

## Oil Market Monthly Report

June-2021

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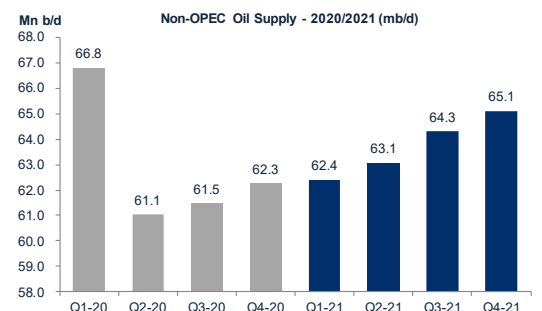
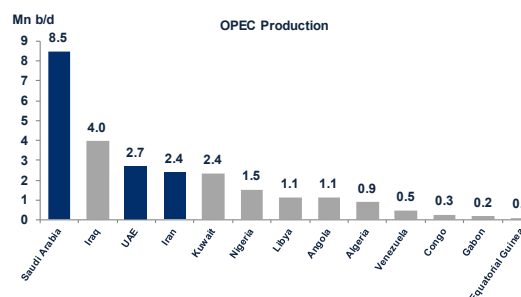
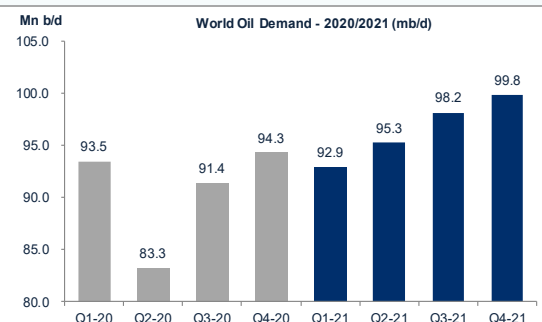
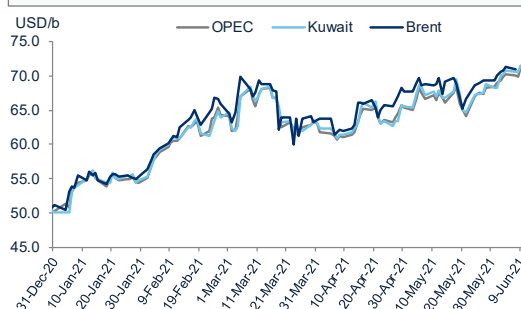
### Oil at 2-year high on expectations of a tightening market...

Crude oil prices traded above 2-year high levels, over the USD 70/b mark, backed by expectations of stronger demand recovery coupled with controlled supply in the near term. The month started on a positive note after the OPEC+ suppliers unanimously decided to stick to the existing plan and raise output gradually in the coming months. As per the plan, the group will increase supply by 0.7 mb/d in June-2021, and 0.84 mb/d in July-2021. The remaining 5.8 mb/d is expected to be gradually raised until April-2022 based on outcomes of monthly meetings between the producers.

Economic growth optimism was also reflected in the oil price rally recently. There was positive news on US-China trade talks as discussions restarted between the two trading partners. In the first call with China, the new US administration has agreed to promote healthy development of cooperation with China on trade and investment. Meanwhile, the ECB and US Fed are expected to continue with bond buying and continue with the loose monetary policy to maintain low borrowing costs in the near-term, although higher inflation is denting the efforts. These efforts come as the European countries emerge from the lockdowns this summer. As a result, roads are becoming busier across many countries with traffic in France and Spain only slightly below pre-pandemic levels, whereas the UK and Brazil are already over the 100% mark. The changing pattern of travelling that favors car usage instead of mass travelling is also expected to extend oil requirements in the long run.

Further on the demand front, the EIA has forecasted oil consumption in the US to increase at a faster pace this year with an expected growth of 1.49 mb/d to reach 19.61 mb/d. The IEA also pointed to a demand recovery to pre-pandemic levels by 2H-2022. The agency demand to regain the 100 mb/d mark and urged the OPEC+ producers to increase output to avoid unprecedented price rise. CEOs of a number of oil majors pointed to a similar view of strong recovery in global oil demand including that of BP, Equinor, Rosneft and Vitol Group with promising demand trend at least until 2025. On the other hand, oil imports in China declined in May-2021 by 15% due to the maintenance season, but near-term trends are expected to be dictated by how the government sets policies for the independent oil refining sector in the country. In India, oil demand declined to a 9-month low in May-2021, but as the economy opens up gradually and vaccinations increase, demand is expected to pick up from July-2021.

