

## Oil Market Monthly Report

August-2024

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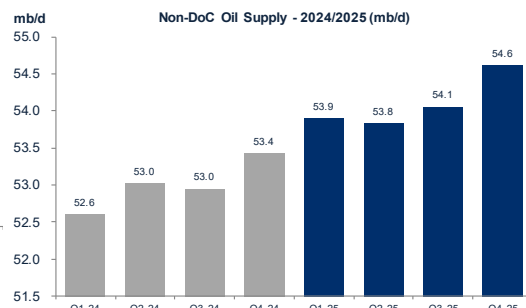
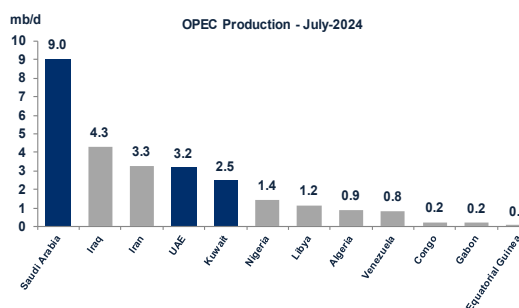
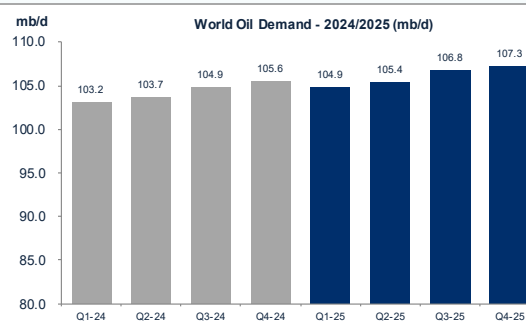
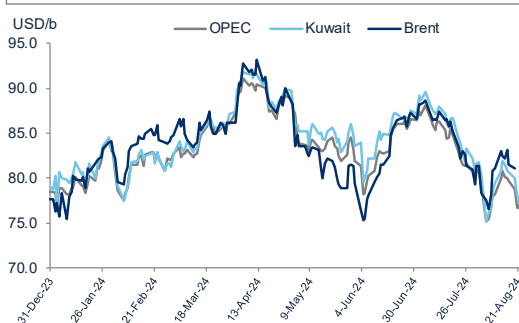
### Oil recovers from 8-month lows on escalating geopolitical risks...

Crude oil prices traded below the USD 80/b mark after seeing increasing volatility over the last few weeks led by several factors both on the demand and supply front. Increasing geopolitical risks related in the Middle East region as well as attack on crude oil shipment in the Red Sea provided support to oil prices. In addition, the escalation of war between Russia and Ukraine have also supported prices. On the other hand, increasing indications of an imminent rate cut by the US Fed next month added support to oil demand growth expectations that supported prices, whereas, concerns related to demand growth in China had an opposite effect on prices.

**Tensions in the Middle East region once again escalated after another failed attempt at ceasefire in the previous week that had eased crude oil prices.** With the recent attacks involving Lebanon, prices are expected to once again surge led to threat to supplies from the region as seen from the crude oil tanker attacks in the Red Sea. Meanwhile, a renewed aggression from Ukraine derailed a diplomatic ceasefire breakthrough with Russia. Ukraine's sudden ground attack into Russia's strategically important Kursk region and a fire at an oil depot after a drone attack has once again reignited the long standing war between the two countries. Crude oil supplies from Russia to Hungary and Slovakia were disrupted after sanctions were imposed on Russian oil company Lukoil that supplies crude via Ukraine.

**On the demand side, worries persist at the global level as several economies are warning of an imminent slowdown, including in the US.** The expected rate cuts are expected to alleviate some of these concerns and support crude oil demand, however, a slump in demand after the summer season in the US as well as warmer weather during the last quarter of the year could offset the bulk of the positive impact on oil prices. Moreover, China continues to face uncertain oil demand trend as refineries cut run rates citing poor demand. Recent data also supported this view with slowing industrial output, falling new home prices at the fastest pace in nine years as well as rising unemployment rates. Both OPEC and IEA lowered their oil demand forecasts for 2024 citing softening expectations for China.

**On the supply side, oil production in the US reached a new record high of 13.4 mb/d during the week ended 16-August-2024 led by growth in both Alaska and lower 48 states regions.** This comes despite relatively low oil rigs in the US, indicating improving well productivity as well as the fact that oil companies focus on boosting shareholder returns. Oil supplies from the OPEC showed an increase during July-2024, according to OPEC secondary sources, as most countries in the group raised output during the month. Production for the rest of the OPEC+ member countries declined mainly led by fall in production in Russia and Kazakhstan.



