



Short-term Oil Market Developments

Presented by

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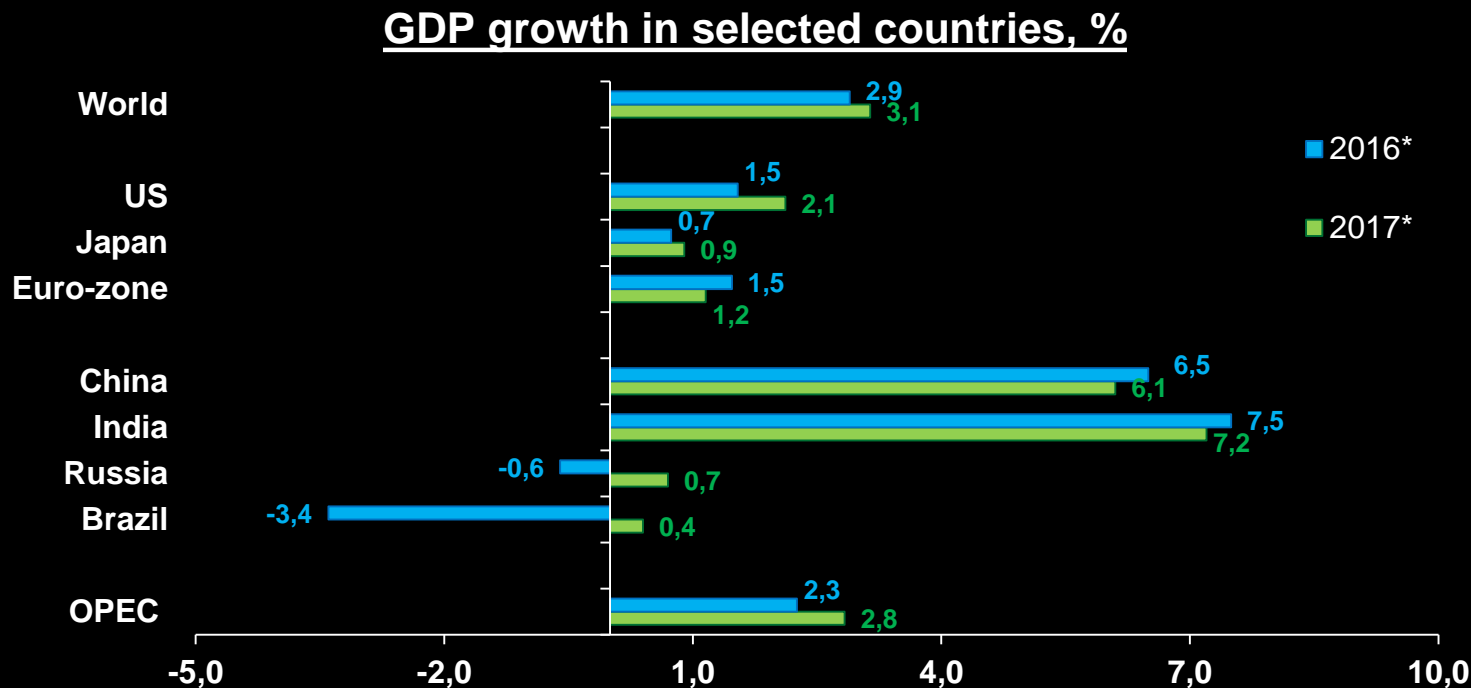
- **Review of the oil market for 2016 and outlook for 2017**
- **Price developments**
- **Concluding remarks**