In terms of oil supply, OPEC+ lowered its supply estimates by 0.2 mb/d and said that it expects OECD oil inventory to see a bigger decline during 2H-2021. Crude production in the US continued to remain around the 11 mb/d mark. However, the EIA now expects a smaller decline in US output this year by 0.23 mb/d vs. previous decline expectation of 0.29 mb/d to average at 11.08 mb/d, while 2022 will likely see production of 11.8 mb/d.



Sources : OPEC, EIA, Bloomberg

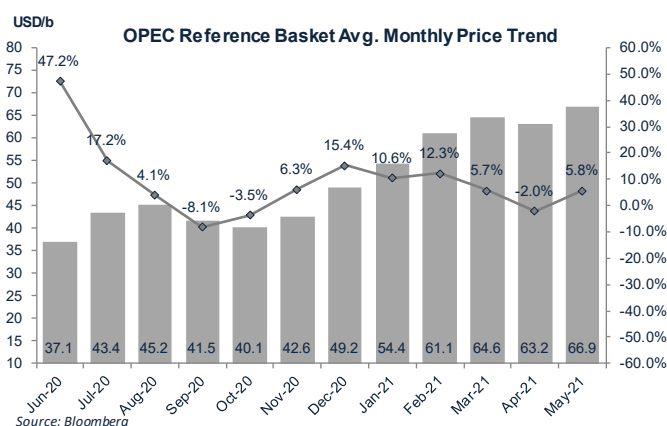
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## Oil Prices

Crude oil price witnessed consistent gains since the start of June-2021 backed by demand optimism seen across US and European markets coupled with controlled production by OPEC+ members as well as by the US. Brent oil futures traded at USD 72.32/b on 10-June-2021, the highest since May-2019 as the rate of vaccinations continues to rise globally with developed markets now focusing on accelerating vaccinations in developing markets and the rest of the world. Brent crude oil basket average at USD 68.54/b, the highest since April-2019, after increasing by 6.3% m-o-m during May-2021. The increase in OPEC crude was similar at 5.8% to average at USD 66.9 /b while Kuwait crude grade witnessed a slightly higher increase of 5.9% to average at 67.5/b.

The reopening of international borders has provided the much needed hope for revival of demand for jet fuel as airlines are increasingly looking at expanding operations. On the other hand, new cases remain uneven across the globe. The case count in India has seen a sharp decline, but in some regions in the Middle East, it continues to remain elevated. That said, a faster pace of vaccinations, both implemented and envisioned, was reflected in higher demand expectations in the near-term. Data showed that global Covid-19 vaccine administrations have picked up pace over the last few weeks averaging above the 30 million per day mark.

Recent reports and data from oil majors have suggested a new evolving trend wherein private oil majors like Exxon, BP and Chevron are planning to curtail capital investment in order to manage emissions targets and prepare for eventual slowdown in oil demand globally. According to data from IEA, spending by oil companies is expected to reach a six-year low during 2021 with the biggest decline coming from private oil majors partially offset by higher spending mostly from national oil companies. According to analysis, if the trend continues, the oil market is expected to tighten, even if oil demand sees a decline. According to Rystad Energy, lower spending and sale of oil assets by big oil companies would result in a decline in proved reserves within 15 years, unless there are more commercial discoveries.