Sources : OPEC, EIA, Bloomberg

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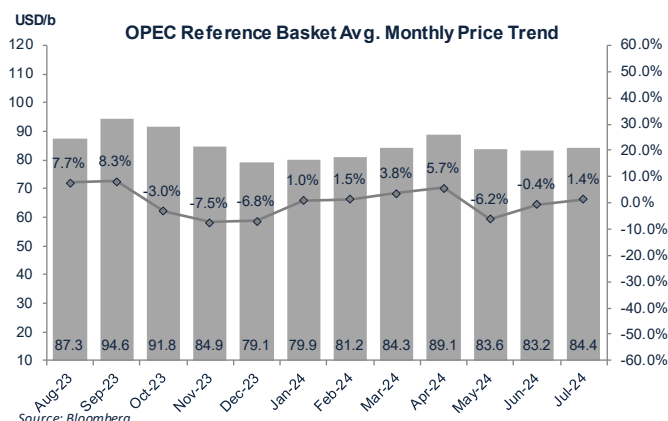
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## Oil Prices

Crude oil traded witnessed a tight ceiling below the USD 80/b mark over the last few weeks amid a volatile trade. Brent crude oil futures witnessed healthy gains during the last two trading sessions last week but closed the week lower led by pressure on the demand front that overshadowed geopolitical fears with escalating tensions around key oil producing regions. The recent gains came as a result of hopes of soft landing in the US economy after comments from the US Fed and economists indicated imminent rate cuts in the September-2024 meeting. Nevertheless, the market erased most gains since the start of the year as demand from China has failed to materialize and recent data releases point to continued pain in the economy. Meanwhile, the declining trend in crude oil inventories in the US provided intermittent support to prices. Total inventories in the US reached the lowest level in almost seven months at 426.0 million barrels after witnessing declines in seven out of the previous eight weeks. The declining inventories indicated higher refinery runs in order to cater to summer demand. Nevertheless, the planned refinery maintenance season exacerbated by depressing refining margins could result into additional inventories of crude oil in the coming months.

In terms of monthly price trend, prices of almost all crude grades reported marginal gains during July-2024. Average spot Brent crude oil price was up by 3.5% to reach USD 85.3/b during July-2024 as compared to an average of USD 82.4/b during June-2024. On the other hand, OPEC reference basket price was up 1.5% to reach USD 84.4/b while Kuwait export grade crude witnessed a smaller gain of 1.0% to average at USD 85.7/b during July-2024. Meanwhile, the consensus estimate for Brent crude showed downward revision for prices during Q4-2024 as compared to last month with an estimate of USD 83.25/b and remain at around the USD 80/b level till the end of next year. On the other hand, price forecasts from the US EIA was once again lowered in the latest report as compared to the forecast during the previous month. The agency expects Brent to reach USD 84.44/b in 2024 vs. USD 86.37/b in the previous forecast whereas next year price is expected to come in at USD 85.71/b as compared to the previous forecast of USD 88.38/b.



| Average Crude Oil Prices, USD/b | Jun-2024    | Jul-2024    | Change (USD) | YTD Avg. 2023 | YTD Avg. 2024 |
|---------------------------------|-------------|-------------|--------------|---------------|---------------|
| <b>OPEC Reference Basket</b>    | <b>83.2</b> | <b>84.4</b> | <b>1.2</b>   | <b>79.6</b>   | <b>83.7</b>   |
| Arab Light                      | 85.3        | 86.2        | 0.9          | 81.5          | 85.4          |
| Basrah Light                    | 82.0        | 83.5        | 1.6          | 76.8          | 82.0          |
| Bonny Light                     | 83.3        | 85.1        | 1.8          | 79.8          | 85.7          |
| Djeno                           | 75.0        | 77.8        | 2.9          | 72.2          | 76.7          |
| Es Sider                        | 81.2        | 84.4        | 3.2          | 78.8          | 83.6          |
| Iran Heavy                      | 83.7        | 84.6        | 0.9          | 79.8          | 83.6          |
| <b>Kuwait Export</b>            | <b>84.9</b> | <b>85.7</b> | <b>0.8</b>   | <b>80.9</b>   | <b>84.6</b>   |
| Merey                           | 69.2        | 67.6        | (1.6)        | 59.9          | 69.6          |
| Murban                          | 82.5        | 83.8        | 1.3          | 80.0          | 83.5          |
| Rabi                            | 81.9        | 84.8        | 2.9          | 79.2          | 83.7          |
| Saharan Blend                   | 82.6        | 85.4        | 2.9          | 80.6          | 85.1          |
| Zafiro                          | 83.6        | 86.4        | 2.7          | 80.1          | 85.5          |
| <b>Other Crudes</b>             |             |             |              |               |               |
| Brent                           | 82.4        | 85.3        | 2.9          | 79.7          | 84.1          |
| Dubai                           | 82.6        | 83.7        | 1.1          | 79.1          | 83.4          |
| Isthmus                         | 76.9        | 78.6        | 1.7          | 68.4          | 77.5          |
| LLS                             | 81.9        | 83.3        | 1.4          | 77.4          | 81.9          |
| Mars                            | 79.8        | 80.3        | 0.4          | 74.2          | 79.3          |
| Minas                           | 87.1        | 90.6        | 3.4          | 77.7          | 88.0          |
| Urals                           | 67.6        | 72.2        | 4.6          | 50.4          | 67.9          |
| WTI                             | 79.0        | 80.8        | 1.8          | 74.9          | 79.2          |
| <b>Differentials</b>            |             |             |              |               |               |
| Brent/WTI                       | 3.4         | 4.4         | 1.1          | 4.8           | 4.9           |
| Brent/LLS                       | 0.5         | 2.0         | 1.5          | 2.3           | 2.2           |
| Brent/Dubai                     | (0.2)       | 1.6         | 1.8          | 0.6           | 0.8           |

