

## Oil Market Monthly Report

November-2014

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**Oil prices losing streak continued for the 4th consecutive month in Oct-14** across all baskets on concern that supply from U.S. unconventional fields is rising faster than global demand as well as about the pace of global economic growth. Likewise, Oil futures tumbled further during October as weak oil market fundamentals, a stronger dollar and financial-related sell-offs continued to pressure crude oil markets.

**OPEC Reference Basket slumped to a four-year low this month** to average around USD 85.06/b in October, the lowest level since Dec-10, down substantially by USD 10.9/b or around 11.4% below last month's level when it reached an average of USD 95.98/b, and closed the month at a low of USD 81.97/b. Moreover, the basket saw a further drop during the early part of November by around 7.5%, to reach a low of USD 77.27/b as of 11-Nov-2014 and average around USD 78.66/b, a level last seen since Sep-2010.

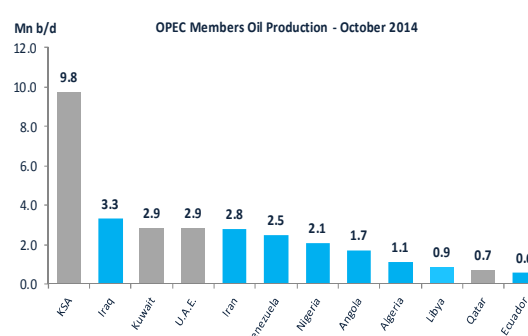
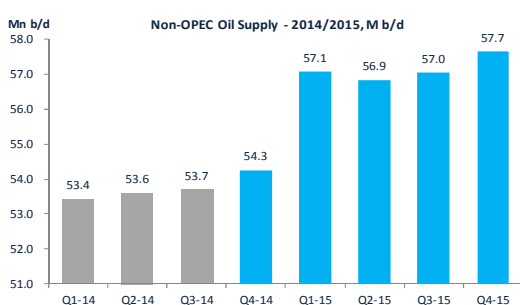
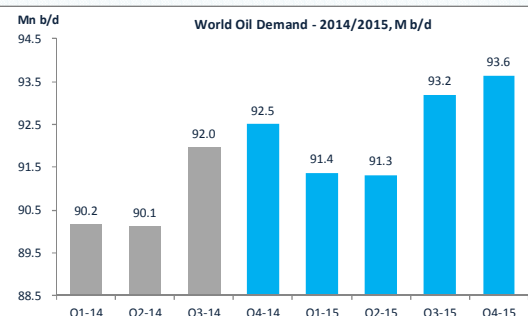
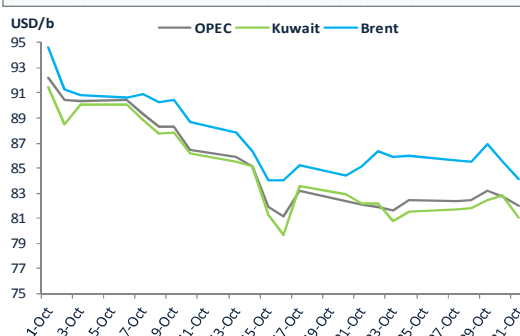
**Total world oil demand growth for 2014 is estimated at 1.05 Mn b/d**, or an increase of 1.17%, to stand at 91.19 Mn b/d compared to 90.14 Mn b/d for the year 2013. According to OPEC Monthly Report, the forecast growth is supported by positive performance from China, Brazil and Middle East (mainly Saudi Arabia) offsetting lower-than-expected growth in some OECD regions.

**Total world oil demand for 2015 is projected to expand at a higher rate than the previous year**, growing by 1.19 Mn b/d from the 2014 level to average around 92.38 Mn b/d. The expected growth level in 2015 of around 1.31% implies an increase of 0.14 Mn b/d from the growth forecasted for this year.

**Total non-OPEC supply is estimated to have averaged 55.91 Mn b/d by the end of 2014**, an increase of 1.68 Mn b/d or 3.1%. This growth is mainly attributable to higher oil supply from OECD Americas which is estimated to have increased their supplies by 1.50 Mn b/d during 2014.

