

## Oil Market Monthly Report

April - 2016

### In this Report...

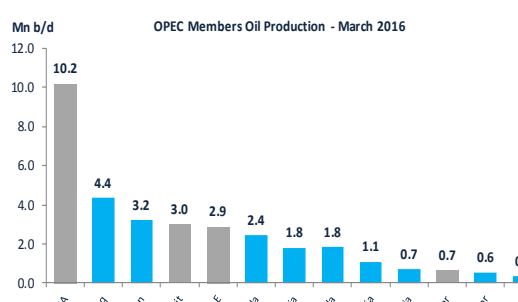
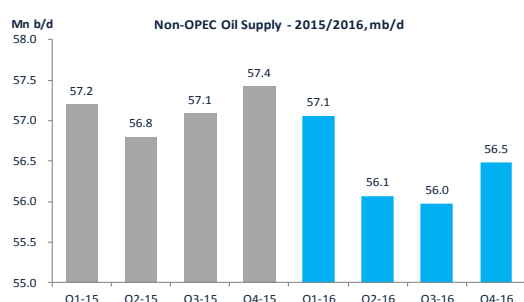
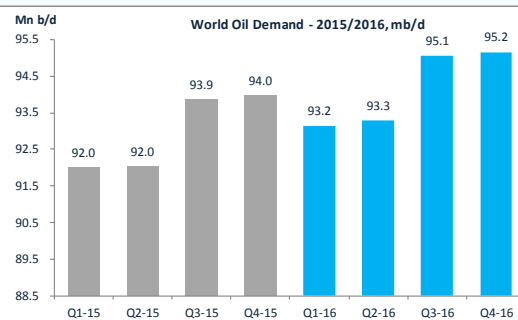
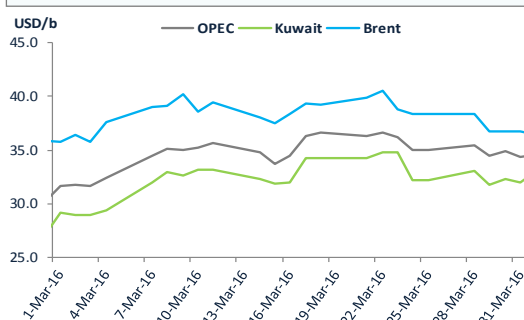
Oil Prices .....	2
Oil Demand .....	3
Oil Supply .....	4
Reserve & Capacity .....	5
Oil Price Forecast .....	6

**Oil prices remained elevated during March-16 on the back of hopes that a deal between OPEC and non-OPEC producers would bring about balance in the oil market.** However, these hopes got a temporary jolt during the first week of April-16 with prices tumbling almost 4% in a single day when Saudi Arabia said that it would not join an output freeze without the participation of Iran and other major oil producer. Nevertheless, a reassuring statement from Kuwait's OPEC governor regarding output freeze pushed up Brent prices to a 4-month high level of USD 43.49 on 12-April-16. The governor expressed confidence that irrespective of whether or not Iran joins the oil output freeze decision during the 17-April-16 OPEC meeting in Doha, other countries can agree on a production freeze as there is no other option for stemming oil prices. The governor also said that the production freeze could be at February-16 production levels and could also set a floor price for oil. Meanwhile, an Iranian oil official was quoted as saying that the country would continue increasing oil production and exports until it reaches pre-sanction levels.

**Other factors that supported oil prices included a broad weakness in USD as well as signs of rising oil demand in China.** In addition, the latest inventory data from US pointed to a surprisingly higher fall in inventory levels coupled with a decline in US oil production that declined for the 10th time in the past eleven weeks. US oil production stood at just above the 9 mb/d mark, the lowest production level since November-14, adding to hopes that it would fall below this psychologically important level in the next week. Furthermore, US oil rigs fell for the 15th time in the last 16 weeks to 354 after declining by eight rigs in the latest weekly data released by Baker Hughes.

**On the other hand, supply side factors, although significant, did not had much of an impact on oil prices due to the overall positive sentiments in the oil market.** With Saudi Arabia already producing at elevated levels and Iran planning to add additional output, it emerged that Iraq boosted its output to a record 4.55 mb/d during March-16. This follows news that Russia increased its oil production to historical highs. This recent boost in oil production by OPEC and non-OPEC members indicates that the producers are preparing for a production freeze at their highest possible individual production levels.

**Average monthly OPEC oil prices surged 21% during March-16, the highest jump in thirteen months, to reach USD 34.65/b. Similarly, average monthly Kuwait oil prices also surged 20% to reach USD 32.27/b by the end of the month.** In terms of monthly production, according to Bloomberg, March-16 output was marginally up by 64 tb/d to 33.09 mb/d as compared to 33.02 mb/d during the previous month. The increase in production was largely associated with increase in production in Iraq, Iran and Angola, partially offset by marginal declines in production in UAE, Nigeria and Libya.



