Recent market developments and near-term prospects

Presented by:
Hojatollah Ghanimi Fard, Ph.D.
Head, Petroleum Studies Department, OPEC

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Outline

- 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

Average growth rates (2007-2011)

<table>
<thead>
<tr>
<th></th>
<th>World</th>
<th>OECD</th>
<th>DCs</th>
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</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0</td>
<td>1.4</td>
<td>3.8</td>
</tr>
<tr>
<td>2013</td>
<td>3.2</td>
<td>1.4</td>
<td>4.2</td>
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Organization of the Petroleum Exporting Countries
The global economy stabilized in the 4Q, gaining slight momentum in 2013.

**Global industrial production, % change y-o-y**


**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

-6 -4 -2 0 2 4 6 8 10

mb/d

2006 2007 2008 2009 2010 2011 2012 2013

China
Middle East
Latin America
Americas
Europe
Asia Pacific
Others
World

OECD
Non-OECD

+9.0

-4.4
OPEC and IEA revisions of world oil demand growth forecasts for 2011-2012
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
OPEC and IEA revisions of OPEC NGLs growth forecasts for 2011-2012

Year 2011

Year 2012

mb/d

OPEC

IEA

Jul 10
Oct 10
Jan 11
Apr 11
Jul 11
Oct 11
Jan 12
Apr 12
Jul 12
Oct 12
Jan 13

Jul 11
Sep 11
Nov 11
Jan 12
Mar 12
May 12
Jul 12
Sep 12
Nov 12
Jan 13
OECD commercial stocks: Crude inventories are at a comfortable level, \( mb \)

### Crude Oil

- **Max/Min 2007-11**
- **Avg. 2007-11**
- **2010**
- **2011**
- **2012**

### Total Products

- **Max/Min 2007-11**
- **Avg. 2007-11**
- **2010**
- **2011**
- **2012**

### Deviation from 5-year average

- **Total OECD**
- **Americas**
- **Europe**
- **Asia Pacific**

### Total OECD stocks in days of forward cover

- **58.0**
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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Price developments

OPEC Reference Basket (ORB)

124.64
(13 March)

88.74
(22 June)

WTI dislocation from the global market

Forward price curves*

ICE Brent
Nymex WTI

* 1FM – 3FM
Close link with speculative activity

Nymex WTI price vs. Managed money

US$/b

‘000 Contracts

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

Increasing trading volumes in paper markets, particularly in ICE Brent

‘000 Contracts

January

*Year to date

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

ICE Brent  Nymex WTI  Total

2007 2008 2009 2010 2011 2012 2013*

232 264 287 388 512 571 658

715 796 832 669 694 571 655

483 532 545 388 512 555 499

1,056 1,206 1,127 1,157

699 1,157

ICE Brent  Nymex WTI  Total

*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.
Thank you

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