**OPEC production increased by a marginal 0.2% during Oct-14**, to stand at 30.97 Mn b/d, higher by 53 thousand b/d compared to last month. This minor increase in oil output came mainly from a higher production by KSA, Iraq and Libya all together adding a total of 0.320 Mb b/d during the month, while this increase was offset in big part by the lower production in Angola, Kuwait and Nigeria.

**Saudi Arabia share of production during Oct-14 stood at 31.5%** to register a production of 9.75 Mn b/d as compared to 9.65 Mn b/d in Sep-14, followed by Iraq at 10.7% (or 3.3 Mn b/d), while Kuwait and UAE's production represented an equal 9.2% (or 2.85 Mn b/d); on the other hand, Iran's share of production dropped to 8.9% compared to last month's level of 9.0%. The share of production by the GCC states represented 58.3% or 16.14 Mn b/d of total OPEC-11 which stood at 27.7 Mn b/d in Oct-14.



Source for the above charts : OPEC and Bloomberg

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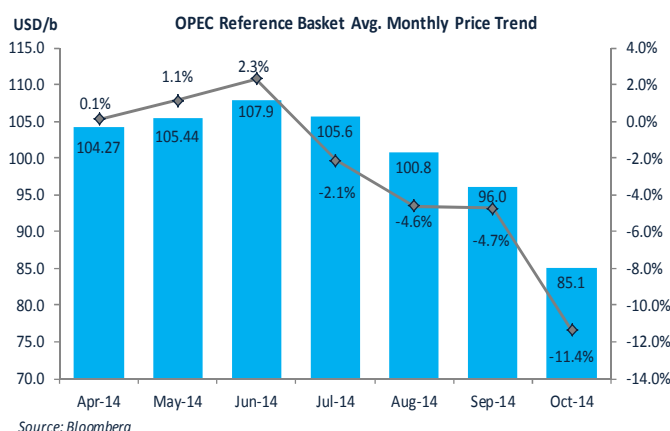
## Oil Prices

Oil prices losing streak continued for the fourth consecutive month in Oct-14 across all baskets on concern that supply from U.S. unconventional fields is rising faster than global demand as well as about the pace of global economic growth. Likewise, Oil futures tumbled further during October as weak oil market fundamentals, a stronger dollar and financial-related sell-offs continued to pressure crude oil markets.

OPEC Reference Basket slumped to a four-year low this month to average around USD 85.1/b in October, the lowest level since Dec-2010, down substantially by USD 10.9/b or around 11.4% below last month's price level when it reached an average of USD 95.98/b, and closed the month at a low of USD 81.97/b. Moreover, the basket

saw a further drop during the early part of November by around 7.5%, to reach a low of USD 77.27/b as of 11-Nov-2014 and average around USD 78.66/b, a level last seen since Sep-2010. The Basket's accumulated loss since it peaked in June up till 11-Nov-2014 reached around USD 29.2/b, reflecting the ongoing pressure on all crude oil prices. Likewise, on a YTD basis, OPEC Reference Basket's value was 3.8% lower compared with the same period one year earlier, standing at an average of USD 101.79/b compare to an average of USD 105.79/b a year ago.

On the other hand, Kuwait Blend Spot Price FOB averaged USD 84.6/b, down from an average of USD 96.2/b in Sep-2014 or by around 12.1%, and closed the month at a low of USD 81.12/b; moreover, prices continued the downward movement to drop by around 8.5% during the first week of November to reach USD 72.96/b as of 13-Nov-14. Meanwhile, European Brent Spot Price FOB averaged around USD 87.4/b, down from an average of USD 97.3/b recorded during Sep-2014. The basket closed the month at USD 84.17/b.