Source for the above charts : OPEC and Bloomberg

### Faisal Hasan, CFA

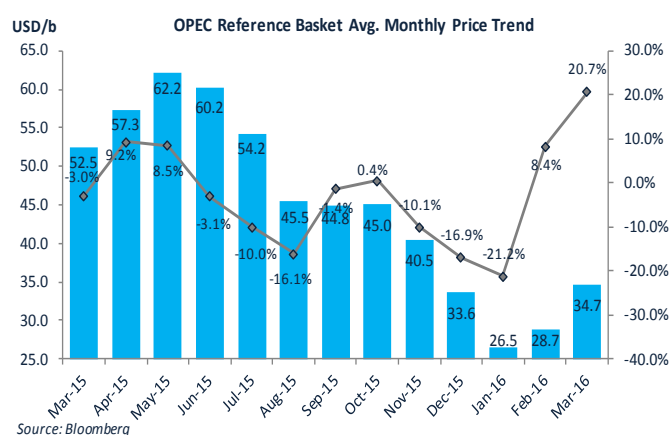
Head - Investment Research  
 +(965) 2233 6907  
[faisal.hasan@kamconline.com](mailto:faisal.hasan@kamconline.com)

### Junaid Ansari

Assistant Vice President  
 +(965) 2233 6912  
[junaid.ansari@kamconline.com](mailto:junaid.ansari@kamconline.com)

## Oil Prices

The expected talks on oil freeze at the next week's OPEC meet has been driving oil prices since over a month. The positive sentiments started fading especially after Saudi Arabia's deputy crown prince said that the Kingdom would join the agreement only if Iran and other major producers join the agreement. However, a positive statement from Kuwait's OPEC governor pushed oil prices to above the USD 40/b level. On the impact of Iran not joining the output freeze talks, the governor said that this would not hinder the agreement as it will be difficult for Iran to sell its crude in an oversupplied market. She also said that oil market is expected to balance during 2H-16 and oil may close the year between USD 45 - USD 60 per barrel. In a similar statement, the CEO of Abu Dhabi's ADNOC said that the oil market would balance by the end of next year and prices are expected to rise in the medium term, although it would remain volatile in the near term.



Demand side factors saw limited upside but a key data point highlighted higher oil demand in China with car sales up 6% year-on-year during Q1-16 and is further expected to grow by 5% during the first half of the year, according to industry reports. On the supply side, EIA data released at the end of the first week of April-16 saw declining oil production and inventories, which coupled with the ongoing broad softening of USD, pushed oil prices to 4-month high levels. However, inventories went up again during the second week of April-16 according to data from EIA and API. Meanwhile, the latest weekly report from Baker Hughes showed that oil rigs in the US declined by eight to a new historical low of 354 rigs bringing the YTD decline in rig count to 184.

Average monthly OPEC oil prices surged 21% during March-16, the highest jump in thirteen months, to reach USD 34.65/b. Similarly, average monthly Kuwait oil prices also surged 23% to reach USD 33.0/b by the end of the month. Prices continued to surge during April-16 resulting in strong YTD-16 gains which stood at 18% for OPEC oil and 22% for Kuwait oil. Prices of Brent crude also surged during March-16 with average monthly prices up by 19% as compared to the previous month's average.

Average Crude Oil Prices, USD/b	Feb-16	Mar-16	Change	2015	2016
<b>OPEC Reference Basket</b>	<b>28.7</b>	<b>34.7</b>	<b>5.9</b>	<b>50.3</b>	<b>30.2</b>
Arab Light	28.8	34.7	6.0	50.0	30.2
Basrah Light	27.1	33.4	6.3	48.3	28.8
Bonny Light	32.2	38.5	6.3	55.3	35.3
Es Sider	31.5	37.5	6.1	52.6	34.1
Girassol	32.3	38.4	6.1	54.4	33.8
Iran Heavy	27.3	33.2	6.0	49.8	28.6
<b>Kuwait Export</b>	<b>26.8</b>	<b>33.0</b>	<b>6.2</b>	<b>48.4</b>	<b>28.5</b>
Marine	29.4	35.5	6.1	51.7	30.8
Merey	21.4	25.8	4.5	43.9	23.3
Minas	29.5	34.6	5.1	52.1	31.7
Murban	34.2	40.0	5.9	54.8	35.5
Oriente	24.7	31.5	6.8	45.0	26.9
Saharan Blend	33.3	39.4	6.2	54.4	35.5
<b>Other Crudes</b>					
Brent	32.5	38.5	6.1	53.9	34.1
Dubai	29.4	35.2	5.7	52.0	30.7
Isthmus	28.7	35.5	6.8	49.9	31.5
LLS	32.3	40.0	7.7	52.8	35.2
Mars	27.7	34.5	6.8	49.2	30.1
Urals	30.9	36.9	6.0	53.3	31.9
WTI	30.3	37.8	7.4	48.6	33.4
<b>Differentials</b>					
Brent/WTI	2.1	0.7	(1.4)	5.4	0.7
Brent/LLS	0.2	(1.5)	(1.7)	1.1	(1.1)
Brent/Dubai	3.0	3.4	0.3	1.9	3.4

Source: OPEC Monthly Oil Market Report - April 2016

## World Oil Demand

Total world oil demand growth for 2015 was kept largely unchanged from the last month at 1.54 mb/d to reach 92.98 mb/d. Oil demand grew consistently over the four quarters of 2015 with India seeing the largest percentage increase in oil demand during the year recorded at 7%. Demand growth in China was also strong but stood at a distant second recording a growth of 3.5% or 0.37 mb/d to reach 10.83 mb/d during the year. In terms of absolute demand growth, US recorded the strongest growth of 0.3 mb/d followed by demand growth of 0.26 mb/d in India, in line with demand growth for the complete OECD Europe region. Demand in total OECD grew by 1% or 0.45 mb/d to 46.17 mb/d during 2015 whereas Developing Countries saw an even stronger demand growth of 0.72 mb/d or 2.4% to reach 30.72 mb/d during the year.