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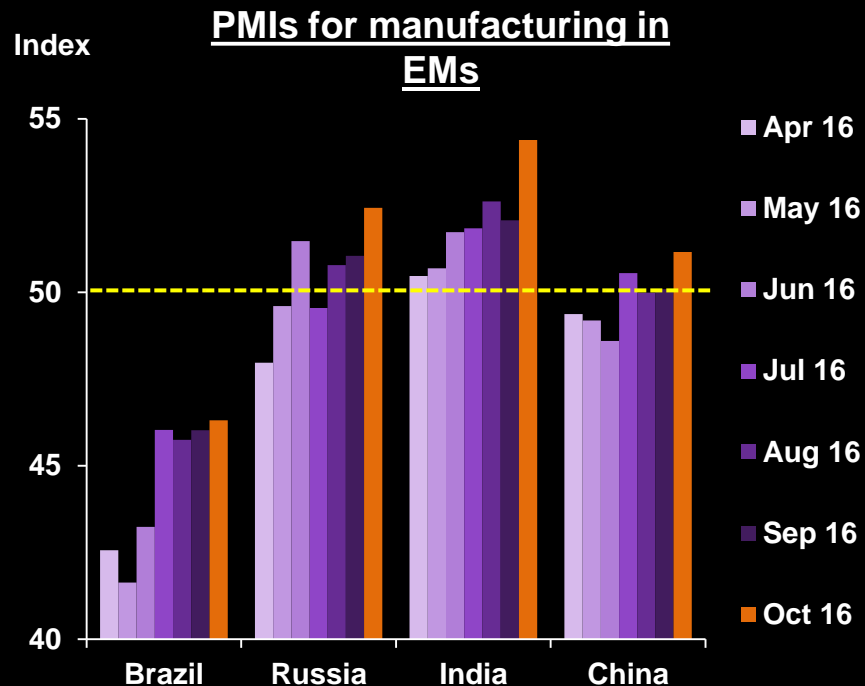
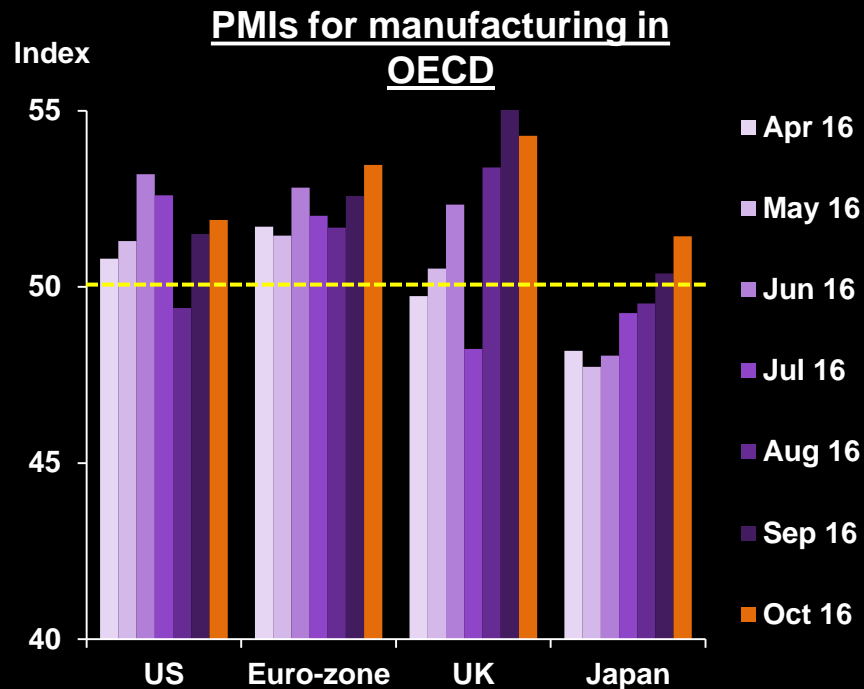
Performance of the world economy

percentage GDP change from the previous year



Note: * 2016 = Estimate and 2017 = Forecast.
Sources: OPEC Secretariat, IMF, Markit and Haver Analytics.

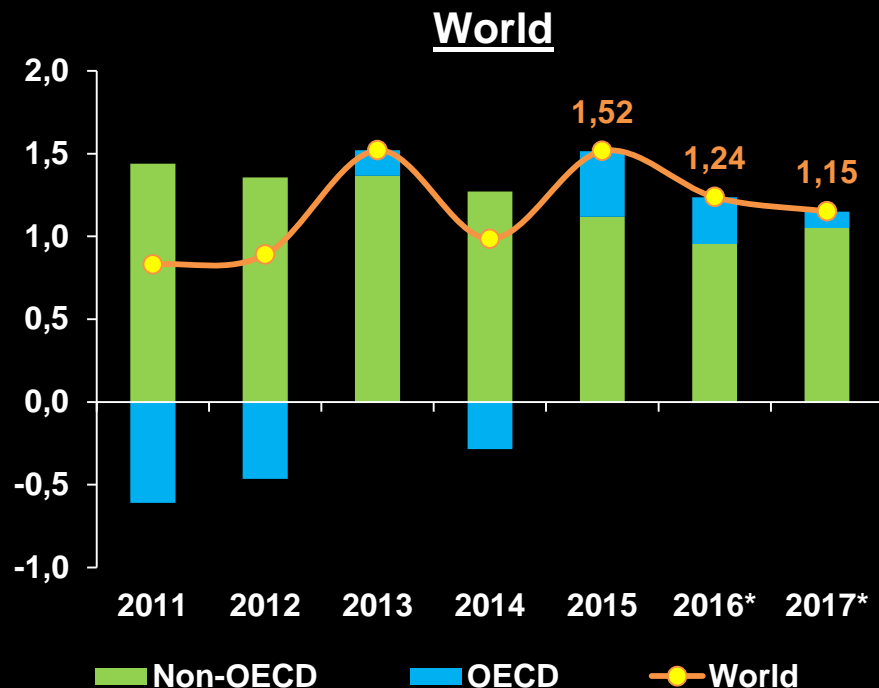
The manufacturing sector's performance has improved in most key economies