OPEC & Selected Crude Oil Baskets, USD/b	Sep-14	Oct-14	% Chg.	2013	YTD-2014
<b>OPEC Reference Basket</b>	<b>96.0</b>	<b>85.1</b>	<b>(10.9)</b>	<b>105.8</b>	<b>101.8</b>
Arab Light	97.2	85.9	(11.3)	106.6	102.7
Basrah Light	94.5	83.6	(10.9)	103.7	99.9
Bonny Light	98.1	88.5	(9.6)	111.2	106.4
Es Sider	96.2	86.3	(9.9)	108.4	103.9
Girassol	97.2	86.8	(10.4)	109.0	104.7
Iran Heavy	96.1	84.6	(11.5)	105.3	101.8
<b>Kuwait Export</b>	<b>95.3</b>	<b>84.0</b>	<b>(11.3)</b>	<b>104.9</b>	<b>100.9</b>
Marine	96.1	86.1	(9.9)	105.0	101.9
Merey	88.6	76.2	(12.4)	96.8	92.1
Murban	98.9	89.1	(9.8)	107.8	105.1
Oriente	87.2	76.8	(10.4)	98.6	92.2
Saharan Blend	97.1	87.6	(9.5)	109.1	105.1
<b>Other Crudes</b>					
Brent	97.3	87.4	(9.9)	108.5	104.5
Dubai	96.5	86.7	(9.7)	105.2	102.2
Isthmus	93.7	85.4	(8.3)	106.9	98.3
LLS	96.3	87.6	(8.7)	108.7	101.9
Mars	93.0	83.6	(9.4)	103.6	97.9
Minas	95.1	84.5	(10.6)	107.8	104.6
Urals	96.1	86.6	(9.5)	107.8	103.4
WTI	93.4	84.4	(8.9)	98.4	98.1
<b>Differentials</b>					
Brent/WTI	3.9	3.0	(1.0)	10.1	6.4
Brent/LLS	1.0	(0.2)	(1.2)	(0.2)	2.6
Brent/Dubai	0.8	0.7	(0.2)	3.3	2.4

Source: OPEC Monthly Oil Market Report - November 2014

## World Oil Demand

Total world oil demand growth for 2014 is estimated at 1.05 Mn b/d, or an increase of 1.17%, to stand at 91.19 Mn b/d compared to 90.14 Mn b/d for the year 2013. According to OPEC Monthly Report, the forecast growth is supported by positive performance from China, Middle East (mainly Saudi Arabia), and Brazil, offsetting lower-than-expected growth in some OECD regions. The growth in oil demand for 2014 is driven in part by OECD Americas higher oil demand of around 0.13 Mn b/d given the growing usage in the industrial and transportation sectors, yet partly affected by fuel substitution with other commodities.

On the other hand, European oil demand is estimated to show a contraction of around 0.20 Mn b/d in 2014, corresponding to the continuing economic concerns in some parts of the region mostly in countries which struggle with the reduction of their public debt. Besides, Asia Pacific oil demand is seen to contract by around 0.14 Mn b/d, primarily owing to Japan substituting fuel and crude burning for electricity generation with natural gas and coal. Moreover, the major part of the anticipated growth in world oil demand for 2014 is mainly originated from India, Latin America, Middle East (particularly Saudi Arabia) and China, all together accounting for an increase of 0.97 Mn b/d in oil consumption, or around 92.4% of the total expected increase in world oil demand for the year.