World Oil Demand - 2014/2015, mb/d	2014	Q1-15	Q2-15	Q3-15	Q4-15	2015	Y-o-Y Growth	% Chg.
Americas	24.14	24.24	24.12	24.77	24.37	24.37	0.24	0.98
of which US	19.41	19.62	19.54	20.02	19.68	19.71	0.30	1.56
Europe	13.45	13.47	13.57	14.14	13.67	13.71	0.26	1.93
Asia Pacific	8.14	8.74	7.72	7.63	8.28	8.09	(0.05)	(0.59)
<b>Total OECD</b>	<b>45.73</b>	<b>46.45</b>	<b>45.40</b>	<b>46.53</b>	<b>46.32</b>	<b>46.17</b>	<b>0.45</b>	<b>0.98</b>
Other Asia	11.47	11.52	11.95	11.92	12.19	11.90	0.42	3.68
of which India	3.79	4.01	3.98	3.94	4.27	4.05	0.26	6.99
Latin America	6.60	6.40	6.66	6.88	6.50	6.61	0.00	0.06
Middle East	8.14	8.24	8.21	8.74	8.19	8.35	0.20	2.51
Africa	3.78	3.88	3.85	3.79	3.93	3.87	0.09	2.34
<b>Total Developing Countries (DCs)</b>	<b>30.00</b>	<b>30.03</b>	<b>30.67</b>	<b>31.34</b>	<b>30.81</b>	<b>30.72</b>	<b>0.72</b>	<b>2.39</b>
Former Soviet Union (FSU)	4.59	4.43	4.27	4.64	4.98	4.58	(0.01)	(0.21)
Other Europe	0.65	0.66	0.62	0.66	0.75	0.67	0.02	2.88
China	10.46	10.44	11.06	10.69	11.13	10.83	0.37	3.51
<b>Total "Other Regions"</b>	<b>15.71</b>	<b>15.52</b>	<b>15.96</b>	<b>15.99</b>	<b>16.85</b>	<b>16.09</b>	<b>0.38</b>	<b>2.39</b>
<b>Total World</b>	<b>91.44</b>	<b>92.00</b>	<b>92.03</b>	<b>93.87</b>	<b>93.98</b>	<b>92.98</b>	<b>1.54</b>	<b>1.69</b>

Source: OPEC Monthly Oil Market Report - April 2016

Oil demand growth for 2016 was surprisingly lowered by 50 tb/d to 1.20 mb/d to an average consumption of 94.18 mb/d. The downward revision primarily reflected economic weakness in the Latin American region that is expected to result in a marginal rise in oil demand in the region. Within the region, economic conditions in Brazil is expected to remain slow during the year although upside risks remain strong that includes the ongoing low oil price environment as well as the upcoming Olympics in the country both of which are expected to push transportation fuel requirements. In OECD Americas, the most recent monthly US oil demand data pointed to a decline in oil requirements due to warm winter and lower industrial activity. However, strong demand for jet fuel helped to offset some decline during the month. Oil requirements also declined in Canada and Mexico during January-16 primarily led by lower demand from the power generation sector partially offset by transportation fuel requirements. OECD Europe also presented a depressed picture for oil demand during the first two months of 2016 on the back of a warmer winter as compared to the previous year as well as the higher baseline effect in 2015. In Asia, oil demand declined in Japan whereas the rest of the region including South Korea, India, Indonesia, Taiwan and China all recorded higher demand during the start of the year.