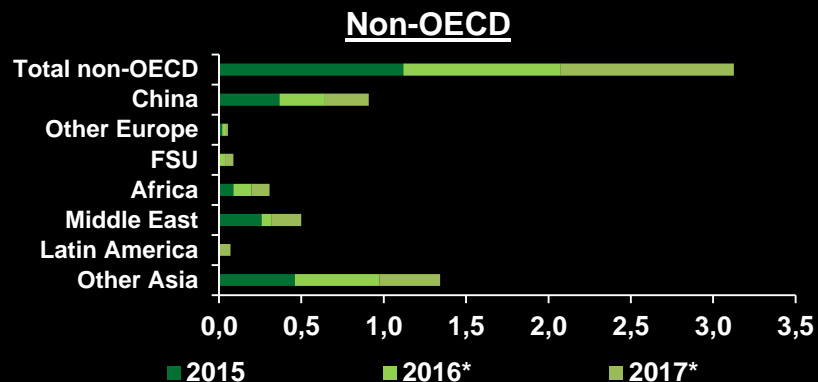
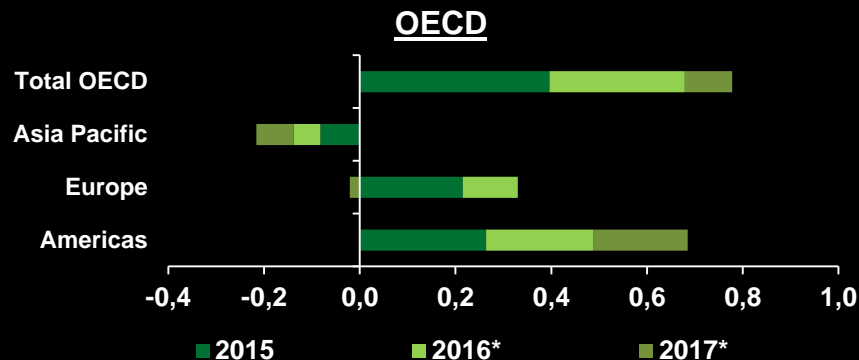
Sources: ISM, IHS Markit and Haver Analytics.

World oil demand growth in 2016-2017

y-o-y change, mb/d



Note: * 2016 = Estimate and 2017 = Forecast.
Source: OPEC Secretariat.