World Oil Demand - 2013/2014, M b/d	2013	Q1-14	Q2-14	Q3-14	Q4-14	2014	Y-o-Y Growth	% Chg.
Americas	24.05	23.86	23.89	24.39	24.55	24.17	0.13	0.53
of which US	19.27	19.24	19.04	19.56	19.72	19.39	0.12	0.62
Europe	13.61	13.02	13.46	13.76	13.38	13.41	(0.20)	(1.48)
Asia Pacific	8.29	8.85	7.58	7.81	8.40	8.16	(0.14)	(1.64)
<b>Total OECD</b>	<b>45.95</b>	<b>45.73</b>	<b>44.93</b>	<b>45.96</b>	<b>46.32</b>	<b>45.74</b>	<b>(0.21)</b>	<b>(0.46)</b>
Other Asia	11.06	11.08	11.37	11.37	11.35	11.29	0.23	2.10
of which India	3.70	3.85	3.80	3.68	3.86	3.80	0.10	2.65
Latin America	6.50	6.42	6.69	6.98	6.78	6.72	0.22	3.46
Middle East	7.81	8.07	7.98	8.47	7.95	8.12	0.31	3.92
Africa	3.63	3.75	3.75	3.61	3.76	3.72	0.09	2.46
<b>Total Developing Countries (DCs)</b>	<b>29.00</b>	<b>29.31</b>	<b>29.79</b>	<b>30.43</b>	<b>29.84</b>	<b>29.85</b>	<b>0.85</b>	<b>2.94</b>
Former Soviet Union (FSU)	4.49	4.39	4.23	4.63	4.93	4.55	0.06	1.25
Other Europe	0.64	0.64	0.60	0.64	0.72	0.65	0.01	1.87
China	10.07	10.08	10.56	10.30	10.70	10.41	0.34	3.42
<b>Total "Other Regions"</b>	<b>15.20</b>	<b>15.11</b>	<b>15.39</b>	<b>15.57</b>	<b>16.34</b>	<b>15.61</b>	<b>0.41</b>	<b>2.71</b>
<b>Total World</b>	<b>90.14</b>	<b>90.16</b>	<b>90.11</b>	<b>91.96</b>	<b>92.50</b>	<b>91.19</b>	<b>1.05</b>	<b>1.17</b>

Source: OPEC Monthly Oil Market Report - November 2014

Total world oil demand for 2015 is projected to expand at a higher rate than the previous year, growing by 1.19 Mn b/d from the 2014 level to average around 92.38 Mn b/d. The expected growth level in 2015 of around 1.31% implies an increase of 0.14 Mn b/d from the growth forecasted for this year. According to OPEC Monthly Oil Report, the data shows that non-OECD countries are expected to lead oil demand growth with 1.20 Mn b/d in total demand while OECD nations are predicted to show a marginal drop of 20 tb/d. The key factor affecting the world oil demand projections in 2015 remains the progress of economic development in major economies around the globe.

World Oil Demand - 2014/2015, M b/d	2014	Q1-15	Q2-15	Q3-15	Q4-15	2015	Y-o-Y Growth	% Chg.
Americas	24.17	24.02	24.03	24.56	24.70	24.33	0.16	0.64
of which US	19.39	19.37	19.14	19.70	19.85	19.52	0.13	0.65
Europe	13.41	12.96	13.41	13.67	13.29	13.34	(0.07)	(0.52)
Asia Pacific	8.16	8.76	7.51	7.70	8.26	8.06	(0.10)	(1.23)
<b>Total OECD</b>	<b>45.74</b>	<b>45.74</b>	<b>44.95</b>	<b>45.93</b>	<b>46.25</b>	<b>45.72</b>	<b>(0.02)</b>	<b>(0.03)</b>
Other Asia	11.29	11.30	11.61	11.62	11.56	11.52	0.23	2.06
of which India	3.80	3.94	3.89	3.78	3.96	3.89	0.10	2.50
Latin America	6.72	6.64	6.90	7.20	7.04	6.95	0.23	3.35
Middle East	8.12	8.36	8.25	8.78	8.24	8.41	0.30	3.64
Africa	3.72	3.84	3.84	3.70	3.85	3.81	0.09	2.42
<b>Total Developing Countries (DCs)</b>	<b>29.85</b>	<b>30.15</b>	<b>30.60</b>	<b>31.30</b>	<b>30.69</b>	<b>30.69</b>	<b>0.84</b>	<b>2.82</b>
Former Soviet Union (FSU)	4.55	4.44	4.28	4.68	4.98	4.60	0.05	1.10
Other Europe	0.65	0.65	0.61	0.65	0.72	0.66	0.01	1.08
China	10.41	10.39	10.87	10.62	10.99	10.72	0.31	2.95
<b>Total "Other Regions"</b>	<b>15.61</b>	<b>15.47</b>	<b>15.76</b>	<b>15.95</b>	<b>16.69</b>	<b>15.97</b>	<b>0.36</b>	<b>2.34</b>
<b>Total World</b>	<b>91.19</b>	<b>91.36</b>	<b>91.31</b>	<b>93.18</b>	<b>93.64</b>	<b>92.38</b>	<b>1.19</b>	<b>1.31</b>