World Oil Demand - 2015/2016, mb/d	2015	Q1-16	Q2-16	Q3-16	Q4-16	2016	Y-o-Y Growth	% Chg.
Americas	24.37	24.44	24.44	25.05	24.64	24.64	0.27	1.09
of which US	19.71	19.87	19.81	20.26	19.91	19.96	0.25	1.27
Europe	13.71	13.50	13.59	14.14	13.66	13.72	0.01	0.07
Asia Pacific	8.09	8.63	7.62	7.54	8.18	7.99	(0.09)	(1.17)
<b>Total OECD</b>	<b>46.17</b>	<b>46.57</b>	<b>45.65</b>	<b>46.73</b>	<b>46.48</b>	<b>46.36</b>	<b>0.18</b>	<b>0.39</b>
Other Asia	11.90	12.01	12.30	12.27	12.55	12.28	0.39	3.26
of which India	4.05	4.31	4.15	4.11	4.44	4.26	0.20	5.06
Latin America	6.61	6.36	6.70	6.91	6.51	6.62	0.01	0.22
Middle East	8.35	8.35	8.37	8.91	8.35	8.50	0.15	1.77
Africa	3.87	3.99	3.96	3.90	4.05	3.98	0.11	2.85
<b>Total Developing Countries (DCs)</b>	<b>30.72</b>	<b>30.72</b>	<b>31.33</b>	<b>31.99</b>	<b>31.46</b>	<b>31.38</b>	<b>0.66</b>	<b>2.15</b>
Former Soviet Union (FSU)	4.58	4.44	4.32	4.68	5.03	4.62	0.04	0.82
Other Europe	0.67	0.68	0.64	0.68	0.77	0.70	0.02	3.57
China	10.83	10.73	11.35	10.99	11.42	11.13	0.29	2.71
<b>Total "Other Regions"</b>	<b>16.09</b>	<b>15.86</b>	<b>16.32</b>	<b>16.35</b>	<b>17.22</b>	<b>16.44</b>	<b>0.36</b>	<b>2.21</b>
<b>Total World</b>	<b>92.98</b>	<b>93.15</b>	<b>93.30</b>	<b>95.07</b>	<b>95.16</b>	<b>94.18</b>	<b>1.20</b>	<b>1.29</b>

Source: OPEC Monthly Oil Market Report - April 2016

## World Oil Supply

Non-OPEC oil supply growth in 2015 was once again revised upward by 40 tb/d to 1.46 mb/d to average at 57.13 mb/d on the back of upward revision in Bahrain (3Q-15 and 4Q-15) and Russia (first three quarters of 2015) partially offset by downward revisions for US, UK and Other Asia Pacific regions. The largest increase in oil supply from among the non-OPEC producers in 2015 was recorded for the OECD Americas region (with US being the main contributor to growth) that saw its supply revised upwards by 10 tb/d to 0.92 mb/d in the latest monthly report. Meanwhile, the OECD Asia Pacific region saw a downward revision of 10 tb/d primarily due to decline in crude oil production in Australia. Furthermore, in the Middle East region, production figures for Bahrain and Oman were revised for 2015 that led to an upward revision of 10 tb/d for the region during 2015.

Non-OPEC Oil Supply - 2014/2015, mb/d	2014	Q1-15	Q2-15	Q3-15	Q4-15	2015	Y-o-Y Growth	% Chg.
Americas	20.08	21.04	20.69	21.14	21.15	21.01	0.92	4.63
of which US	12.96	13.78	14.05	14.06	14.05	13.99	1.03	7.95
Europe	3.61	3.69	3.77	3.68	3.86	3.75	0.14	3.88
Asia Pacific	0.51	0.43	0.45	0.50	0.47	0.46	(0.05)	(9.80)
<b>Total OECD</b>	<b>24.20</b>	<b>25.16</b>	<b>24.90</b>	<b>25.32</b>	<b>25.49</b>	<b>25.22</b>	<b>1.01</b>	<b>4.21</b>
Other Asia	2.60	2.71	2.71	2.65	2.73	2.70	0.10	3.85
Latin America	5.01	5.23	5.16	5.17	5.18	5.18	0.18	3.39
Middle East	1.34	1.30	1.27	1.26	1.25	1.27	(0.07)	(5.22)
Africa	2.38	2.39	2.37	2.36	2.35	2.37	(0.01)	(0.42)
<b>Total Developing Countries (DCs)</b>	<b>11.33</b>	<b>11.63</b>	<b>11.51</b>	<b>11.45</b>	<b>11.52</b>	<b>11.53</b>	<b>0.20</b>	<b>1.77</b>
Former Soviet Union (FSU)	13.55	13.77	13.68	13.61	13.73	13.70	0.15	1.11
of which Russia	10.68	10.83	10.83	10.83	10.89	10.85	0.17	1.59
Other Europe	0.13	0.13	0.13	0.13	0.13	0.13	0.00	0.00
China	4.30	4.33	4.39	4.38	4.37	4.37	0.07	1.63
<b>Total "Other regions"</b>	<b>17.98</b>	<b>18.23</b>	<b>18.20</b>	<b>18.13</b>	<b>18.24</b>	<b>18.20</b>	<b>0.22</b>	<b>1.22</b>
<b>Total Non-OPEC Production</b>	<b>53.51</b>	<b>55.02</b>	<b>54.61</b>	<b>54.89</b>	<b>55.24</b>	<b>54.94</b>	<b>1.43</b>	<b>2.67</b>
Processing gains	2.16	2.19	2.19	2.19	2.19	2.19	0.02	1.39
<b>Total Non-OPEC Supply</b>	<b>55.67</b>	<b>57.20</b>	<b>56.80</b>	<b>57.08</b>	<b>57.42</b>	<b>57.13</b>	<b>1.46</b>	<b>2.62</b>
<b>OPEC NGLs and non-conventionals</b>	<b>6.00</b>	<b>6.02</b>	<b>6.11</b>	<b>6.18</b>	<b>6.29</b>	<b>6.15</b>	<b>0.15</b>	<b>2.50</b>
<b>OPEC Crude Oil Production</b>	<b>30.77</b>	<b>31.03</b>	<b>31.89</b>	<b>32.24</b>	<b>32.25</b>	<b>31.85</b>	<b>1.08</b>	<b>3.50</b>
<b>Total World Supply</b>	<b>92.44</b>	<b>94.25</b>	<b>94.80</b>	<b>95.50</b>	<b>95.96</b>	<b>95.13</b>	<b>2.69</b>	<b>2.91</b>