Source: OPEC Monthly Oil Market Report - Aug-2024

## World Oil Demand

In its latest monthly report, the OPEC lowered its world oil demand growth forecast for 2024 by 135 tb/d. The agency now expects oil demand to grow by 2.11 mb/d this year to reach an average of 104.3 mb/d. The revision reflects actual data for Q1-2024 and Q2-2024 coupled with a downgrade to demand growth forecast for China in 2024. At the country level, the forecast was lowered for most countries during Q1-2024, barring Russia that witnessed a slight upward revision in demand. China, Latin America and the European Region witnessed the biggest downward revisions during the quarter. Similarly, for Q2-2024, China, Latin America and Middle East regions witnessed downward revisions. The downward revisions for 2H-2024 were mostly made to demand estimates for China. The latest monthly oil import figures for China presented a depressing picture with crude oil imports in July-2024 falling to their lowest since September-2022. According to data from General Administration of Customs gathered by Reuters, China brought 42.34 million metric tons in July-2024 or 9.97 mb/d of oil during the month, down 12% m-o-m and 3% as compared to July-2023. The decline reflected a fall in refinery runs by state-run and independent refineries due to

| World Oil Demand - 2023/2024, mb/d | 2023          | Q1-24         | Q2-24         | Q3-24         | Q4-24         | 2024          | Y-o-Y Growth | % Chg.      |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|-------------|
| Americas                           | 24.96         | 24.46         | 25.31         | 25.51         | 25.37         | 25.17         | 0.21         | 0.84        |
| of which US                        | 20.36         | 19.92         | 20.67         | 20.67         | 20.85         | 20.53         | 0.17         | 0.81        |
| Europe                             | 13.45         | 12.94         | 13.61         | 13.73         | 13.40         | 13.42         | (0.03)       | (0.20)      |
| Asia Pacific                       | 7.25          | 7.60          | 6.90          | 7.01          | 7.41          | 7.23          | (0.02)       | (0.27)      |
| <b>Total OECD</b>                  | <b>45.65</b>  | <b>45.00</b>  | <b>45.81</b>  | <b>46.26</b>  | <b>46.18</b>  | <b>45.81</b>  | <b>0.16</b>  | <b>0.36</b> |
| China                              | 16.36         | 16.66         | 16.88         | 17.28         | 17.38         | 17.06         | 0.70         | 4.25        |
| India                              | 5.34          | 5.66          | 5.66          | 5.40          | 5.59          | 5.58          | 0.23         | 4.36        |
| Other Asia                         | 9.28          | 9.72          | 9.77          | 9.49          | 9.51          | 9.62          | 0.34         | 3.72        |
| Latin America                      | 6.69          | 6.67          | 6.87          | 6.97          | 6.88          | 6.85          | 0.16         | 2.34        |
| Middle East                        | 8.63          | 8.72          | 8.54          | 9.23          | 9.00          | 8.87          | 0.24         | 2.75        |
| Africa                             | 4.46          | 4.64          | 4.35          | 4.39          | 4.82          | 4.55          | 0.09         | 2.09        |
| Russia                             | 3.84          | 3.98          | 3.80          | 3.99          | 4.08          | 3.96          | 0.12         | 3.19        |
| Other Eurasia                      | 1.17          | 1.32          | 1.24          | 1.08          | 1.28          | 1.23          | 0.06         | 4.92        |
| Other Europe                       | 0.78          | 0.78          | 0.78          | 0.77          | 0.84          | 0.79          | 0.01         | 0.99        |
| <b>Total Non-OECD</b>              | <b>56.56</b>  | <b>58.15</b>  | <b>57.89</b>  | <b>58.59</b>  | <b>59.39</b>  | <b>58.51</b>  | <b>1.95</b>  | <b>3.44</b> |
| <b>Total World</b>                 | <b>102.21</b> | <b>103.15</b> | <b>103.70</b> | <b>104.85</b> | <b>105.57</b> | <b>104.32</b> | <b>2.11</b>  | <b>2.07</b> |