Source: OPEC Monthly Oil Market Report - November 2014

## World Oil Supply

Total non-OPEC supply is estimated to have averaged 55.91 Mn b/d by the end of 2014, an increase of 1.68 Mn b/d or 3.1%. This growth is mainly attributable to higher oil supply from OECD Americas which is estimated to have increased their supplies by 1.50 Mn b/d during 2014, the highest recorded supply growth from this region. Growth in oil supply is also expected to come, although to a relatively minor magnitude, from Latin America, Africa, Russia, China and OECD Asia Pacific. On the other hand, Other Asia and Europe are expected to see supply declines during 2014; however, as indicated in OPEC Monthly Report, these declines are expected to be at a slower pace as compared to 2013 due to the commencement of new projects, whereas production forecast in the Middle East remains associated with a high level of risk, mainly due to the political situation.

Total OECD supply is expected to see one of the highest supply growth since 2003 to an estimated average of 23.69 Mn b/d during 2014, an increase of 1.50 Mn b/d on the back of re-evaluation of individual countries' supply profiles.

Non-OPEC Oil Supply - 2013/2014, M b/d	2013	Q1-14	Q2-14	Q3-14	Q4-14	2014	Y-o-Y Growth	% Chg.
Americas	18.14	19.10	19.64	19.78	20.06	19.65	1.51	8.32
of which US	11.23	11.95	12.66	12.87	12.99	12.62	1.40	12.38
Europe	3.58	3.75	3.51	3.40	3.54	3.55	(0.03)	(0.84)
Asia Pacific	0.48	0.50	0.50	0.51	0.48	0.50	0.02	4.17
<b>Total OECD</b>	<b>22.19</b>	<b>23.34</b>	<b>23.65</b>	<b>23.69</b>	<b>24.08</b>	<b>23.69</b>	<b>1.50</b>	<b>6.76</b>
Other Asia	3.59	3.55	3.52	3.45	3.50	3.51	(0.09)	(2.23)
Latin America	4.78	4.84	4.90	5.01	5.05	4.95	0.17	3.56
Middle East	1.36	1.34	1.33	1.37	1.33	1.34	(0.02)	(1.47)
Africa	2.40	2.49	2.45	2.44	2.42	2.45	0.05	2.08
<b>Total Developing Countries (DCs)</b>	<b>12.13</b>	<b>12.22</b>	<b>12.19</b>	<b>12.27</b>	<b>12.31</b>	<b>12.25</b>	<b>0.12</b>	<b>0.99</b>
Former Soviet Union (FSU)	13.41	13.48	13.36	13.41	13.37	13.40	0.00	(0.07)
of which Russia	10.51	10.59	10.55	10.52	10.50	10.54	0.03	0.29
Other Europe	0.14	0.14	0.14	0.14	0.14	0.14	0.00	0.00
China	4.23	4.24	4.27	4.19	4.35	4.26	0.03	0.71
<b>Total "Other regions"</b>	<b>17.78</b>	<b>17.86</b>	<b>17.76</b>	<b>17.74</b>	<b>17.86</b>	<b>17.81</b>	<b>0.03</b>	<b>0.17</b>
<b>Total Non-OPEC Production</b>	<b>52.10</b>	<b>53.43</b>	<b>53.60</b>	<b>53.69</b>	<b>54.26</b>	<b>53.75</b>	<b>1.65</b>	<b>3.17</b>
Processing gains	2.13	2.16	2.16	2.16	2.16	2.16	0.03	1.41
<b>Total Non-OPEC Supply</b>	<b>54.23</b>	<b>55.59</b>	<b>55.77</b>	<b>55.86</b>	<b>56.42</b>	<b>55.91</b>	<b>1.68</b>	<b>3.10</b>
<b>OPEC NGLs and non-conventionals</b>	<b>5.65</b>	<b>5.73</b>	<b>5.79</b>	<b>5.86</b>	<b>5.93</b>	<b>5.83</b>	<b>0.18</b>	<b>3.19</b>
<b>OPEC Crude Oil Production</b>	<b>30.20</b>	<b>29.84</b>	<b>29.76</b>	<b>30.23</b>	-	-	-	-
<b>Total World Supply</b>	<b>90.08</b>	<b>91.16</b>	<b>91.32</b>	<b>91.95</b>	-	-	-	-