| Average Crude Oil Prices, USD/b | Apr-2021    | May-2021    | Change (USD) | Avg 2020    | Avg 2021    |
|---------------------------------|-------------|-------------|--------------|-------------|-------------|
| <b>OPEC Reference Basket</b>    | <b>63.2</b> | <b>66.9</b> | <b>3.7</b>   | <b>39.7</b> | <b>62.2</b> |
| Arab Light                      | 64.1        | 67.7        | 3.6          | 40.6        | 62.8        |
| Basrah Light                    | 63.5        | 67.0        | 3.5          | 38.9        | 62.5        |
| Bonny Light                     | 64.2        | 67.6        | 3.4          | 39.7        | 63.1        |
| Djeno                           | 57.0        | 61.0        | 4.0          | 36.1        | 55.8        |
| Es Sider                        | 62.1        | 66.2        | 4.1          | 38.1        | 61.3        |
| Girassol                        | 64.0        | 68.4        | 4.4          | 39.8        | 63.6        |
| Iran Heavy                      | 63.0        | 66.7        | 3.7          | 38.0        | 61.9        |
| <b>Kuwait Export</b>            | <b>63.8</b> | <b>67.5</b> | <b>3.8</b>   | <b>39.8</b> | <b>62.6</b> |
| Merey                           | 46.2        | 49.1        | 3.0          | 27.0        | 44.5        |
| Murban                          | 63.4        | 66.8        | 3.5          | 42.3        | 62.2        |
| Rabi                            | 64.0        | 68.0        | 4.0          | 36.8        | 62.8        |
| Saharan Blend                   | 64.0        | 67.8        | 3.8          | 40.3        | 63.1        |
| Zafiro                          | 64.8        | 68.5        | 3.7          | 38.7        | 63.5        |
| <b>Other Crudes</b>             |             |             |              |             |             |
| Brent                           | 64.5        | 68.5        | 4.1          | 39.7        | 63.2        |
| Dubai                           | 62.9        | 66.4        | 3.5          | 40.9        | 62.0        |
| Isthmus                         | 60.9        | 64.5        | 3.5          | 32.1        | 59.8        |
| LLS                             | 63.7        | 67.3        | 3.6          | 39.2        | 62.3        |
| Mars                            | 62.0        | 65.3        | 3.3          | 37.2        | 60.6        |
| Minas                           | 62.9        | 66.1        | 3.2          | 40.5        | 61.2        |
| Urals                           | 63.0        | 67.3        | 4.2          | 39.0        | 62.3        |
| WTI                             | 61.7        | 65.2        | 3.5          | 36.7        | 60.2        |
| <b>Differentials</b>            |             |             |              |             |             |
| Brent/WTI                       | 2.8         | 3.3         | 0.5          | 3.0         | 3.0         |
| Brent/LLS                       | 0.7         | 1.2         | 0.5          | 0.5         | 0.9         |
| Brent/Dubai                     | 1.5         | 2.1         | 0.6          | (1.2)       | 1.3         |

Source: OPEC Monthly Oil Market Report - June-2021

## World Oil Demand

The OPEC, in its monthly report, increased demand estimates for 2020 by 0.1 mb/d to show a slightly smaller demand decline of 9.3 mb/d to average at 90.6 mb/d. The revision reflected updated data for both OECD and non-OECD producers. For 2021, world oil demand growth forecast was kept unchanged at 6.0 mb/d to an average of 96.58 mb/d, still below pre-pandemic levels. However, data at the individual country level and quarterly trend was updated. According to the OPEC, the OECD Americas and Europe regions reported lower-than-expected oil demand during Q1-2021 that was offset by higher expected demand during Q2-2021 in these regions backed by easing restrictions and the revival of the transportation sector. Demand in the OECD region is expected to be back end loaded with most of the growth coming during 2H-2021. Meanwhile, recent data has shown recovery in jet fuel demand in the North Atlantic region with growth in passenger numbers in the US and Europe.

| World Oil Demand - 2019/2020, mb/d | 2019         | Q1-20        | Q2-20        | Q3-20        | Q4-20        | 2020         | Y-o-Y Growth  | % Chg.         |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------|
| Americas                           | 25.65        | 24.35        | 20.01        | 22.72        | 23.16        | 22.56        | (3.09)        | (12.05)        |
| of which US                        | 20.86        | 19.67        | 16.38        | 18.67        | 19.04        | 18.44        | (2.42)        | (11.60)        |
| Europe                             | 14.25        | 13.34        | 11.01        | 12.87        | 12.51        | 12.43        | (1.82)        | (12.75)        |
| Asia Pacific                       | 7.79         | 7.75         | 6.54         | 6.70         | 7.29         | 7.07         | (0.72)        | (9.24)         |
| <b>Total OECD</b>                  | <b>47.69</b> | <b>45.44</b> | <b>37.56</b> | <b>42.29</b> | <b>42.97</b> | <b>42.07</b> | <b>(5.63)</b> | <b>(11.80)</b> |
| China                              | 13.48        | 11.34        | 13.25        | 13.87        | 14.28        | 13.19        | (0.29)        | (2.18)         |
| India                              | 4.91         | 4.84         | 3.81         | 4.24         | 5.15         | 4.51         | (0.40)        | (8.20)         |
| Other Asia                         | 9.04         | 8.30         | 7.79         | 8.11         | 8.33         | 8.13         | (0.91)        | (10.06)        |
| Latin America                      | 6.59         | 6.11         | 5.61         | 6.20         | 6.12         | 6.01         | (0.58)        | (8.83)         |
| Middle East                        | 8.20         | 7.88         | 6.91         | 7.73         | 7.65         | 7.55         | (0.66)        | (8.00)         |
| Africa                             | 4.43         | 4.37         | 3.76         | 3.94         | 4.27         | 4.08         | (0.35)        | (7.85)         |
| Eurasia                            | 3.61         | 3.44         | 3.04         | 3.40         | 3.59         | 3.37         | (0.24)        | (6.69)         |
| of which Russia                    | 1.24         | 1.07         | 0.99         | 1.01         | 1.23         | 1.07         | (0.16)        | (13.04)        |
| of which other Eurasia             | 0.76         | 0.71         | 0.55         | 0.64         | 0.69         | 0.65         | (0.12)        | (15.33)        |
| <b>Total Non-OECD</b>              | <b>52.27</b> | <b>48.04</b> | <b>45.71</b> | <b>49.15</b> | <b>51.31</b> | <b>48.56</b> | <b>(3.71)</b> | <b>(7.10)</b>  |
| <b>Total World</b>                 | <b>99.97</b> | <b>93.48</b> | <b>83.27</b> | <b>91.43</b> | <b>94.28</b> | <b>90.63</b> | <b>(9.34)</b> | <b>(9.34)</b>  |