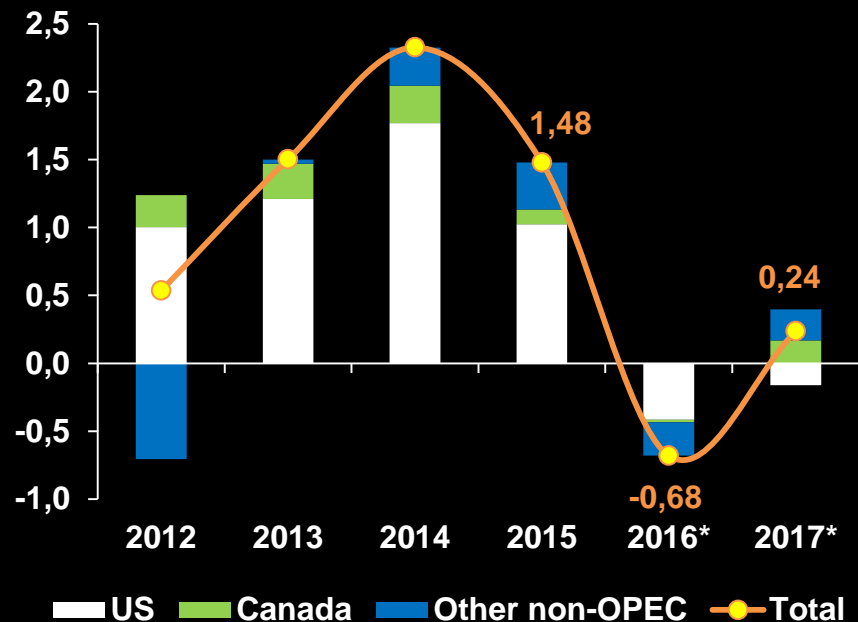


Non-OPEC supply in 2016-2017

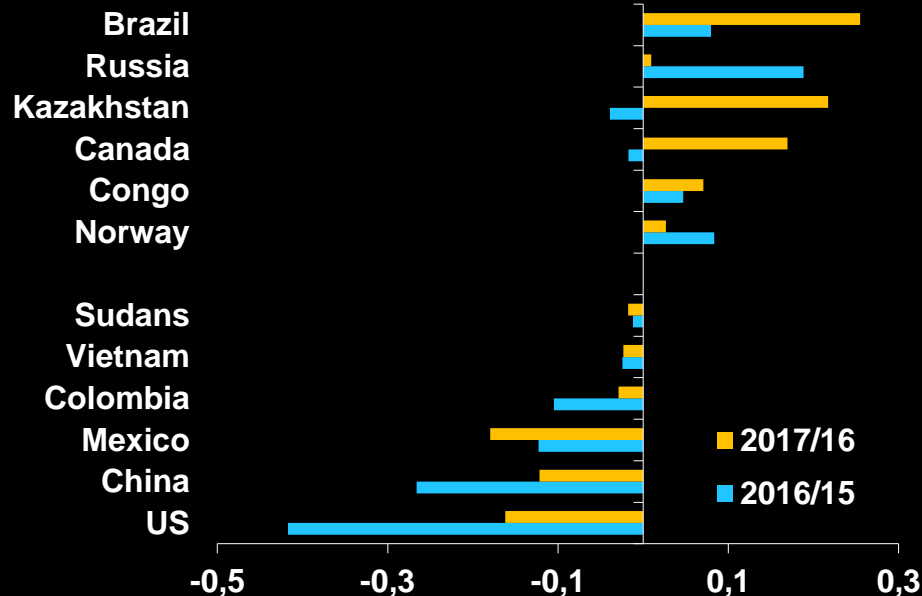
y-o-y growth, mb/d



Non-OPEC supply



Annual change 2016* and 2017*
for selected countries



Note: * 2016 = Estimate and 2017 = Forecast.

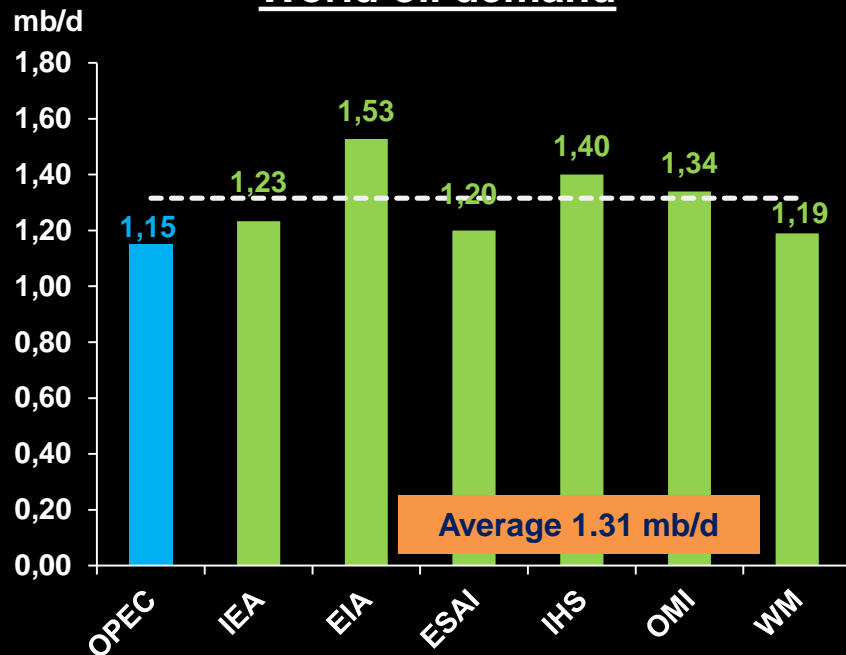
Source: OPEC Secretariat.