Source: OPEC Monthly Oil Market Report - Aug-2024

lower processing margins coupled with low demand for fuel. Estimates from Oilchem showed independent refiners operated at 56.11% capacity during the month, the lowest in three years and down 7.3 percent points from July last year. Two key reasons for the fall in demand were the rising demand for EVs as well as the replacement of diesel as a fuel for heavy vehicles to LNG as it costs less and is cleaner to operate. On the other hand, oil consumption in India witnessed a 7.4% growth in July-2024 to 3reach 19.65 million tons led by higher demand for LPG, petrol, diesel as well as jet fuel. OPEC expects oil demand in India to increase by 6.6% this year making it one of the key growth drivers of oil demand.

The OPEC also lowered world oil demand growth forecast for 2025 by 65 tb/d to 1.8 mb/d with average demand expected to reach 106.1 mb/d next year. The revisions once again reflected lower demand forecast for China coupled with a fall in demand in the Middle East region.

| World Oil Demand - 2024/2025, mb/d | 2024          | Q1-25         | Q2-25         | Q3-25         | Q4-25         | 2025          | Y-o-Y Growth | % Chg.      |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|-------------|
| Americas                           | 25.17         | 24.53         | 25.36         | 25.63         | 25.45         | 25.25         | 0.08         | 0.31        |
| of which US                        | 20.53         | 19.95         | 20.70         | 20.73         | 20.89         | 20.57         | 0.04         | 0.21        |
| Europe                             | 13.42         | 12.95         | 13.62         | 13.75         | 13.42         | 13.44         | 0.02         | 0.12        |
| Asia Pacific                       | 7.23          | 7.61          | 6.91          | 7.02          | 7.42          | 7.24          | 0.01         | 0.15        |
| <b>Total OECD</b>                  | <b>45.81</b>  | <b>45.09</b>  | <b>45.88</b>  | <b>46.41</b>  | <b>46.28</b>  | <b>45.92</b>  | <b>0.11</b>  | <b>0.23</b> |
| China                              | 17.06         | 17.09         | 17.26         | 17.72         | 17.77         | 17.47         | 0.41         | 2.41        |
| India                              | 5.58          | 5.88          | 5.90          | 5.61          | 5.82          | 5.80          | 0.23         | 4.09        |
| Other Asia                         | 9.62          | 10.01         | 10.10         | 9.82          | 9.81          | 9.93          | 0.31         | 3.23        |
| Latin America                      | 6.85          | 6.87          | 7.06          | 7.19          | 7.07          | 7.05          | 0.20         | 2.92        |
| Middle East                        | 8.87          | 9.02          | 8.81          | 9.63          | 9.29          | 9.19          | 0.32         | 3.59        |
| Africa                             | 4.55          | 4.76          | 4.45          | 4.52          | 4.93          | 4.67          | 0.11         | 2.48        |
| Russia                             | 3.96          | 4.04          | 3.85          | 4.05          | 4.12          | 4.02          | 0.05         | 1.36        |
| Other Eurasia                      | 1.23          | 1.35          | 1.27          | 1.12          | 1.31          | 1.26          | 0.03         | 2.56        |
| Other Europe                       | 0.79          | 0.80          | 0.79          | 0.78          | 0.85          | 0.80          | 0.01         | 1.42        |
| <b>Total Non-OECD</b>              | <b>58.51</b>  | <b>59.83</b>  | <b>59.50</b>  | <b>60.43</b>  | <b>60.98</b>  | <b>60.19</b>  | <b>1.68</b>  | <b>2.87</b> |
| <b>Total World</b>                 | <b>104.32</b> | <b>104.91</b> | <b>105.38</b> | <b>106.84</b> | <b>107.26</b> | <b>106.11</b> | <b>1.78</b>  | <b>1.71</b> |

Source: OPEC Monthly Oil Market Report - Aug-2024

## World Oil Supply

World oil supply increased by 230 tb/d during July-2024 as compared to the June-2024 to reach 103.4 mb/d after increase in supply from OPEC+ member countries more than offset a fall in output for most other countries, according to the latest monthly report published by the IEA. The agency highlighted that the market is currently running a deficit due to the summer demand that has also caused a fall in global crude oil inventory levels. Preliminary data for July showed a similar trend seen in June wherein total stocks registered a decline during the month mainly led by a fall in crude oil inventories while oil products registered a gain.