Source: OPEC Monthly Oil Market Report - November 2014

Non-OPEC oil supply growth is expected to continue in 2015 and to expand by 1.24 Mn b/d to average at 57.16 Mn b/d supported mainly by higher oil supply from OECD Americas, Latin America and China, partly offset by expected decline in supply from FSU and Africa. Supply growth from OECD countries is expected to average at 1.15 Mn b/d during 2015, the largest from among the non-OPEC suppliers.

Non-OPEC Oil Supply - 2014/2015, M b/d	2014	Q1-15	Q2-15	Q3-15	Q4-15	2015	Y-o-Y Growth	% Chg.
Americas	19.66	20.37	20.54	20.91	21.37	20.80	1.14	0.06
of which US	12.63	13.17	13.46	13.67	13.97	13.57	0.94	0.07
Europe	3.55	3.66	3.51	3.40	3.62	3.55	0.00	0.00
Asia Pacific	0.50	0.51	0.52	0.51	0.47	0.50	0.00	0.00
<b>Total OECD</b>	<b>23.71</b>	<b>24.53</b>	<b>24.57</b>	<b>24.82</b>	<b>25.47</b>	<b>24.85</b>	<b>1.15</b>	<b>0.05</b>
Other Asia	3.51	3.57	3.54	3.50	3.45	3.51	0.00	0.00
Latin America	4.98	5.16	5.10	5.13	5.06	5.11	0.13	0.03
Middle East	1.33	1.36	1.35	1.33	1.32	1.34	0.00	0.00
Africa	2.41	2.43	2.39	2.37	2.35	2.38	(0.03)	(0.01)
<b>Total Developing Countries (DCs)</b>	<b>12.24</b>	<b>12.52</b>	<b>12.38</b>	<b>12.32</b>	<b>12.18</b>	<b>12.35</b>	<b>0.11</b>	<b>0.01</b>
Former Soviet Union (FSU)	13.40	13.39	13.30	13.27	13.32	13.32	(0.08)	(0.01)
of which Russia	10.54	10.52	10.50	10.49	10.51	10.51	(0.03)	(0.00)
Other Europe	0.14	0.14	0.14	0.14	0.14	0.14	0.00	0.00
China	4.26	4.31	4.29	4.31	4.37	4.32	0.06	0.01
<b>Total "Other regions"</b>	<b>17.81</b>	<b>17.85</b>	<b>17.73</b>	<b>17.72</b>	<b>17.83</b>	<b>17.78</b>	<b>(0.02)</b>	<b>(0.00)</b>
<b>Total Non-OPEC Production</b>	<b>53.75</b>	<b>54.89</b>	<b>54.68</b>	<b>54.87</b>	<b>55.48</b>	<b>54.98</b>	<b>1.23</b>	<b>0.02</b>
Processing gains	2.16	2.17	2.17	2.17	2.17	2.17	0.01	0.00
<b>Total Non-OPEC Supply</b>	<b>55.91</b>	<b>57.07</b>	<b>56.85</b>	<b>57.04</b>	<b>57.65</b>	<b>57.16</b>	<b>1.24</b>	<b>0.02</b>

Source: OPEC Monthly Oil Market Report - November 2014

## OPEC Oil Production & Spare Capacity

OPEC production increased by a marginal 0.2% during Oct-14, to stand at 30.97 Mn b/d, higher by 53 thousand b/d compared to last month. This minor increase in oil output came mainly from a higher production by KSA, Iraq and Libya all together adding a total of 0.320 Mb b/d during the month, while this increase was offset in big part by the lower production in Angola, Kuwait and Nigeria. OPEC crude oil production, excluding Iraq, averaged 27.7 Mn b/d; lower by around 0.4% compared to last month's level.