Source: OPEC Monthly Oil Market Report - June-2021

According to Bloomberg, passenger numbers in the US have increased by almost 5% on average each week since early May-2021, whereas flight departures in the Eurocontrol area have risen by almost 7%.

In the non-OECD countries, oil demand was also revised higher mainly reflecting higher than expected demand in the Middle East region during Q2-2021. The early onset of summer in the Middle East region has seen temperatures soaring, resulting in higher fuel consumption for electricity generation. Electricity consumption in Kuwait was a record high recently due to the heat wave. Elsewhere, oil demand in China has taken a hit due to the ongoing investigation of teapot refineries as well as led by seasonal maintenance. According to preliminary data from the customs, China's crude oil imports declined by 15% y-o-y during May-2021 to reach a 5-month low level of 9.7 mb/d. The refiners in China are also reportedly waiting for quotas for 2H-2021 to set their import targets. In India, monthly oil demand declined by 11.3% m-o-m and 1.5% y-o-y to a 9-month low during May-2021 at 15.11 million tonnes. The decline reflected continued lockdowns in the country during May-2021 in addition to record high refined product prices.

| World Oil Demand - 2020/2021, mb/d | 2020         | Q1-21        | Q2-21        | Q3-21        | Q4-21        | 2021         | Y-o-Y Growth | % Chg.      |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Americas                           | 22.56        | 23.21        | 24.58        | 24.74        | 24.75        | 24.33        | 1.77         | 7.84        |
| of which US                        | 18.44        | 19.15        | 19.96        | 20.24        | 20.45        | 19.96        | 1.51         | 8.21        |
| Europe                             | 12.43        | 11.96        | 12.78        | 13.61        | 13.71        | 13.02        | 0.59         | 4.73        |
| Asia Pacific                       | 7.07         | 7.61         | 7.18         | 7.17         | 7.51         | 7.37         | 0.30         | 4.23        |
| <b>Total OECD</b>                  | <b>42.07</b> | <b>42.77</b> | <b>44.54</b> | <b>45.52</b> | <b>45.97</b> | <b>44.72</b> | <b>2.65</b>  | <b>6.31</b> |
| China                              | 13.19        | 12.95        | 14.27        | 14.93        | 15.05        | 14.30        | 1.11         | 8.43        |
| India                              | 4.51         | 4.94         | 4.52         | 4.91         | 5.61         | 5.00         | 0.49         | 10.82       |
| Other Asia                         | 8.13         | 8.34         | 8.96         | 8.57         | 8.59         | 8.62         | 0.48         | 5.96        |
| Latin America                      | 6.01         | 6.15         | 6.16         | 6.46         | 6.40         | 6.29         | 0.28         | 4.68        |
| Middle East                        | 7.55         | 7.92         | 7.67         | 8.24         | 7.97         | 7.95         | 0.41         | 5.41        |
| Africa                             | 4.08         | 4.39         | 3.96         | 4.16         | 4.48         | 4.25         | 0.16         | 4.03        |
| Eurasia                            | 3.37         | 3.57         | 3.37         | 3.57         | 3.74         | 3.56         | 0.19         | 5.77        |
| of which Russia                    | 1.07         | 1.18         | 1.19         | 1.14         | 1.28         | 1.2          | 0.12         | 11.43       |
| of which other Eurasia             | 0.65         | 0.71         | 0.62         | 0.68         | 0.74         | 0.69         | 0.04         | 6.36        |
| <b>Total "Other Regions"</b>       | <b>48.56</b> | <b>50.16</b> | <b>50.72</b> | <b>52.65</b> | <b>53.85</b> | <b>51.86</b> | <b>3.30</b>  | <b>6.79</b> |
| <b>Total World</b>                 | <b>90.63</b> | <b>92.93</b> | <b>95.26</b> | <b>98.18</b> | <b>99.82</b> | <b>96.58</b> | <b>5.95</b>  | <b>6.57</b> |