Source: OPEC Monthly Oil Market Report - April 2016

Non-OPEC oil supply growth for 2016 was revised downward by 30 tb/d in the latest monthly oil report and is expected to decline by 0.73 mb/d to average at 56.39 mb/d. The downward revision primarily reflects lower expected oil output from onshore mature fields in China as well as lower supply from Columbia. These declines more than offset upward revisions in Canada, Norway, Russia and Oman in Q1-16. In terms of regional supply, the OECD Americas region is expected to see the steepest decline in oil supply in 2016. In a related development, the US EIA, in its monthly drilling report, said that US crude oil production from the seven major shale regions could fall by 114 tb/d to 4.8 mb/d in May-16 as compared to April-16.

Non-OPEC Oil Supply - 2015/2016, mb/d	2015	Q1-16	Q2-16	Q3-16	Q4-16	2016	Y-o-Y Growth	% Chg.
Americas	21.01	20.88	20.35	20.39	20.54	20.54	(0.46)	(2.19)
of which US	13.99	13.75	13.49	13.42	13.56	13.56	(0.43)	(3.07)
Europe	3.75	3.81	3.62	3.55	3.68	3.66	(0.09)	(2.40)
Asia Pacific	0.46	0.46	0.46	0.46	0.44	0.45	(0.01)	(2.17)
<b>Total OECD</b>	<b>25.22</b>	<b>25.15</b>	<b>24.43</b>	<b>24.40</b>	<b>24.67</b>	<b>24.66</b>	<b>(0.56)</b>	<b>(2.22)</b>
Other Asia	2.70	2.70	2.71	2.75	2.78	2.73	0.03	1.11
Latin America	5.18	5.08	5.17	5.21	5.32	5.20	0.01	0.19
Middle East	1.27	1.27	1.25	1.24	1.24	1.25	(0.02)	(1.57)
Africa	2.37	2.35	2.36	2.34	2.33	2.34	(0.03)	(1.27)
<b>Total Developing Countries (DCs)</b>	<b>11.53</b>	<b>11.40</b>	<b>11.49</b>	<b>11.54</b>	<b>11.66</b>	<b>11.52</b>	<b>0.00</b>	<b>0.00</b>
Former Soviet Union (FSU)	13.70	13.88	13.53	13.42	13.49	13.58	(0.12)	(0.88)
of which Russia	10.85	11.02	10.80	10.72	10.77	10.83	(0.02)	(0.18)
Other Europe	0.13	0.13	0.13	0.13	0.13	0.13	0.00	0.00
China	4.37	4.30	4.29	4.28	4.33	4.30	(0.07)	(1.60)
<b>Total "Other regions"</b>	<b>18.20</b>	<b>18.31</b>	<b>17.95</b>	<b>17.84</b>	<b>17.95</b>	<b>18.01</b>	<b>(0.19)</b>	<b>(1.04)</b>
<b>Total Non-OPEC Production</b>	<b>54.94</b>	<b>54.86</b>	<b>53.87</b>	<b>53.78</b>	<b>54.28</b>	<b>54.20</b>	<b>(0.75)</b>	<b>(1.37)</b>
Processing gains	2.19	2.20	2.20	2.20	2.20	2.20	0.01	0.46
<b>Total Non-OPEC Supply</b>	<b>57.13</b>	<b>57.06</b>	<b>56.07</b>	<b>55.98</b>	<b>56.48</b>	<b>56.39</b>	<b>(0.73)</b>	<b>(1.28)</b>

Source: OPEC Monthly Oil Market Report - April 2016

## OPEC Oil Production & Spare Capacity

According to Bloomberg, March-16 oil production was marginally up by 64 tb/d to 33.09 mb/d as compared to 33.02 mb/d during the previous month. The increase in production was largely associated with increase in production in Iraq (+150 tb/d), Iran (+100 tb/d) and Angola (+41 tb/d), partially offset by marginal declines in production in UAE (-90 tb/d), Nigeria (-74 tb/d) and Libya (-40 tb/d). Higher production in Iraq comes despite cuts in investment as the country targets to reach an oil output level of 6 mb/d by 2020 primarily by increasing production in the Southern Iraq's Basra region.