Demand & non-OPEC supply change in 2017

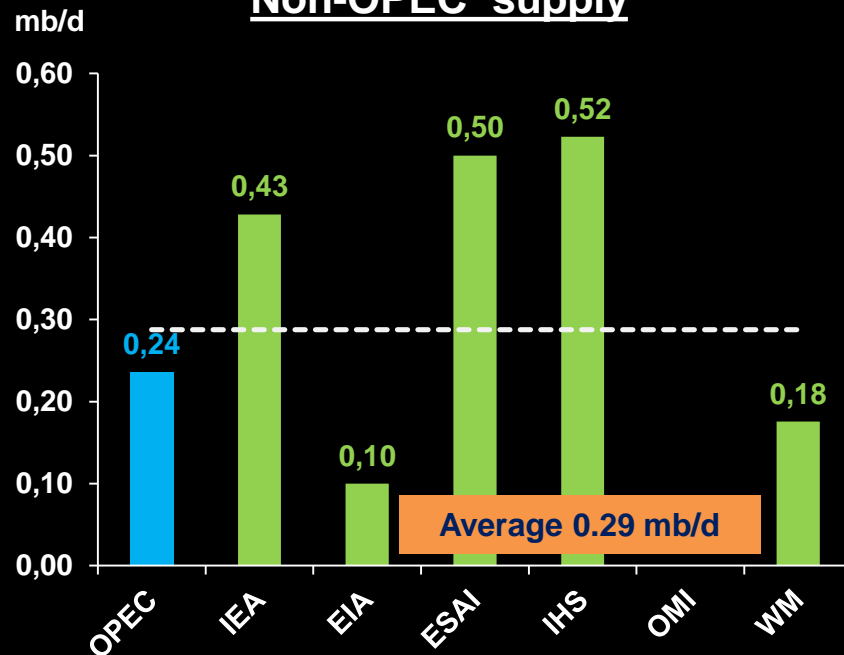
comparison of forecasts, mb/d



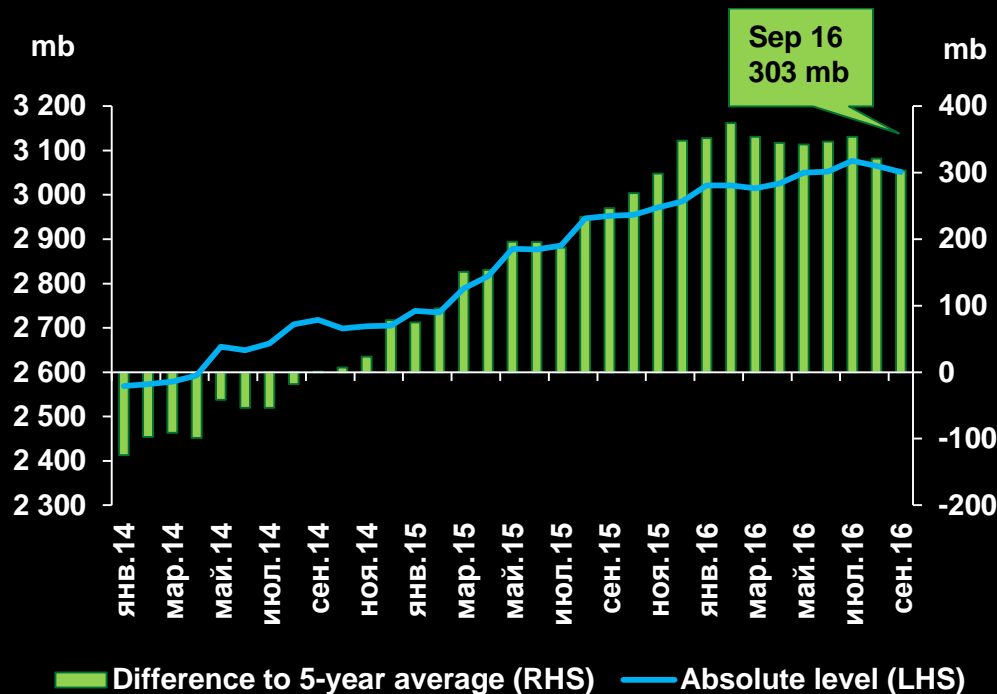
World oil demand



Non-OPEC supply

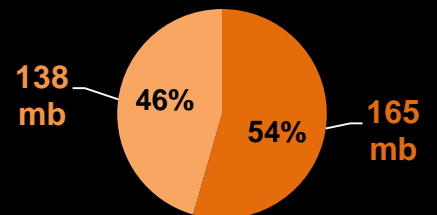


OECD commercial oil stocks

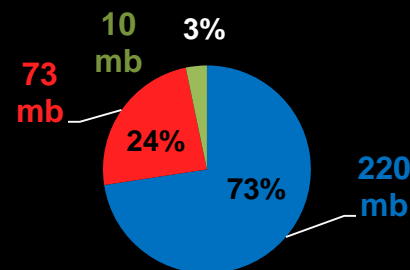


Source: OPEC Secretariat.