Source: OPEC Monthly Oil Market Report - June-2021

## World Oil Supply

World liquids production showed a marginal monthly gain of 0.6% or 0.63 mb/d during May-2021 to average at 93.67 mb/d, reflecting higher output from both OPEC as well as non-OPEC producers. Non-OPEC producers increased production by 0.24 mb/d to reach 68.21 mb/d led by higher production from US, UK, Brazil and Guyana. On the other hand, OPEC increased production by 0.39 mb/d to an average of 25.5 mb/d. The marginal increase in output by OPEC producers resulted in a 0.2% increase in OPEC's market share during the month to 27.2%. Non-OPEC oil supply estimates for 2020 underwent a minor downward revision to show a contraction of 2.5 mb/d. For 2021, non-OPEC supply growth forecast was raised by 0.1 mb/d to 0.8 mb/d and supply is expected to average at 63.7 mb/d reflecting faster ramp-up in production in the US during March-2021.

| Non-OPEC Oil Supply - 2019/2020, mb/d  | 2019         | Q1-20        | Q2-20        | Q3-20        | Q4-20        | 2020         | Y-o-Y Growth  | % Chg.        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Americas                               | 25.77        | 26.60        | 23.55        | 24.10        | 24.65        | 24.73        | (1.05)        | (4.07)        |
| of which US                            | 18.43        | 19.05        | 16.81        | 17.34        | 17.30        | 17.62        | (0.80)        | (4.35)        |
| Europe                                 | 3.71         | 4.05         | 3.89         | 3.79         | 3.89         | 3.90         | 0.19          | 5.21          |
| Asia Pacific                           | 0.52         | 0.53         | 0.54         | 0.54         | 0.52         | 0.53         | 0.01          | 1.61          |
| <b>Total OECD</b>                      | <b>30.01</b> | <b>31.18</b> | <b>27.98</b> | <b>28.43</b> | <b>29.06</b> | <b>29.16</b> | <b>(0.85)</b> | <b>(2.82)</b> |
| China                                  | 4.04         | 4.13         | 4.12         | 4.13         | 4.08         | 4.12         | 0.07          | 1.76          |
| India                                  | 0.82         | 0.79         | 0.76         | 0.76         | 0.76         | 0.77         | (0.06)        | (6.74)        |
| Other Asia                             | 2.69         | 2.61         | 2.47         | 2.46         | 2.49         | 2.5          | (0.18)        | (6.84)        |
| Latin America                          | 6.09         | 6.35         | 5.83         | 6.14         | 5.91         | 6.06         | (0.03)        | (0.51)        |
| Middle East                            | 3.20         | 3.19         | 3.20         | 3.15         | 3.17         | 3.17         | (0.03)        | (0.83)        |
| Africa                                 | 1.51         | 1.46         | 1.43         | 1.40         | 1.37         | 1.42         | (0.09)        | (6.10)        |
| Eurasia                                | 11.61        | 11.68        | 10.38        | 10.01        | 10.31        | 10.59        | (1.02)        | (8.78)        |
| of which Russia                        | 3.07         | 3.16         | 2.92         | 2.73         | 2.85         | 2.91         | (0.16)        | (5.13)        |
| of which other Eurasia                 | 0.12         | 0.12         | 0.12         | 0.11         | 0.11         | 0.12         | 0.00          | (3.27)        |
| <b>Total Non-OECD</b>                  | <b>33.16</b> | <b>33.47</b> | <b>31.22</b> | <b>30.89</b> | <b>31.05</b> | <b>31.66</b> | <b>(1.50)</b> | <b>(4.52)</b> |
| <b>Total Non-OPEC Production</b>       | <b>63.16</b> | <b>64.65</b> | <b>59.2</b>  | <b>59.32</b> | <b>60.12</b> | <b>60.82</b> | <b>(2.35)</b> | <b>(3.71)</b> |
| Processing gains                       | 2.26         | 2.15         | 1.85         | 2.15         | 2.15         | 2.07         | (0.19)        | (8.47)        |
| <b>Total Non-OPEC Supply</b>           | <b>65.43</b> | <b>66.8</b>  | <b>61.05</b> | <b>61.47</b> | <b>62.26</b> | <b>62.89</b> | <b>(2.54)</b> | <b>(3.88)</b> |
| <b>OPEC NGLs and non-conventionals</b> | <b>5.22</b>  | -            | -            | -            | -            | <b>5.05</b>  | <b>(0.17)</b> | <b>(3.26)</b> |
| <b>OPEC Crude Oil Production</b>       | <b>29.34</b> | <b>28.25</b> | <b>25.58</b> | <b>23.86</b> | <b>24.94</b> | <b>25.64</b> |               |               |
| <b>Total World Supply</b>              | <b>99.99</b> | -            | -            | -            | -            | <b>93.58</b> |               |               |