| Non-DoC Oil Supply - 2023/2024, mb/d  | 2023          | Q1-24        | Q2-24        | Q3-24        | Q4-24        | 2024         | Y-o-Y Growth | % Chg.      |
|---------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Americas                              | 26.60         | 26.91        | 27.50        | 27.34        | 27.58        | 27.33        | 0.73         | 2.76        |
| of which US                           | 20.90         | 21.02        | 21.72        | 21.41        | 21.50        | 21.41        | 0.51         | 2.43        |
| Europe                                | 3.65          | 3.68         | 3.61         | 3.66         | 3.79         | 3.68         | 0.03         | 0.85        |
| Asia Pacific                          | 0.45          | 0.46         | 0.44         | 0.44         | 0.43         | 0.44         | (0.01)       | (1.72)      |
| <b>Total OECD</b>                     | <b>30.70</b>  | <b>31.05</b> | <b>31.55</b> | <b>31.44</b> | <b>31.79</b> | <b>31.46</b> | <b>0.76</b>  | <b>2.47</b> |
| China                                 | 4.52          | 4.62         | 4.63         | 4.47         | 4.47         | 4.55         | 0.03         | 0.66        |
| India                                 | 0.79          | 0.8          | 0.79         | 0.8          | 0.79         | 0.8          | 0.01         | 1.22        |
| Other Asia                            | 1.61          | 1.62         | 1.63         | 1.58         | 1.58         | 1.6          | (0.01)       | (0.68)      |
| Latin America                         | 6.96          | 7.28         | 7.18         | 7.40         | 7.50         | 7.34         | 0.38         | 5.47        |
| Middle East                           | 2.02          | 2.00         | 2.00         | 2.01         | 2.02         | 2.01         | (0.01)       | (0.71)      |
| Africa                                | 2.22          | 2.24         | 2.25         | 2.25         | 2.27         | 2.25         | 0.03         | 1.41        |
| Other Eurasia                         | 0.37          | 0.37         | 0.37         | 0.37         | 0.37         | 0.37         | 0.00         | (0.79)      |
| Other Europe                          | 0.10          | 0.10         | 0.10         | 0.10         | 0.10         | 0.10         | 0.00         | (0.64)      |
| <b>Total Non-OECD</b>                 | <b>18.60</b>  | <b>19.03</b> | <b>18.95</b> | <b>18.99</b> | <b>19.10</b> | <b>19.02</b> | <b>0.42</b>  | <b>2.27</b> |
| <b>Total Non-DoC Production</b>       | <b>49.3</b>   | <b>50.08</b> | <b>50.5</b>  | <b>50.43</b> | <b>50.9</b>  | <b>50.48</b> | <b>1.18</b>  | <b>2.39</b> |
| Processing gains                      | 2.47          | 2.52         | 2.52         | 2.52         | 2.52         | 2.52         | 0.05         | 2.02        |
| <b>Total Non-DoC Supply</b>           | <b>51.77</b>  | <b>52.6</b>  | <b>53.02</b> | <b>52.95</b> | <b>53.42</b> | <b>53</b>    | <b>1.23</b>  | <b>2.38</b> |
| <b>DoC NGLs and non-conventionals</b> | <b>8.23</b>   | -            | -            | -            | -            | <b>8.33</b>  | <b>0.10</b>  | <b>1.22</b> |
| <b>DoC Crude Oil Production</b>       | <b>42.01</b>  | <b>41.23</b> | <b>40.92</b> | -            | -            | -            | -            | -           |
| <b>Total World Supply</b>             | <b>102.01</b> | -            | -            | -            | -            | -            | -            | -           |

Source: OPEC Monthly Oil Market Report - Aug-2024

Oil supply growth forecast for the non-DoC countries for this year were once again kept unchanged as compared to OPEC's last month's forecast. Supply from these countries is expected to grow by 1.23 m/d in 2024 to average at 53.0 mb/d during the year. The latest data from the US EIA showed nationwide crude and condensates production averaging at almost 13.4 mb/d during the week ended 16-August-2024. This was one of the highest production levels achieved in the US that came despite a steep and continued fall in oil rig count. The latest weekly oil rig count data from Baker Hughes showed oil rigs in the US remained subdued to reach 483 last week. According to the US EIA, oil production in the US is expected to reach 13.7 mb/d next year, a slight downgrade from the previous forecast of 13.8 mb/d next year. Production this year is expected to average at 13.2 mb/d, in line with the previous expectation. A report from Bloomberg showed a number of listed shale producers in the US are planning to ramp up output this year as a result of elevated prices. This includes companies like EOG Resources, Cotterra Energy, Exxon Mobil and Chevron Corp.