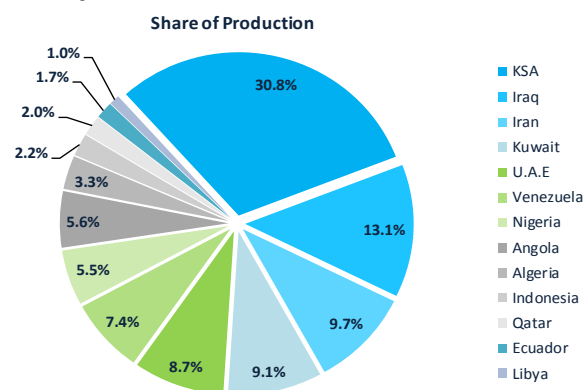
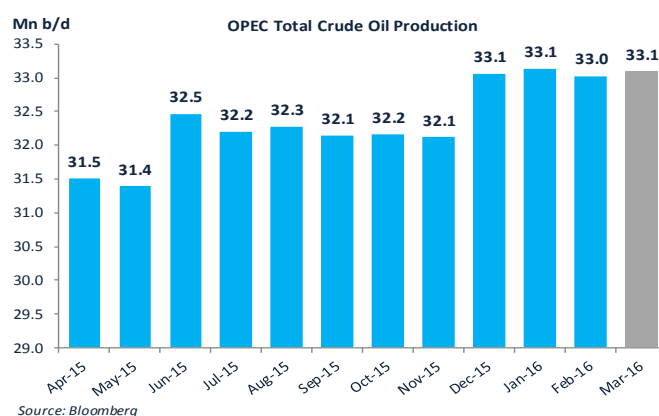
Meanwhile, Kuwait, which is currently producing at the rate of 3 mb/d, has plans to add additional 165 tb/d by offering contracts for offshore rigs and support services to drill its first undersea wells. In addition, the Khajfi oil field jointly operated by Kuwait and Saudi

Production ('000 b/d)	Feb-16	Mar-16	Change		Capacity	Spare Capacity
<b>Total OPEC-12</b>	<b>33,026</b>	<b>33,090</b>	<b>64</b>	<b>0.2%</b>	<b>36,644</b>	<b>3,554</b>
<b>KSA</b>	10,200	10,190	-10	-0.1%	12,500	2,310
Iraq	4,200	4,350	150	3.6%	4,450	100
Iran	3,100	3,200	100	3.2%	2,900	-300
<b>Kuwait</b>	3,000	3,000	0	0.0%	3,000	0
U.A.E	2,980	2,890	-90	-3.0%	3,150	260
Venezuela	2,451	2,440	-11	-0.4%	2,500	60
Nigeria	1,889	1,815	-74	-3.9%	2,200	385
Angola	1,801	1,842	41	2.3%	1,870	28
Algeria	1,110	1,100	-10	-0.9%	1,150	50
Indonesia	724	732	8	N/A	828	96
<b>Qatar</b>	650	650	0	0.0%	780	130
Ecuador	551	551	0	0.0%	536	-15
Libya	370	330	-40	-10.8%	780	450
<b>Total OPEC-11</b>	<b>28,826</b>	<b>28,740</b>	<b>-86</b>	<b>-0.30%</b>	<b>32,194</b>	<b>3,454</b>

Source: Bloomberg

Arabia, which was non-operational since October 2014, is set to resume production. The field is expected to reach a pre-stoppage production level 280 tb/d - 300 tb/d gradually after the requirements of the amended contracts are met. In the medium term, Kuwait plans to increase its total production to 4 mb/d by 2020.

The overall production by OPEC members continued to remain elevated at above the 90% capacity by the end of March-16. Among the member countries, Saudi Arabia continues to hold the largest buffer capacity at almost 2.3 mb/d at the end of March-16 followed by Libya with a spare capacity of 0.45 mb/d and Nigeria at 0.39 mb/d. The total share of production of Saudi Arabia stood at 30.8% almost in line with its share during the previous month. On the other hand, the share of Iran increased from 9.4% in February-16 to 9.7% in March-16. The share of Iraq also increased from 12.7% during the previous month to 13.1% during March-16. Furthermore, Iran's oil minister has forecasted that the country's oil output would reach 4 mb/d by March 2017 with an export of 2.25 mb/d. According to a report, the country increased oil production by 0.23 mb/d during the first quarter of the year and has increased exports by almost 0.6 mb/d by giving deep discounts to regain oil market share.