Source: OPEC Monthly Oil Market Report - June-2021

Supply forecasts for Norway, China, Indonesia and Russia were also raised that was partially offset by lower expected supply from Ecuador, Brazil, UK and Colombia. The latest weekly EIA report showed a decline in crude oil inventory in the US for the third consecutive week by 5.2 million barrels. However, the agency reported a significant gasoline inventory build of 7 million barrels and 4.4 million barrels increase in middle distillate inventories. The higher end product inventory indicates oil refiner's readiness for the summer driving season. Meanwhile, rig count data from Baker Hughes showed oil rig count in the US staying flat last week at 359 rigs after rising consecutively over the previous four weeks. This was a 14-month high rig count with 95 rigs being added since the start of the year. However, expectations for the rest of the year does not point to extraordinary growth based on oil production forecast from the EIA coupled with a decline in capex by oil majors in the US.

| Non-OPEC Oil Supply - 2020/2021, mb/d | 2020         | Q1-21        | Q2-21        | Q3-21        | Q4-21        | 2021         | Y-o-Y Growth | % Chg.      |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| Americas                              | 24.73        | 24.11        | 24.64        | 25.43        | 26.03        | 25.06        | 0.33         | 1.35        |
| of which US                           | 17.62        | 16.64        | 17.52        | 17.97        | 18.46        | 17.66        | 0.03         | 0.19        |
| Europe                                | 3.90         | 3.95         | 3.74         | 4.03         | 4.10         | 3.95         | 0.05         | 1.26        |
| Asia Pacific                          | 0.53         | 0.51         | 0.56         | 0.55         | 0.55         | 0.54         | 0.01         | 1.92        |
| <b>Total OECD</b>                     | <b>29.16</b> | <b>28.57</b> | <b>28.93</b> | <b>30.01</b> | <b>30.68</b> | <b>29.55</b> | <b>0.39</b>  | <b>1.35</b> |
| China                                 | 4.12         | 4.25         | 4.26         | 4.23         | 4.20         | 4.23         | 0.12         | 2.86        |
| India                                 | 0.77         | 0.76         | 0.76         | 0.75         | 0.74         | 0.75         | (0.01)       | (1.54)      |
| Other Asia                            | 2.5          | 2.55         | 2.5          | 2.48         | 2.47         | 2.5          | (0.01)       | (0.30)      |
| Latin America                         | 6.06         | 5.96         | 6.11         | 6.31         | 6.51         | 6.23         | 0.17         | 2.79        |
| Middle East                           | 3.17         | 3.20         | 3.20         | 3.23         | 3.24         | 3.22         | 0.04         | 1.36        |
| Africa                                | 1.42         | 1.38         | 1.33         | 1.34         | 1.32         | 1.34         | (0.07)       | (5.24)      |
| Eurasia                               | 10.59        | 10.47        | 10.71        | 10.66        | 10.66        | 10.63        | 0.03         | 0.32        |
| of which Russia                       | 2.91         | 2.96         | 2.95         | 2.98         | 2.98         | 2.97         | 0.05         | 1.84        |
| of which other Eurasia                | 0.12         | 0.11         | 0.11         | 0.11         | 0.11         | 0.11         | (0.01)       | (6.92)      |
| <b>Total "Other regions"</b>          | <b>31.66</b> | <b>31.64</b> | <b>31.93</b> | <b>32.09</b> | <b>32.23</b> | <b>31.97</b> | <b>0.32</b>  | <b>1.00</b> |
| <b>Total Non-OPEC Production</b>      | <b>60.82</b> | <b>60.21</b> | <b>60.86</b> | <b>62.1</b>  | <b>62.9</b>  | <b>61.53</b> | <b>0.71</b>  | <b>1.17</b> |
| Processing gains                      | 2.07         | 2.20         | 2.20         | 2.20         | 2.20         | 2.20         | 0.13         | 6.17        |
| <b>Total Non-OPEC Supply</b>          | <b>62.89</b> | <b>62.41</b> | <b>63.06</b> | <b>64.3</b>  | <b>65.1</b>  | <b>63.73</b> | <b>0.84</b>  | <b>1.33</b> |