The forecast for 2025 was also kept unchanged at last month's level. OPEC has forecasted oil supply from the non-DoC countries to grow by 1.1 m/d next year to average at 54.1 m/d during the year.

| Non-DoC Oil Supply - 2024/2025, mb/d | 2024         | Q1-25        | Q2-25        | Q3-25        | Q4-25        | 2025         | Y-o-Y Growth | % Chg.      |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Americas                             | 27.33        | 27.76        | 27.81        | 28.05        | 28.36        | 28           | 0.66         | 2.43        |
| of which US                          | 21.41        | 21.64        | 21.92        | 21.97        | 22.11        | 21.91        | 0.50         | 2.33        |
| Europe                               | 3.68         | 3.86         | 3.74         | 3.72         | 3.82         | 3.78         | 0.10         | 2.73        |
| Asia Pacific                         | 0.44         | 0.43         | 0.42         | 0.43         | 0.44         | 0.43         | (0.01)       | (1.77)      |
| <b>Total OECD</b>                    | <b>31.46</b> | <b>32.06</b> | <b>31.97</b> | <b>32.20</b> | <b>32.62</b> | <b>32.21</b> | <b>0.76</b>  | <b>2.40</b> |
| China                                | 4.55         | 4.60         | 4.59         | 4.50         | 4.51         | 4.55         | 0.01         | 0.12        |
| India                                | 0.8          | 0.79         | 0.8          | 0.81         | 0.81         | 0.8          | 0.01         | 0.98        |
| Other Asia                           | 1.6          | 1.6          | 1.58         | 1.56         | 1.56         | 1.57         | (0.03)       | (1.81)      |
| Latin America                        | 7.34         | 7.50         | 7.54         | 7.62         | 7.76         | 7.61         | 0.26         | 3.61        |
| Middle East                          | 2.01         | 2.01         | 2.04         | 2.04         | 2.03         | 2.03         | 0.02         | 1.01        |
| Africa                               | 2.25         | 2.28         | 2.27         | 2.27         | 2.26         | 2.27         | 0.02         | 0.76        |
| Other Eurasia                        | 0.37         | 0.37         | 0.37         | 0.37         | 0.37         | 0.37         | 0.00         | 0.06        |
| Other Europe                         | 0.10         | 0.10         | 0.10         | 0.10         | 0.10         | 0.10         | 0.00         | 1.99        |
| <b>Total Non-OECD</b>                | <b>19.02</b> | <b>19.26</b> | <b>19.29</b> | <b>19.28</b> | <b>19.40</b> | <b>19.31</b> | <b>0.29</b>  | <b>1.52</b> |
| <b>Total Non-DoC Production</b>      | <b>50.48</b> | <b>51.32</b> | <b>51.25</b> | <b>51.48</b> | <b>52.03</b> | <b>51.52</b> | <b>1.04</b>  | <b>2.07</b> |
| Processing gains                     | 2.52         | 2.58         | 2.58         | 2.58         | 2.58         | 2.58         | 0.06         | 2.38        |
| <b>Total Non-DoC Supply</b>          | <b>53.00</b> | <b>53.9</b>  | <b>53.83</b> | <b>54.06</b> | <b>54.61</b> | <b>54.1</b>  | <b>1.10</b>  | <b>2.08</b> |

Source: OPEC Monthly Oil Market Report - Aug-2024

## OPEC Oil Production & Spare Capacity

OPEC crude oil production showed a decline during July-2024, according to data from Bloomberg, to reach an average of 26.99 mb/d during the month vs. 27.05 mb/d during the previous month. The decline, as per Bloomberg, mainly reflected a fall in production in Iran and Venezuela while most of the countries in the OPEC showed marginal change in output. On the other hand, data from OPEC secondary sources showed a healthy increase in production during the month. As per OPEC, most countries in the group showed higher production during the month, including Saudi Arabia, Iraq and Iran resulting in average production for the group reaching 26.7 mb/d during July-2024. However, this increase was offset by a decline in production in non-OPEC DoC countries, mainly in Russia and Kazakhstan, that resulted in an increase of 117 tb/d for the overall OPEC+ group during July-2024.