Source: Bloomberg

## Brent Crude Oil Price Forecast by Various Research Houses

Firm	Analyst	As Of	Q2 16	Q3 16	Q4 16	Q1 17
Commerzbank AG	E. Weinberg	4/5/2016	40.0	45.0	50.0	53.0
Wells Fargo Securities LLC	R. Read	4/4/2016	38.5	43.5	46.5	47.0
Danske Bank A/S	J. Pedersen	3/31/2016	40.0	43.0	46.0	49.0
Promsvyazbank PJSC	S. Narkevich	3/31/2016	48.0	50.4	46.1	42.8
Citigroup Inc	E. Morse	3/31/2016	31.0	41.0	52.0	55.0
Norddeutsche Landesbank Girozentrale	F. Kunze	3/31/2016	39.0	40.0	41.0	42.0
DNB ASA	T. Kjus	3/31/2016	43.0	50.0	60.0	65.0
Prestige Economics LLC	J. Schenker	3/31/2016	38.8	42.5	46.0	47.0
Itau Unibanco Holding SA	I. Goldfajn	3/30/2016	44.1	48.8	53.4	55.0
Natixis SA	A. Deshpande	3/28/2016	36.0	40.0	42.0	44.0
Societe Generale SA	M. Wittner	3/24/2016	38.0	40.0	40.0	45.0
Oxford Economics Ltd	D. Smith	3/24/2016	36.0	36.0	36.0	36.5
BNP Paribas SA	H. Tchilinguirian	3/23/2016	36.0	37.0	41.0	45.0
Incrementum AG	R. Stoeferle	3/21/2016	49.0	55.0	62.0	70.0
Emirates NBD PJSC	E. Bell	3/16/2016	37.5	41.0	45.0	50.0
Bank of Nova Scotia/The	M. Loewen	3/11/2016	36.0	43.0	51.0	
Lloyds Bank PLC	C. Paraskevas	3/8/2016	37.0	45.0	55.0	62.0
Barclays PLC	M. Cohen	3/7/2016	36.0	40.0	43.0	
MPS Capital Services Banca per le Impres	M. Porciatti	3/3/2016	35.0	37.0	40.0	
LBBW	F. Klumpp	2/26/2016	39.0	42.0	44.0	45.0
Oversea-Chinese Banking Corp Ltd	B. Gan	2/22/2016	40.0	45.0	50.0	
Westpac Banking Corp	J. Smirk	2/22/2016	29.0	30.0	31.0	33.0
Capital Economics Ltd	T. Pugh	2/16/2016	33.0	38.0	43.0	49.0
Raiffeisen Bank International AG	H. Loacker	2/4/2016	34.0	43.0	49.0	52.0
BMO Capital Markets Corp/Toronto	R. Ollenberger	1/26/2016	40.0	50.0	50.0	
UniCredit Markets & Investment Banking	J. Hitzfeld	1/25/2016	35.0	40.0	40.0	40.0
HSBC Holdings PLC	G. Gray	1/25/2016	40.0	50.0	55.0	
RBC Capital Markets	G. Pardy	1/12/2016	39.0	45.0	53.0	
ABN AMRO Bank NV	H. Van Cleef	1/8/2016	45.0	50.0		
Santander UK PLC	J. Kenney	1/7/2016	37.5	41.0	46.5	50.5
DZ Bank AG Deutsche Zentral-Genossenscha	A. Herlinghaus	12/23/2015	45.0	45.0	45.0	
Rabobank International	C. Lawrence	12/22/2015	40.0	45.0	49.0	
CIBC World Markets Corp	K. Spector	11/5/2015	61.0	76.0	76.0	
Toronto-Dominion Bank/Toronto	B. Melek	10/29/2015	50.0	59.0	68.0	
Intesa Sanpaolo SpA	D. Corsini	9/2/2015	63.0	67.0	70.0	
KLR Group LLC	J. Gerdes	4/21/2015	80.0	90.0	95.0	100.0
Bank of America Merrill Lynch	F. Blanch	3/17/2015	58.0			
Bayerische Landesbank	A. Speer	3/11/2015	50.0	50.0		
Australia & New Zealand Banking Group Lt	M. Pervan	2/23/2015	63.5	65.0	66.0	
Nomura International Hong Kong Ltd	G. Kwan	1/14/2015	70.0	70.0		
Raymond James & Associates Inc	M. Adkins	1/5/2015	81.0	83.0	85.0	
Nordea Bank Norge ASA	T. Saltvedt	12/18/2014	72.0	77.0		
National Australia Bank Ltd	V. Lai	12/10/2014	90.0	90.0		
Jefferies LLC	J. Gammel	12/9/2014	82.0	84.0		
<b>Median</b>			<b>38.9</b>	<b>43.0</b>	<b>46.5</b>	<b>48.0</b>
<b>Mean</b>			<b>39.6</b>	<b>44.6</b>	<b>48.4</b>	<b>49.0</b>
<b>High</b>			<b>61.0</b>	<b>76.0</b>	<b>76.0</b>	<b>70.0</b>
<b>Low</b>			<b>29.0</b>	<b>30.0</b>	<b>31.0</b>	<b>33.0</b>
<b>Current Fwd</b>			<b>41.8</b>	<b>43.0</b>	<b>45.5</b>	<b>45.8</b>
<b>Difference (Median - Current)</b>			<b>-3.0</b>	<b>0.0</b>	<b>1.0</b>	<b>2.2</b>

Source: Bloomberg

---

## Disclaimer & Important Disclosures

**KAMCO** is authorized and fully regulated by the Capital Markets Authority ("**CMA, Kuwait**") and partially regulated by the Central Bank of Kuwait ("**CBK**")

This document is provided for informational purposes only. Nothing contained in this document constitutes investment, an offer to invest, legal, tax or other advice or guidance and should be disregarded when considering or making investment decisions. In preparing this document, KAMCO did not take into account the investment objectives, financial situation and particular needs of any particular person. Accordingly, before acting on this document, investors should independently evaluate the investments and strategies referred to herein and make their own determination of whether it is appropriate in light of their own financial circumstances and objectives. The entire content of this document is subject to copyright with all rights reserved. This research and the information contained herein may not be reproduced, distributed or transmitted in Kuwait or in any other jurisdiction to any other person or incorporated in any way into another document or other material without our prior written consent.

