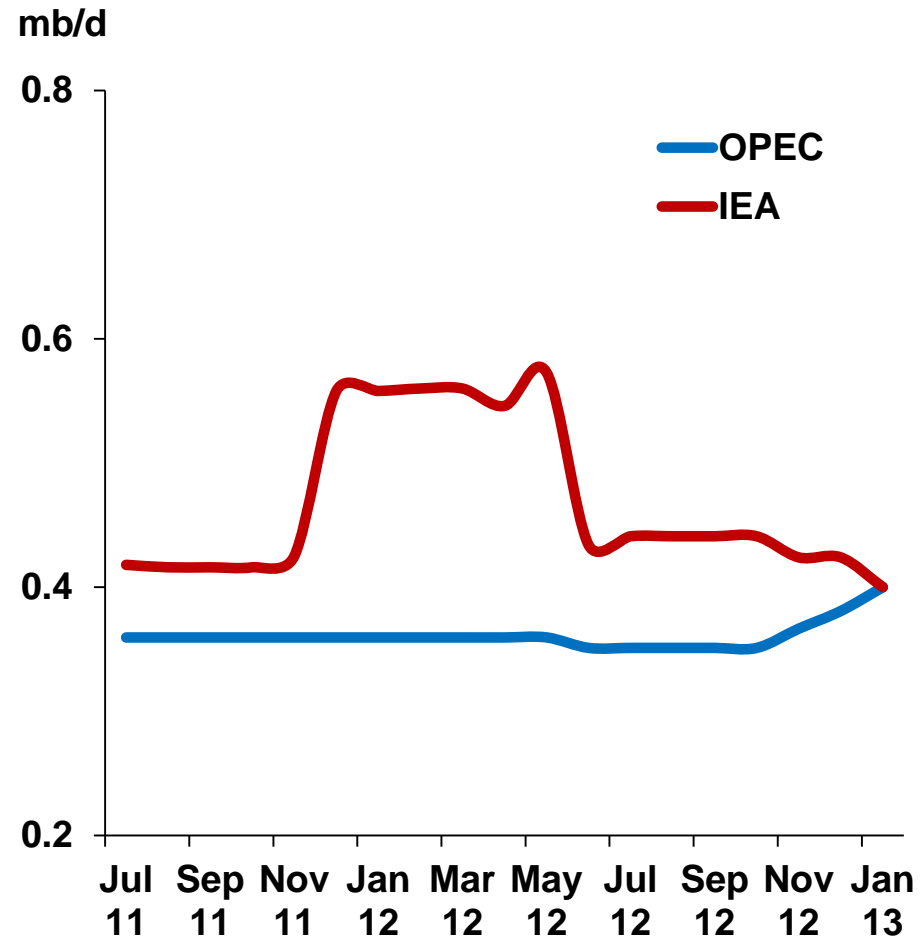
OPEC and IEA revisions of OPEC NGLs growth forecasts for 2011-2012



Year 2011



Year 2012

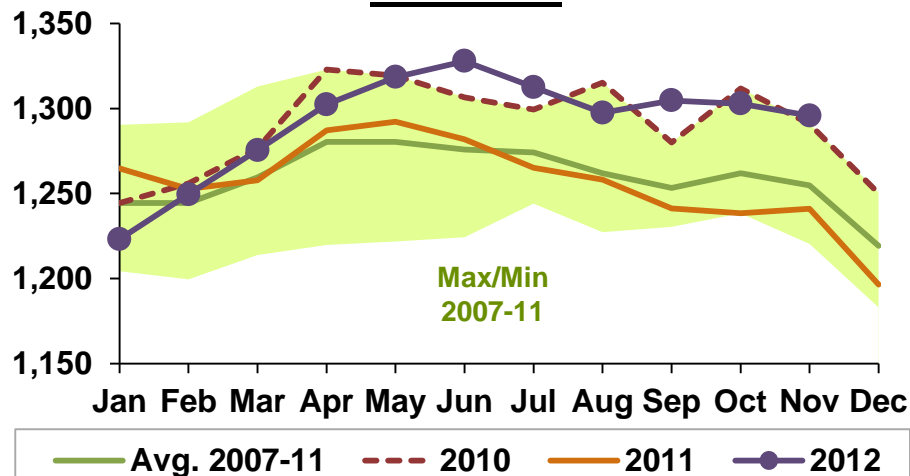


OECD commercial stocks:

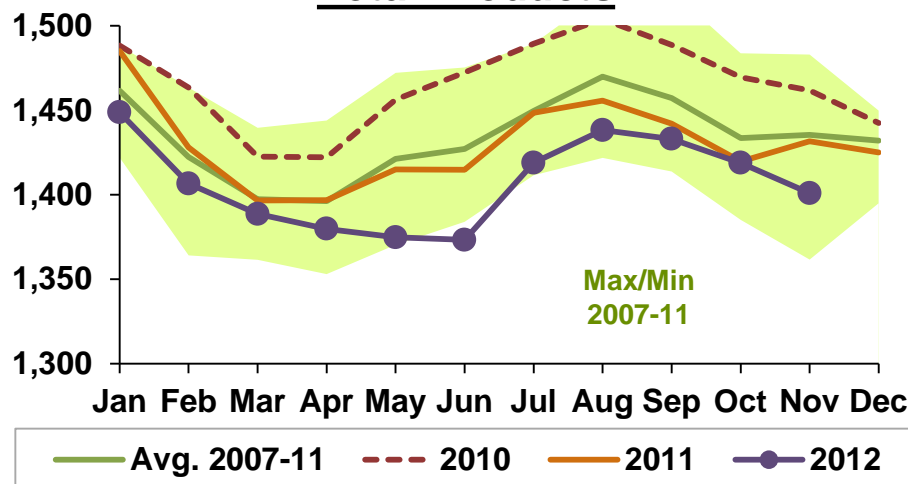
Crude inventories are at a comfortable level, *mb*