Total overhang at the end of September 2016: 303 mb

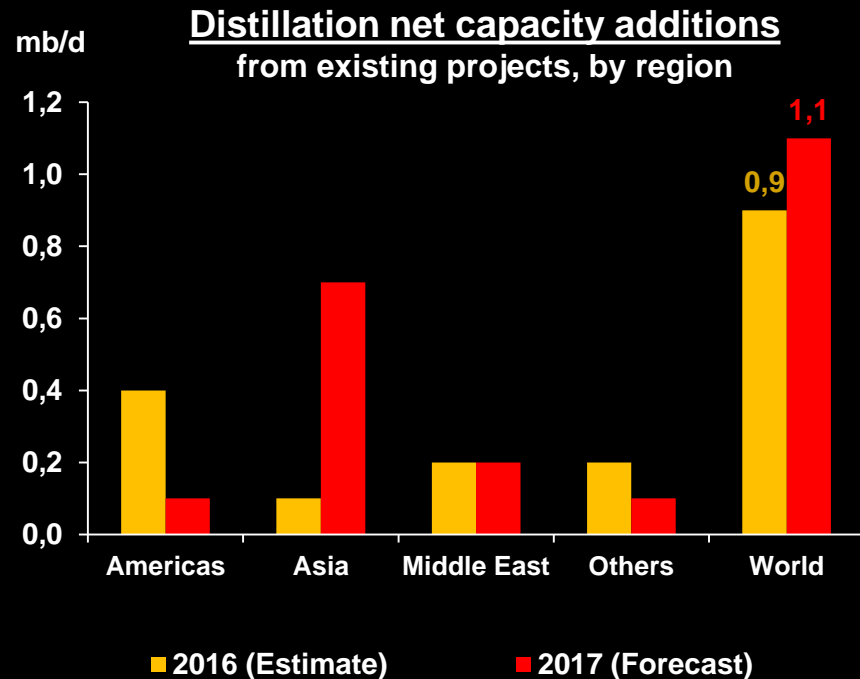
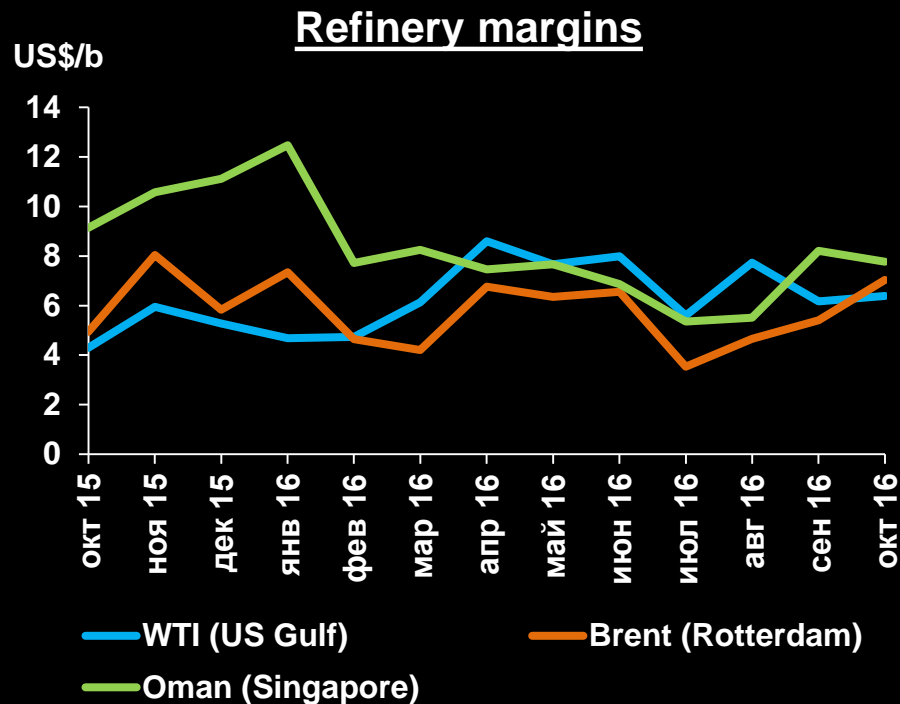


■ Crude ■ Products



■ Americas ■ Europe ■ Asia Pacific

Refinery data in selected OECD countries



Sources: OPEC Secretariat, Argus, Euroilstock, IEA, EIA, METI and PAJ.