| Production ('000 b/d) | Jun-24        | Jul-24        | Change     |               | Capacity      | Spare Capacity |
|-----------------------|---------------|---------------|------------|---------------|---------------|----------------|
| <b>Total OPEC-12</b>  | <b>27,050</b> | <b>26,990</b> | <b>-60</b> | <b>-0.22%</b> | <b>33,490</b> | <b>6,500</b>   |
| <b>Saudi Arabia</b>   | 8,990         | 9,000         | 10         | 0.1%          | 12,000        | 3,000          |
| Iraq                  | 4,250         | 4,280         | 30         | 0.7%          | 4,800         | 520            |
| Iran                  | 3,310         | 3,260         | -50        | -1.5%         | 3,830         | 570            |
| <b>UAE</b>            | 3,170         | 3,170         | 0          | 0.0%          | 4,650         | 1,480          |
| <b>Kuwait</b>         | 2,440         | 2,450         | 10         | 0.4%          | 2,820         | 370            |
| Nigeria               | 1,430         | 1,430         | 0          | 0.0%          | 1,600         | 170            |
| Libya                 | 1,160         | 1,150         | -10        | -0.9%         | 1,200         | 50             |
| Algeria               | 900           | 900           | 0          | 0.0%          | 1,060         | 160            |
| Venezuela             | 890           | 830           | -60        | -6.7%         | 890           | 60             |
| Congo                 | 250           | 240           | -10        | -4.0%         | 300           | 60             |
| Gabon                 | 210           | 220           | 10         | 4.8%          | 220           | 0              |
| Equatorial Guinea     | 50            | 60            | 10         | 20.0%         | 120           | 60             |
| <b>Total OPEC-11</b>  | <b>22,800</b> | <b>22,710</b> | <b>-90</b> | <b>-0.39%</b> | <b>28,690</b> | <b>5,980</b>   |

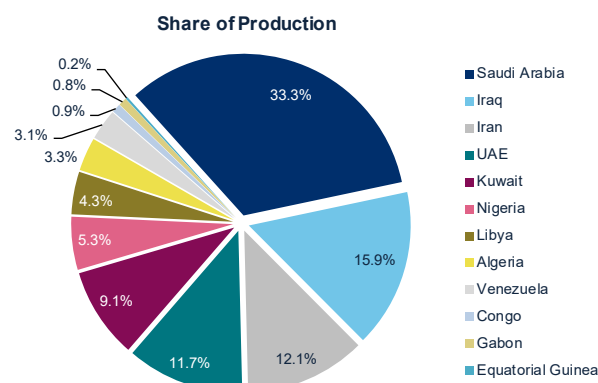
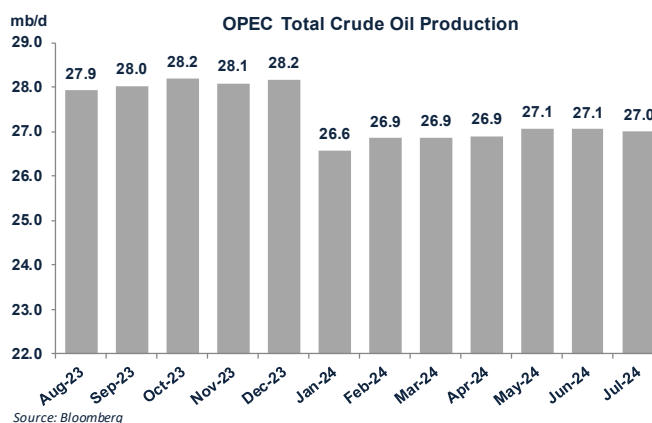
Source: Bloomberg

Meanwhile, in its latest monthly meeting, the OPEC+ producers kept the group's oil production policy unchanged, including the plan to wind down cuts starting October-2024. However, it was indicated at the meeting that the hike could be paused or reversed if needed depending on the market.

Oil production in Kuwait remained flattish at around 2.45 mb/d during July-2024. Recently, the country announced discovery of a significant oil field in the Failaka Island with about 3 billion barrels of light crude oil equivalent in reserves. Kuwait's KPC said that it will take five to seven years to commence oil production from the site and it aims to expedite this timeline with the assistance of international oil companies.

Oil production in Iraq increased by 30 tb/d to reach 4.3 mb/d (+57 tb/d as per OPEC secondary sources). The country reported higher exports during July-2024 that reached 3.7 mb/d as compared to 3.34 mb/d in June-2024. Comparatively, a government report showed average exports of 3.4 mb/d during 1H-2024. Iraq recently signed and MoU with BP to redevelop four oil fields in Iraq's northern Kirkuk oil and gas field.

Meanwhile, Libya witnessed a decline in production last month led by a blockade and subsequent force majeure at the Sharara oilfield. However, the blockade was lifted recently that resulted in an increase in output from the oil field by up to 85 tb/d to supply the Zawia oil refinery.