Source: OPEC Monthly Oil Market Report - June-2021

## OPEC Oil Production & Spare Capacity

OPEC crude oil production witnessed the biggest monthly increase in six months during May-2021. The group produced at 25.5 mb/d during the month, registering a m-o-m increase of 0.4 mb/d. The increase was mainly led by higher production by Saudi Arabia that more than offset marginal decline in production by other OPEC producers. According to OPEC's secondary sources, Saudi Arabia increased production by 345 tb/d to an average of 8.5 mb/d during May-2021. The increase came after produced against a higher OPEC+ quota, in addition to scaling back part of its 1 mb/d of voluntary cuts that has been in place for the past several months. Iran and Venezuela also raised productions, according to OPEC, by 45 tb/d and 44 tb/d, respectively, although Bloomberg data showed a marginal decline in production by the two producers. UAE, Iraq, Kuwait and Libya also reported marginally higher production during the month. These increases in production were partially offset by a

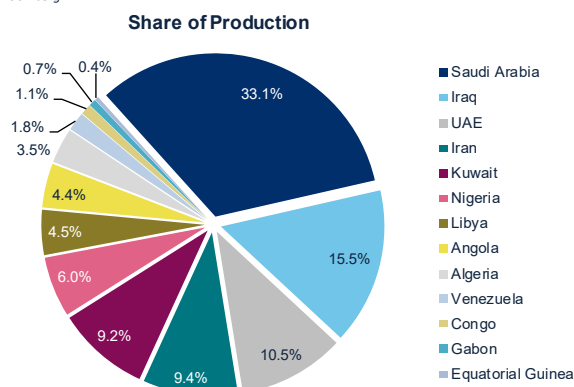
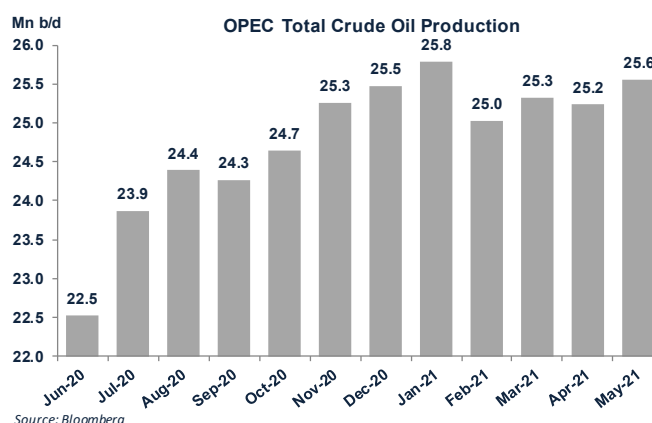
| Production ('000 b/d) | Apr-21        | May-21        | Change     |              | Capacity      | Spare Capacity |
|-----------------------|---------------|---------------|------------|--------------|---------------|----------------|
| <b>Total OPEC-13</b>  | <b>25,240</b> | <b>25,560</b> | <b>320</b> | <b>1.27%</b> | <b>34,535</b> | <b>8,975</b>   |
| <b>Saudi Arabia</b>   | 8,110         | 8,460         | 350        | 4.3%         | 11,500        | 3,040          |
| Iraq                  | 3,950         | 3,960         | 10         | 0.3%         | 4,800         | 840            |
| <b>UAE</b>            | 2,620         | 2,690         | 70         | 2.7%         | 4,200         | 1,510          |
| Iran                  | 2,410         | 2,400         | -10        | -0.4%        | 3,830         | 1,430          |
| <b>Kuwait</b>         | 2,320         | 2,350         | 30         | 1.3%         | 3,075         | 725            |
| Nigeria               | 1,590         | 1,530         | -60        | -3.8%        | 2,000         | 470            |
| Libya                 | 1,140         | 1,140         | 0          | 0.0%         | 1,300         | 160            |
| Angola                | 1,150         | 1,120         | -30        | -2.6%        | 1,450         | 330            |
| Algeria               | 880           | 890           | 10         | 1.1%         | 1,080         | 190            |
| Venezuela             | 490           | 470           | -20        | -4.1%        | 600           | 130            |
| Congo                 | 270           | 270           | 0          | 0.0%         | 330           | 60             |
| Gabon                 | 190           | 180           | -10        | -5.3%        | 220           | 40             |
| Equatorial Guinea     | 120           | 100           | -20        | -16.7%       | 150           | 50             |
| <b>Total OPEC-12</b>  | <b>21,290</b> | <b>21,600</b> | <b>310</b> | <b>1.46%</b> | <b>29,735</b> | <b>8,135</b>   |

Source: Bloomberg, OPEC

decline in production by Nigeria by 72 tb/d to an average of 1.4 mb/d in addition to a 60 tb/d decline in production by reported by Angola that produced at 1.1 mb/d during the month. According to S&P Platts, OPEC producers' compliance to the OPEC+ accord stood at 119% during May-2021, while non-OPEC producer compliance was slightly below 100% at 97.53%, bringing overall OPEC+ compliance to 111.5%.