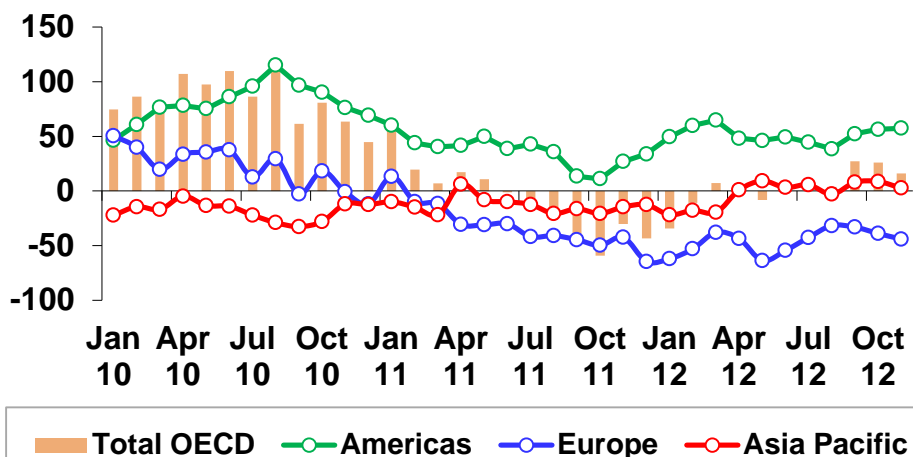
Crude Oil



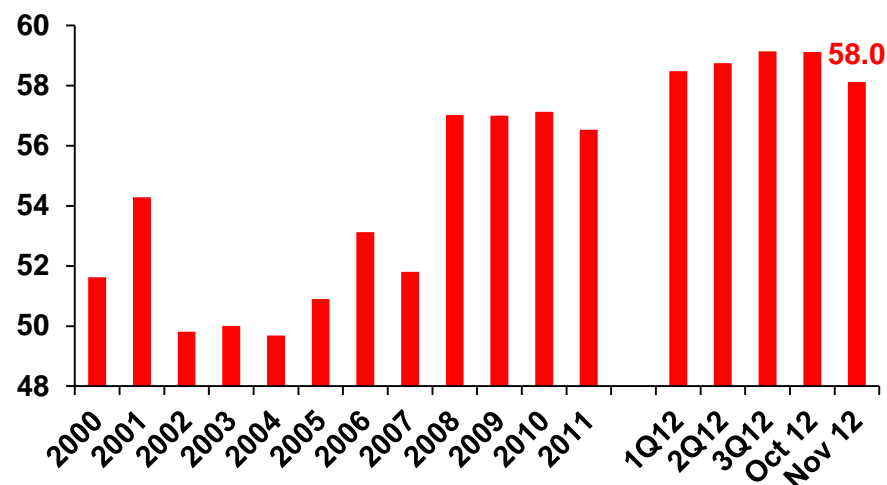
Total Products



Deviation from 5-year average



Total OECD stocks in days of forward cover

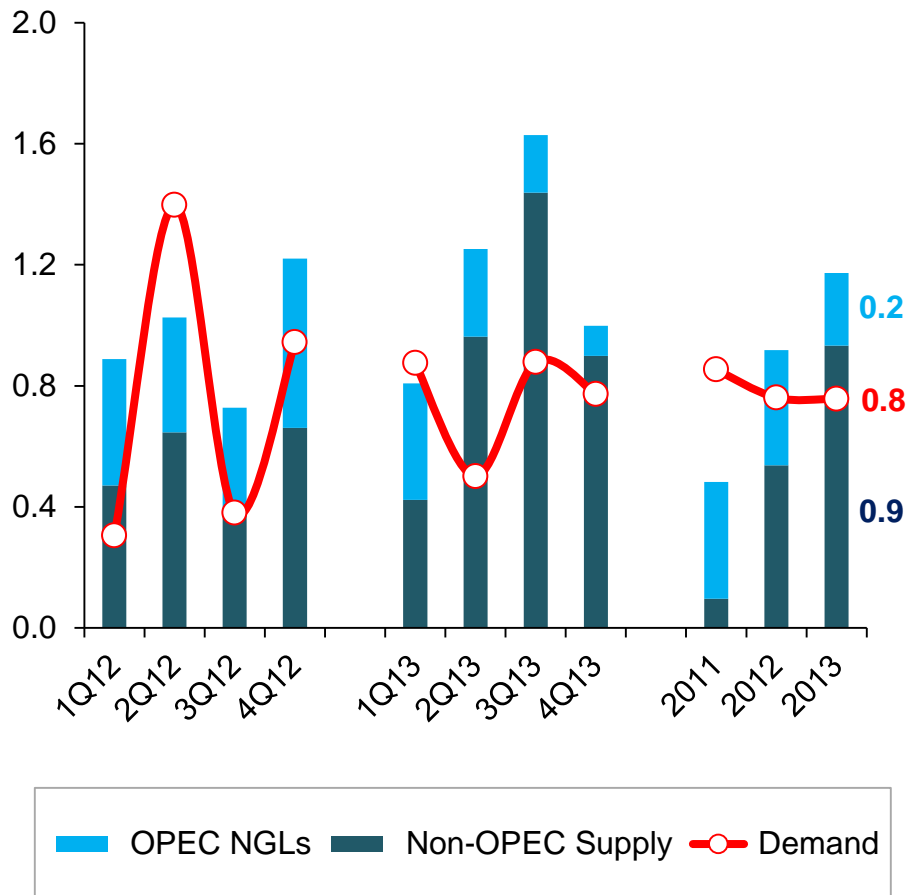