During the month of Oct-14, OPEC was producing at 83.1% similar to the production rate of last month, while the largest OPEC oil producer Saudi Arabia was operating at 78% of its capacity along with Iraq at 90.4%. The total spare capacity by OPEC countries stood at around 6.28 Mn b/d, or around 16.9% of total capacity.

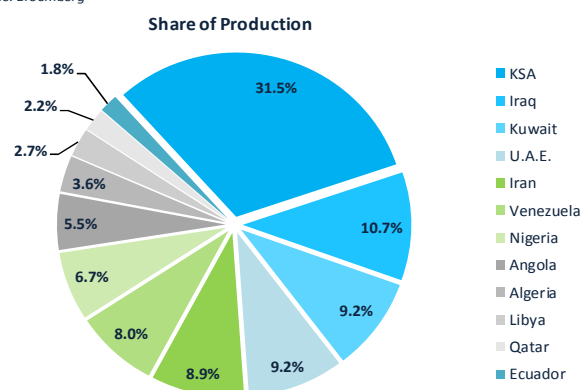
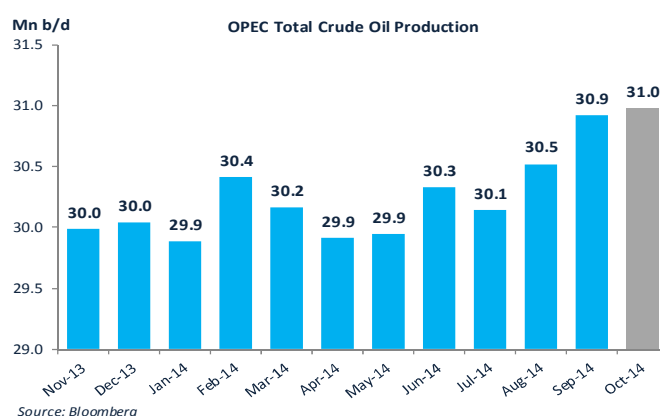
Production ('000 b/d)	October	September	Change		Capacity	Spare Capacity
<b>Total OPEC-12</b>	<b>30,974</b>	<b>30,921</b>	<b>53</b>	<b>0.2%</b>	<b>37,255</b>	<b>6,281</b>
<b>KSA</b>	9,750	9,650	100	1.0%	12,500	2,750
Iraq	3,300	3,150	150	4.8%	3,650	350
<b>Kuwait</b>	2,850	2,900	-50	-1.7%	3,250	400
<b>U.A.E.</b>	2,850	2,850	0	0.0%	3,000	150
Iran	2,770	2,780	-10	-0.4%	3,500	730
Venezuela	2,469	2,471	-2	-0.1%	3,000	531
Nigeria	2,090	2,130	-40	-1.9%	2,400	310
Angola	1,700	1,870	-170	-9.1%	1,870	170
Algeria	1,100	1,100	0	0.0%	1,200	100
Libya	850	780	70	9.0%	1,550	700
<b>Qatar</b>	690	690	0	0.0%	780	90
Ecuador	555	550	5	0.9%	555	0
<b>Total OPEC-11</b>	<b>27,674</b>	<b>27,771</b>	<b>-97</b>	<b>-0.35%</b>	<b>33,605</b>	<b>5,931</b>

Source: Bloomberg

Nevertheless, on a year-to-date basis, OPEC crude oil average monthly production for YTD-Oct-14 saw a decline of 1.2% or around 382,000 b/d to average around 30.32 Mn b/d, compared with 30.70 Mn b/d for the last comparable period a year earlier.