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Crude price developments (1/3)



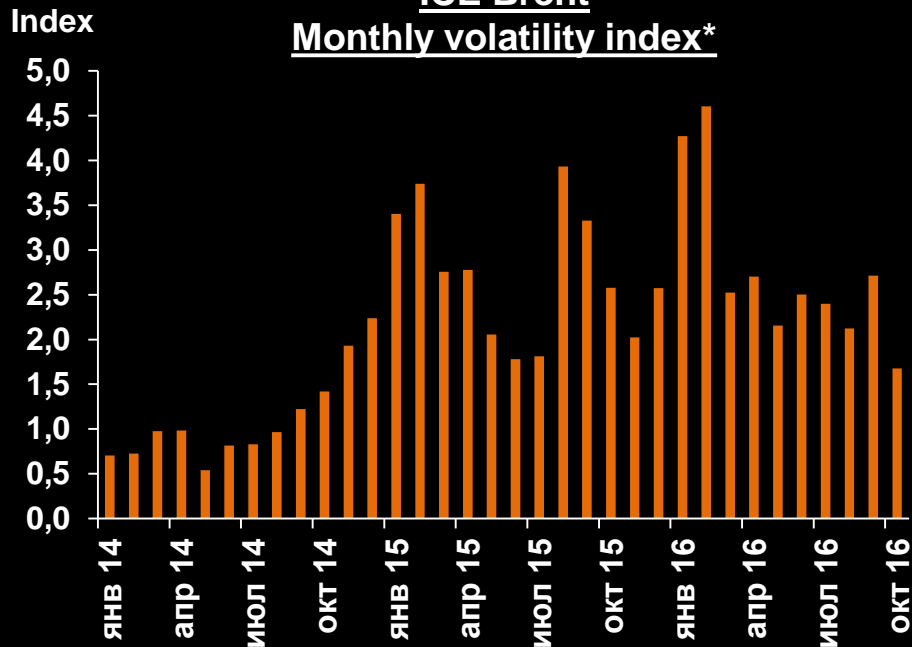
ICE Brent



Note: * 2016 = Year-to-date.

Source: Intercontinental Exchange.