Continued decline in Demand for OPEC crude

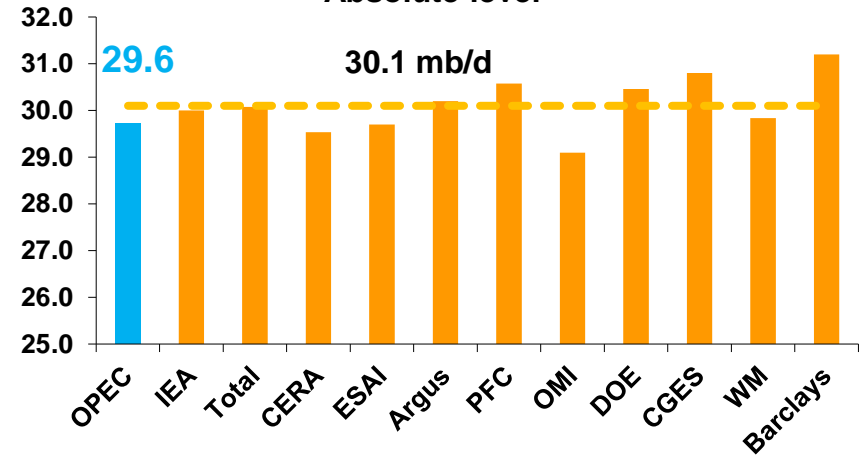
mb/d



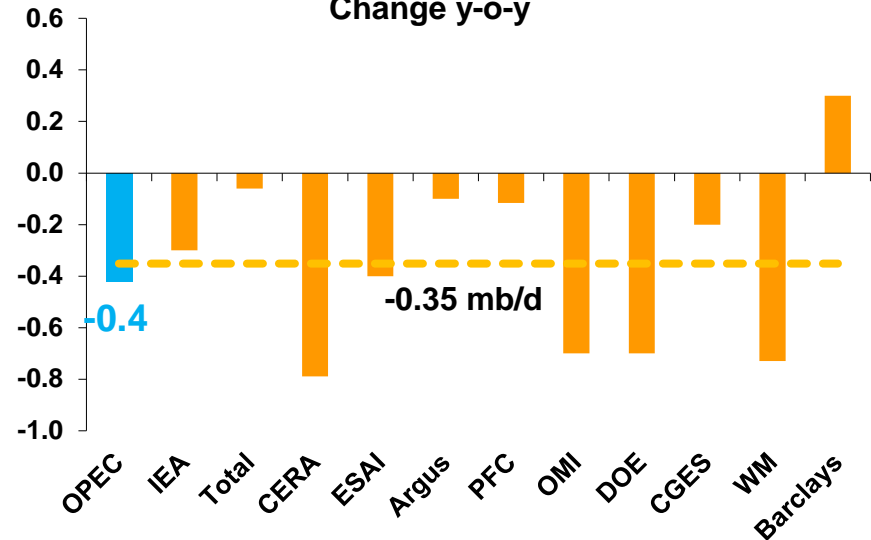
Supply demand yearly change y-o-y



Comparison of demand for OPEC crude Absolute level