### Analyst Certification

Each of the analysts identified in this report certifies, with respect to the sector, companies or securities that the individual analyses, that (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report.

### KAMCO Ratings

KAMCO investment research is based on the analysis of regional and country economics, industries and company fundamentals. KAMCO company research reflects a long-term (12-month) target price for a company or stock. The ratings bands are:

- \* **Outperform:** Target Price represents expected returns  $\geq 10\%$  in the next 12 months
- \* **Neutral:** Target Price represents expected returns between  $-10\%$  and  $+10\%$  in the next 12 months
- \* **Underperform:** Target Price represents an expected return of  $< -10\%$  in the next 12 months

In certain circumstances, ratings may differ from those implied by a fair value target using the criteria above. KAMCO policy is to maintain up-to-date fair value targets on the companies under its coverage, reflecting any material changes to the analyst's outlook on a company. Share price volatility may cause a stock to move outside the rating range implied by KAMCO's fair value target. Analysts may not necessarily change their ratings if this happens, but are expected to disclose the rationale behind their view to KAMCO clients.

Any terms and conditions proposed by you which are in addition to or which conflict with this Disclaimer are expressly rejected by KAMCO and shall be of no force or effect. The information contained in this document is based on current trade, statistical and other public information we consider reliable. We do not represent or warrant that such information is fair, accurate or complete and it should not be relied upon as such. KAMCO has no obligation to update, modify or amend this document or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. The publication is provided for informational uses only and is not intended for trading purposes. The information on publications does not give rise to any legally binding obligation and/or agreement, including without limitation any obligation to update such information. You shall be responsible for conducting your own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this or other such document. Moreover, the provision of certain data/information in the publication may be subject to the terms and conditions of other agreements to which KAMCO is a party.

Nothing in this document should be construed as a solicitation or offer, or recommendation, to acquire or dispose of any investment or to engage in any other transaction, or to provide any investment advice or service. This document is directed at Professional Clients and not Retail Clients within the meaning of CMA rules. Any other persons in receipt of this document must not rely upon or otherwise act upon it. Entities and individuals into whose possession this document comes are required to inform themselves about, and observe such restrictions and should not rely upon or otherwise act upon this document where it is unlawful to make to such person such an offer or invitation or recommendation without compliance with any authorization, registration or other legal requirements.

### Risk Warnings

Any prices, valuations or forecasts are indicative and are not intended to predict actual results, which may differ substantially from those reflected. The value of an investment may go up as well as down. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including, without limitation, foreseeable or unforeseeable changes in interest rates, foreign exchange rates, default rates, prepayment rates, political or financial conditions, etc.).

Past performance is not indicative of future results. Any opinions, estimates, valuations or projections (target prices and ratings in particular) are inherently imprecise and a matter of judgment. They are statements of opinion and not of fact, based on current expectations, estimates and projections, and rely on beliefs and assumptions. Actual outcomes and returns may differ materially from what is expressed or forecasted. There are no guarantees of future performance. Certain transactions, including those involving futures, options, and other derivatives, give rise to substantial risk and are not suitable for all investors. This document does not propose to identify or to suggest all of the risks (direct or indirect) which may be associated with the investments and strategies referred to herein.

### Conflict of Interest

KAMCO and its affiliates provide full investment banking services, and they and their directors, officers and employees, may take positions which conflict with the views expressed in this document. Salespeople, traders, and other professionals of KAMCO may provide oral or written market commentary or trading strategies to our clients and our proprietary trading desks that reflect opinions that are contrary to the opinions expressed in this document. Our asset management area, our proprietary trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this document. KAMCO may have or seek investment banking or other business relationships for which it will receive compensation from the companies that are the subject of this document. Facts and views presented in this document have not been reviewed by, and may not reflect information known to, professionals in other KAMCO business areas, including investment banking personnel. United Gulf Bank, Bahrain owns majority of KAMCO's shareholding and this ownership may create, or may create the appearance of, conflicts of interest.

### No Liability & Warranty

KAMCO makes neither implied nor expressed representations or warranties and, to the fullest extent permitted by applicable law, we hereby expressly disclaim any and all express, implied and statutory representations and warranties of any kind, including, without limitation, any warranty as to accuracy, timeliness, completeness, and fitness for a particular purpose and/or non-infringement. KAMCO will accept no liability in any event including (without limitation) your reliance on the information contained in this document, any negligence for any damages or loss of any kind, including (without limitation) direct, indirect, incidental, special or consequential damages, expenses or losses arising out of, or in connection with your use or inability to use this document, or in connection with any error, omission, defect, computer virus or system failure, or loss of any profit, goodwill or reputation, even if expressly advised of the possibility of such loss or damages, arising out of or in connection with your use of this document. We do not exclude our duties or liabilities under binding applicable law.



---

**KAMCO Investment Company**

Al-Shaheed Tower, Khalid Bin Al-Waleed Street- Sharq

P.O. BOX : 28873, Safat 13149, State of Kuwait

Tel: (+965) 1852626 Fax: (+965) 22492395

Email : [kamcoird@kamconline.com](mailto:kamcoird@kamconline.com)

Website : <http://www.kamconline.com>