KSA and Iraq have led the increase in crude oil production during the month adding a total of 250,000 b/d compared to last month; while on the other hand, crude oil production from Angola and Kuwait experienced a decline in Oct-14 for a total of 220,000 b/d, therefore almost fully offsetting the overall increase in production.

Saudi Arabia share of production during Oct-14 stood at 31.5% to register a production of 9.75 Mn b/d as compared to 9.65 Mn b/d in Sep-14, followed by Iraq at 10.7% (or 3.3 Mn b/d), while Kuwait and UAE's production represented an equal 9.2% (or 2.85 Mn b/d); on the other hand, Iran's share of production dropped to 8.9% compared to last month's level of 9.0%, with a lower output by 10,000 b/d. The share of production by the GCC states represented 58.3% or 16.14 Mn b/d of total OPEC-11 which stood at 27.7 Mn b/d in Oct-14.



Source: OPEC Monthly Oil Market Report - November 2014

## Oil Market News & Developments

### **Kuwait says OPEC unlikely to cut output to support prices (Reuters)**

OPEC is unlikely to cut oil production in an effort to prop up prices because such a move would not necessarily be effective, Kuwait's oil minister Ali al-Omair said.

### **Kuwait agrees to 45 months deadline on CFP (Zawya)**

Kuwait National Petroleum Company (KNPC) and three international consortiums awarded the multi-billion dollars clean fuel project (CFP) have agreed on a timetable to complete it within 45 months.

### **Kuwait moves toward cutting diesel, kerosene subsidies in key reform (Reuters)**

Kuwait's government is moving towards cutting some of the energy subsidies which drain billions of dollars from the state budget every year, in a politically sensitive reform which could start to curb waste and overuse of its oil resources.

### **Nine firms in race for Kuwait's pipeline project (Zawya)**

Kuwaiti National Petroleum Company (KNPC) has prequalified nine companies for a \$1.2 billion (350 million dinars) project to build the fifth gas pipeline to its Mina Al Ahmadi refinery, located south of Kuwait City, Kuwait.

### **Saudi-Kuwait oilfield shutdown may force Asian buyers to spot market-trade (Reuters)**

A production halt at an oilfield run jointly by Saudi Arabia and Kuwait is expected to curb crude supply to Asian buyers - mainly Japanese and South Korean refiners - likely forcing them to turn to the Middle East spot market.

### **Saudi SABIC's CEO says oil price decline is temporary (Reuters)**

The recent decline in global oil prices will prove temporary even if it lasts a year or so, since population growth will ultimately bring higher consumption and prices, the chief executive of Saudi Basic Industries Corp said.

### **Advanced Petrochem to raise capacity of complex (The Saudi Gazette)**

Saudi Arabia's Advanced Petrochemical Company will raise the production capacity of its polypropylene plant in Jubail to more than 500,000 mtpa, from the current 450,000 mtpa, by mid-2105.

### **Gulf states will have to cut spending as oil price dips -Kuwait's finance minister (Reuters)**

Gulf Arab oil exporters face inevitable spending cuts as weak oil prices cloud their economic outlook, Kuwaiti Finance Minister Anas al-Saleh said. "We must undertake comprehensive economic reforms including the reform of imbalances in public finances," Saleh told a meeting of Gulf Arab finance ministers, central bank governors and the International Monetary Fund in Kuwait.

### **Dubai Petroleum finds gas in deepest ever Dubai well (Emirates News Agency)**

Dubai Petroleum Establishment, DPE, has identified significant volumes of gas in its T-02 deep gas exploration well. The high pressure and high temperature T-02 well was drilled to 18,248 feet (5,562 meters) into the Pre Khuff formation and is the deepest well in Dubai to date. DPE expects to have the test results in late summer 2015.

### **Iraq to hold auction for Nassiriya oil project by end 2014-official (Zawya)**

Iraq's oil ministry will hold a bidding round to develop its southern Nassiriya oilfield and construct an associated refinery before the end of 2014, ministry spokesman Assem Jihad told Zawya.



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