Comparison of demand for OPEC crude Change y-o-y



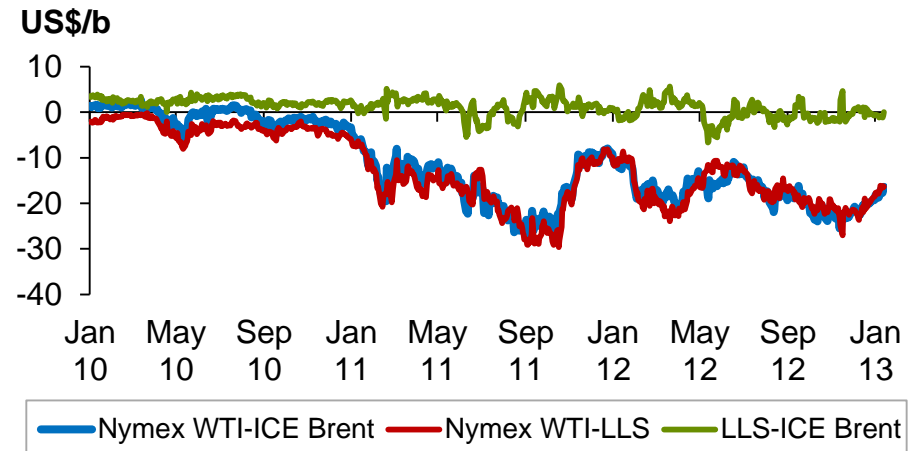


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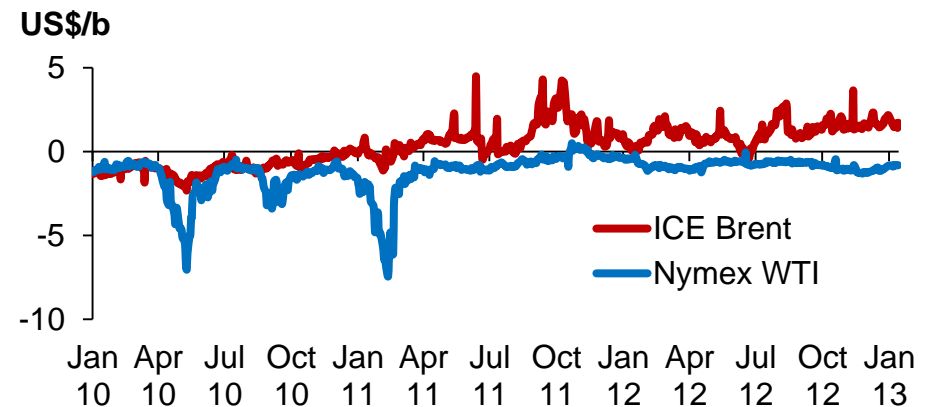
OPEC Reference Basket (ORB)