Oil production in Iran was up by 42 tb/d as the country prepares for the lifting of sanctions from the US. The country expects to restore most of its lost production within a month of lifting of sanctions to around 3.3 mb/d and gradually raise it to 4 mb/d, an official from Iran's National Iranian Oil Co. said. The country is also looking at increasing output from its South Azadegan oil field via additional drilling, according to a MEED report, that would add 10 tb/d to its overall oil production. There were also reports that Iran will start shipping crude from its new terminal at Jask on the Gulf of Oman coast in June-2021.

Oil production in Libya remained flattish during May-2021 at 1.16 mb/d although the country continues to face fund shortages that is making it difficult to restore oil installations, according to the chairman of Libya's NOC. Production outages were also reported recently at two locations that affected output by 0.2 mb/d and were only partly fixed until recently.



Source: Bloomberg

## Brent Crude Oil Price Forecast

| Firm  | As Of     | Q2 21       | Q3 21       | Q4 21       | Q1 22       |
|---|-----------|-------------|-------------|-------------|-------------|
| Landesbank Baden-Wuerttemberg                 | 4/Jun/21  | 67.0        | 65.0        | 70.0        | 70.0        |
| Commerzbank AG                                | 2/Jun/21  | 66.0        | 65.0        | 70.0        | 70.0        |
| Emirates NBD PJSC                             | 27/May/21 | 70.0        | 70.0        | 70.0        | 70.0        |
| Banco Santander SA                            | 21/May/21 | 64.9        | 62.0        | 60.0        | 59.0        |
| Intesa Sanpaolo SpA                           | 17/May/21 | 70.0        | 72.0        | 73.0        |             |
| Westpac Banking Corp                          | 10/May/21 | 67.0        | 70.0        | 70.0        | 68.0        |
| Capital Economics Ltd                         | 4/May/21  | 67.0        | 72.5        | 72.5        | 69.0        |
| Rabobank International                        | 29/Apr/21 | 71.0        | 71.2        | 71.3        | 71.7        |
| Jefferies LLC                                 | 13/Apr/21 | 52.0        | 53.0        | 55.0        |             |
| Deutsche Bank AG                              | 12/Apr/21 | 65.0        | 67.0        | 70.0        | 65.0        |
| Natixis SA                                    | 7/Apr/21  | 67.0        | 64.0        | 66.0        | 68.0        |
| Market Risk Advisory Co Ltd                   | 2/Apr/21  | 63.0        | 64.0        | 60.0        | 60.0        |
| Toronto-Dominion Bank/Toronto                 | 30/Mar/21 | 66.0        | 63.0        | 63.0        | 65.0        |
| Barclays PLC                                  | 22/Mar/21 | 64.0        | 67.0        | 71.0        | 73.0        |
| HSBC Holdings PLC                             | 19/Mar/21 | 64.0        | 70.0        | 65.0        |             |
| CIMB  | 12/Mar/21 | 70.0        | 68.0        | 65.0        | 63.0        |
| ABN AMRO Bank NV                              | 5/Mar/21  | 65.0        | 63.0        | 61.0        | 59.0        |
| MPS Capital Services Banca per le Imprese SpA | 26/Feb/21 | 61.0        | 62.0        | 64.0        |             |
| MUFG Bank                                     | 17/Feb/21 | 73.7        | 71.8        | 65.4        | 58.4        |
| Prestige Economics LLC                        | 29/Dec/20 | 55.5        | 57.0        | 60.0        |             |
| <b>Median</b>                                 |           | <b>66.0</b> | <b>66.0</b> | <b>65.7</b> | <b>68.0</b> |
| <b>Mean</b>                                   |           | <b>65.5</b> | <b>65.9</b> | <b>66.1</b> | <b>65.9</b> |
| <b>High</b>                                   |           | <b>73.7</b> | <b>72.5</b> | <b>73.0</b> | <b>73.0</b> |
| <b>Low</b>                                    |           | <b>52.0</b> | <b>53.0</b> | <b>55.0</b> | <b>58.4</b> |
| <b>Current Fwd</b>                            |           | <b>69.7</b> | <b>71.2</b> | <b>69.6</b> | <b>68.4</b> |
| <b>Difference (Median - Current)</b>          |           | <b>-3.7</b> | <b>-5.2</b> | <b>-3.9</b> | <b>-0.4</b> |

Source: Bloomberg



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