Source: Bloomberg



## Brent Crude Oil Price Forecast

| Firm  | As Of     | Q3-24       | Q4-24       | Q1-25       | Q2-25       |
|---|-----------|-------------|-------------|-------------|-------------|
| Morgan Stanley                                | 22/Aug/24 | 86.0        | 80.0        | 78.0        | 77.0        |
| UBS Group AG                                  | 22/Aug/24 | 91.0        | 87.0        | 87.0        | 87.0        |
| Commerzbank AG                                | 20/Aug/24 | 85.0        | 85.0        | 85.0        | 85.0        |
| Rabobank                                      | 20/Aug/24 | 81.0        | 82.0        | 83.0        | 84.0        |
| Standard Chartered Bank                       | 20/Aug/24 | 82.0        | 87.0        | 89.0        | 92.0        |
| Bank of America Merrill Lynch                 | 16/Aug/24 | 90.0        | 86.0        | 84.0        | 80.0        |
| Julius Baer                                   | 16/Aug/24 | 77.5        | 75.0        | 75.0        | 72.5        |
| Kshitij Consultancy Services Pvt Ltd          | 9/Aug/24  | 79.0        | 78.0        | 87.9        | 98.5        |
| Deutsche Bank AG                              | 6/Aug/24  | 88.0        | 85.0        | 83.0        | 80.0        |
| Goldman Sachs Group Inc/The                   | 6/Aug/24  | 86.0        | 85.0        | 83.0        | 81.0        |
| JPMorgan Chase & Co                           | 2/Aug/24  | 84.0        | 85.0        | 82.0        | 77.0        |
| Citigroup Inc                                 | 31/Jul/24 | 78.0        | 74.0        |             |             |
| MUFG Bank                                     | 18/Jul/24 | 88.0        | 93.0        | 95.0        | 91.0        |
| ING Groep NV                                  | 16/Jul/24 | 88.0        | 85.0        | 84.0        | 90.8*       |
| Oxford Institute for Energy Studies           | 16/Jul/24 | 87.0        | 87.0        | 78.6        |             |
| Tradingeconomics.com                          | 9/Jul/24  | 86.9        | 88.7        | 90.5        | 92.3        |
| Westpac Banking Corp                          | 8/Jul/24  | 81.0        | 79.0        | 78.0        | 79.0        |
| Australian Government                         | 1/Jul/24  | 84.9        | 83.6        | 82.1        | 81.7        |
| Panmure Liberum                               | 26/Jun/24 | 85.0        | 83.0        | 83.0        | 81.0        |
| Natixis SA                                    | 25/Jun/24 | 87.0        | 84.0        | 80.0        | 78.0        |
| MPS Capital Services Banca per le Imprese SpA | 24/Jun/24 | 84.0        | 82.0        | 80.0        |             |
| Market Risk Advisory Co Ltd                   | 24/Jun/24 | 83.0        | 82.6        | 83.7        | 84.4        |
| Macquarie Group Ltd                           | 20/Jun/24 | 86.0        | 75.0        | 70.0        | 64.0        |
| Societe Generale SA                           | 19/Jun/24 | 85.0        | 82.5        | 80.0        | 80.0        |
| HSBC Holdings PLC                             | 18/Jun/24 | 80.0        | 80.0        | 76.5        | 76.5        |
| Landesbank Baden-Wuerttemberg                 | 17/Jun/24 | 82.5        | 80.0        | 80.0        | 80.0        |
| Intesa Sanpaolo SpA                           | 14/Jun/24 | 81.0        | 80.0        | 79.0        | 78.0        |
| Australia & New Zealand Banking Group Ltd     | 13/Jun/24 | 86.6        | 86.2        | 88.8        | 91.8        |
| BNP Paribas SA                                | 24/May/24 | 92.0        | 87.0        | 79.0        | 81.0        |
| RBC   | 21/May/24 | 84.5        | 83.3        | 85.0        | 83.3        |
| Banco Santander SA                            | 26/Apr/24 | 82.5        | 80.0        |             |             |
| Panmure Gordon & Co PLC                       | 11/Apr/24 | 84.0        | 82.0        | 83.0        |             |
| Barclays PLC                                  | 5/Apr/24  | 94.0        | 93.0        | 94.0        | 93.0        |
| <b>Median</b>                                 |           | <b>85.0</b> | <b>83.3</b> | <b>83.0</b> | <b>81.0</b> |
| <b>Mean</b>                                   |           | <b>84.9</b> | <b>83.2</b> | <b>82.8</b> | <b>82.6</b> |
| <b>High</b>                                   |           | <b>94.0</b> | <b>93.0</b> | <b>95.0</b> | <b>98.5</b> |
| <b>Low</b>                                    |           | <b>77.5</b> | <b>74.0</b> | <b>70.0</b> | <b>64.0</b> |
| <b>Current Fwd</b>                            |           | <b>78.2</b> | <b>75.6</b> | <b>74.7</b> | <b>74.1</b> |
| <b>Difference (Median - Current)</b>          |           | <b>6.8</b>  | <b>7.6</b>  | <b>8.3</b>  | <b>6.9</b>  |

Source: Bloomberg

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