WTI dislocation from the global market



Forward price curves*

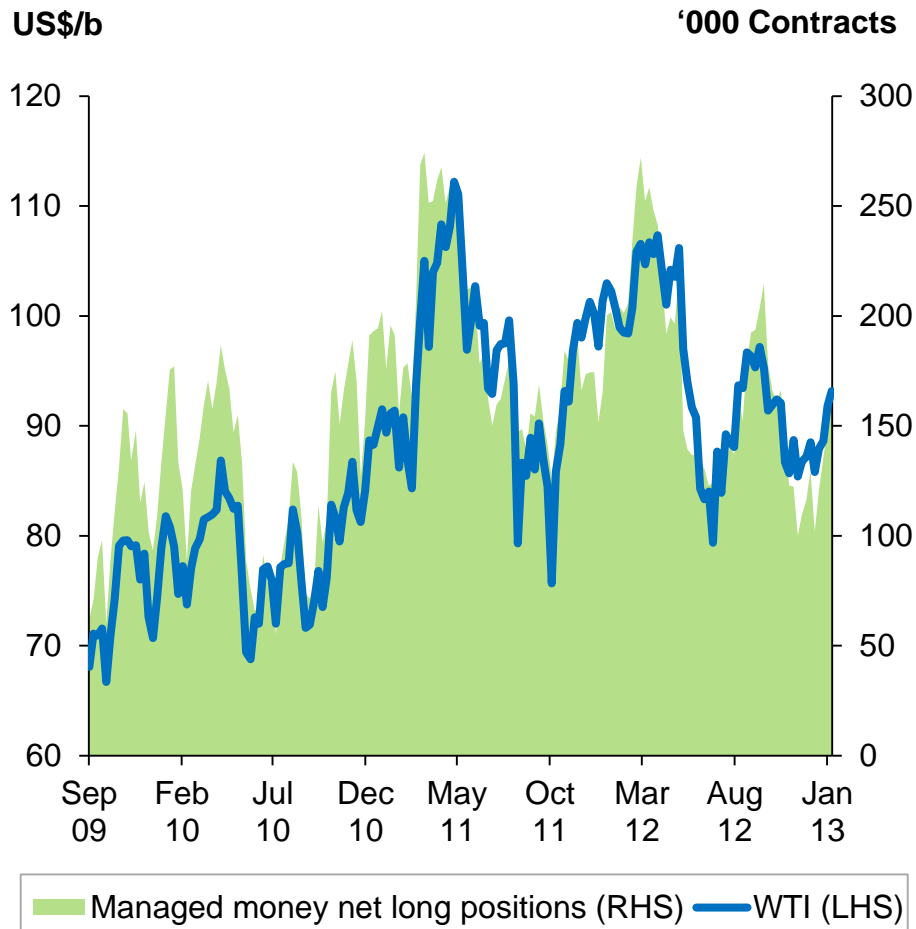


* 1FM – 3FM

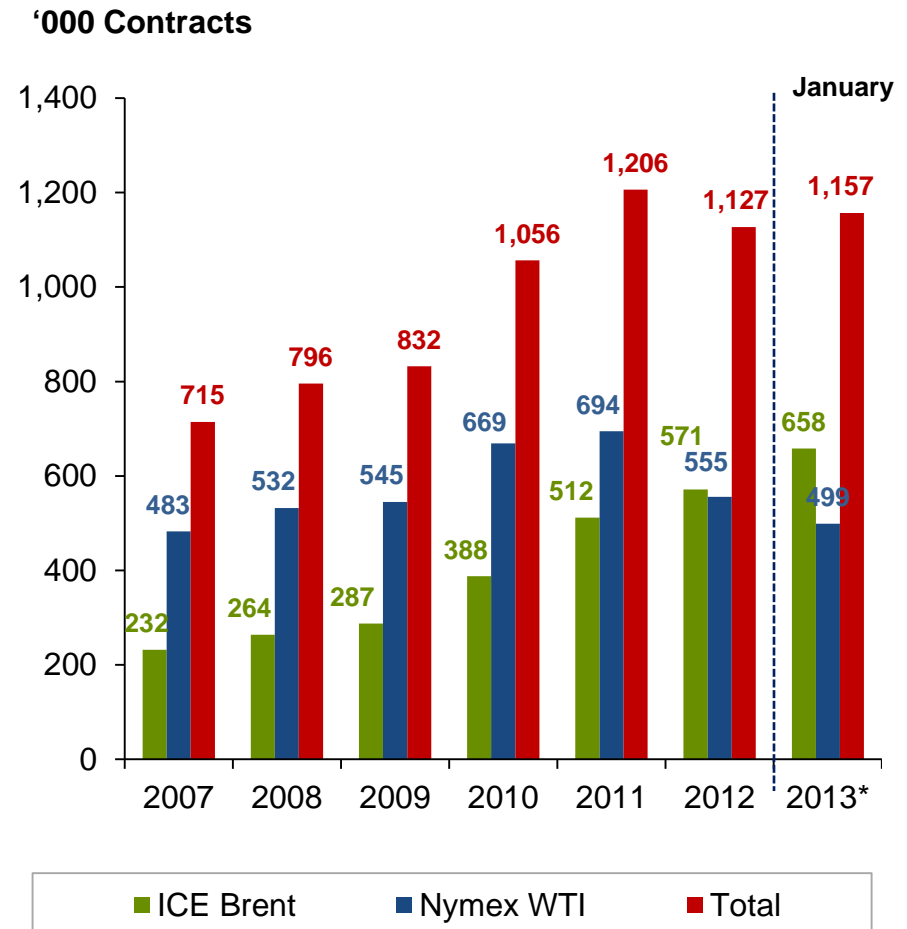
Close link with speculative activity



Nymex WTI price vs. Managed money



Increasing trading volumes in paper markets, particularly in ICE Brent



*Year to date



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- World economic growth expected to see a slight improvement this year (3.2%); however, fiscal uncertainties remain.
- World oil demand growth projected at 0.8 mb/d, in line with the previous year. Total growth exclusively coming from non-OECD as OECD will continue to contract
- Non-OPEC supply to see strong growth in 2013 at 0.9 mb/d, supported by production in US and Canada. OPEC NGLs projected to increase by 0.2 mb/d.
- The increase in Non-OPEC supply and OPEC NGL will met largely the increase in world oil demand in 2013 leading to decline in demand for OPEC crude in by 0.4 mb/d, in line with most forecasts.

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Thank you