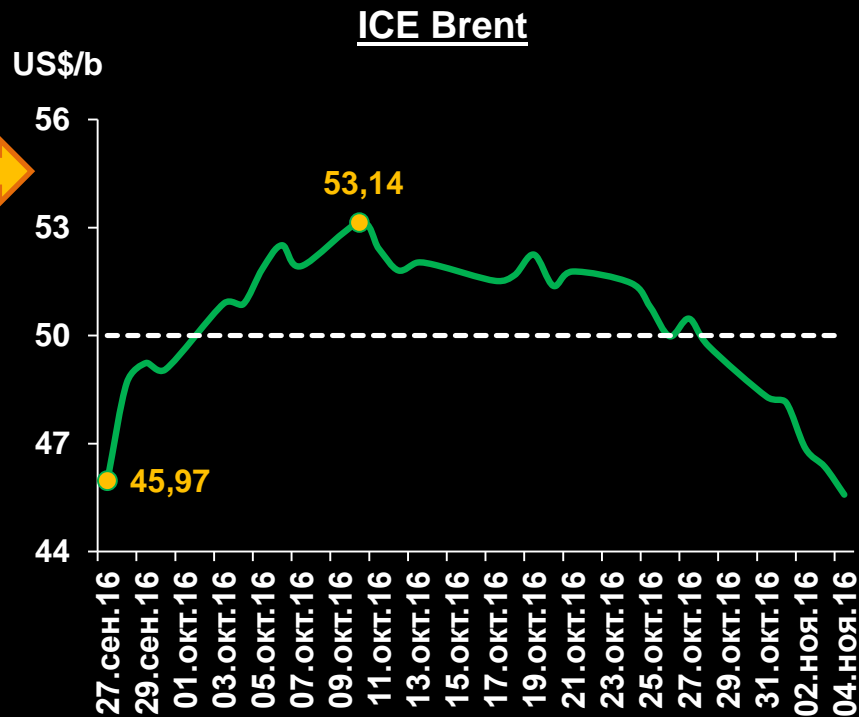
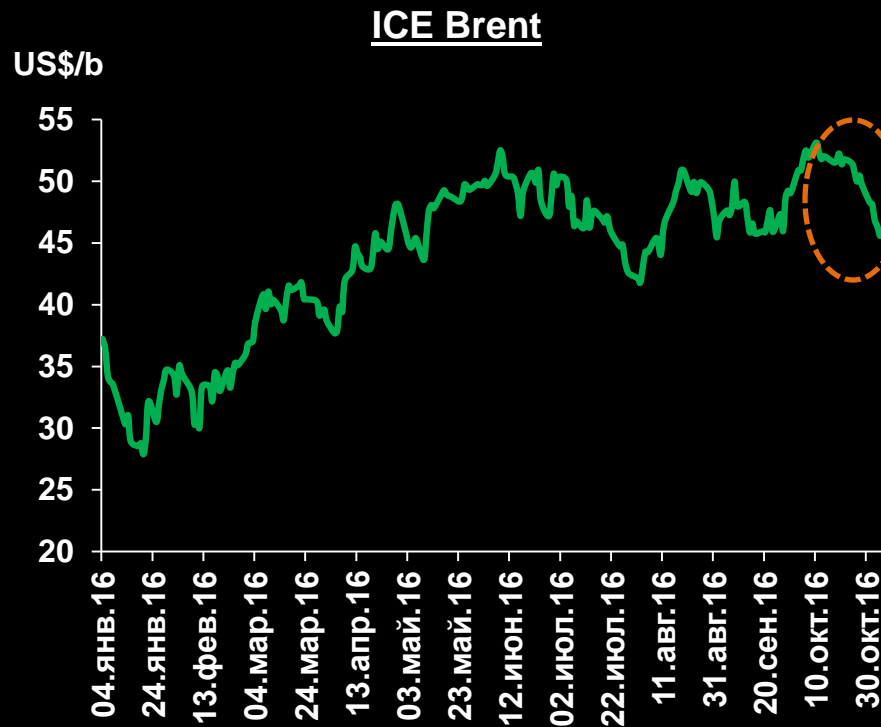
ICE Brent Monthly volatility index*



* Volatility is measured by standard deviation of daily prices change in each month.

Sources: Intercontinental Exchange and OPEC Secretariat.

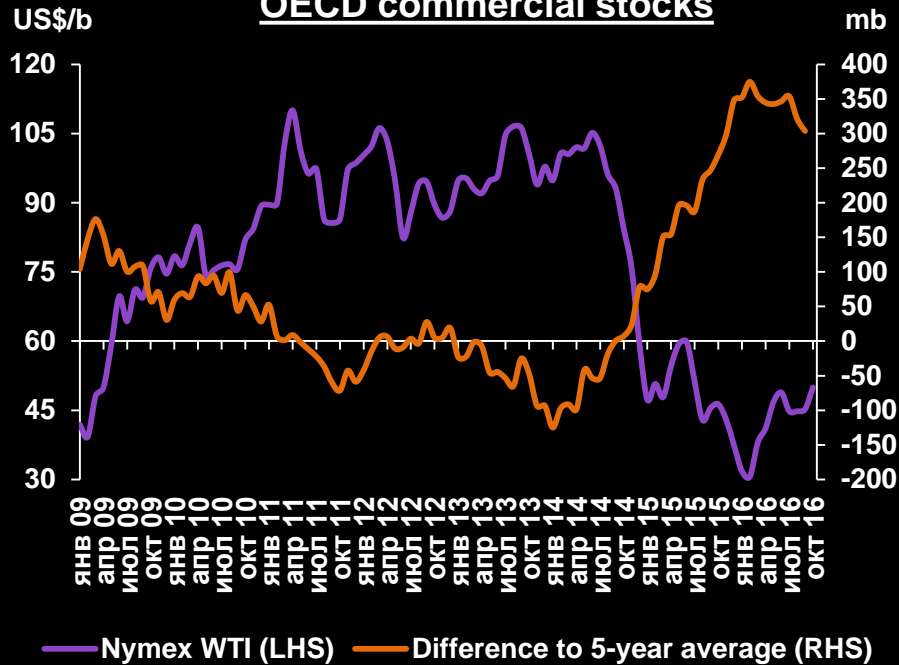
Crude price developments: ICE Brent



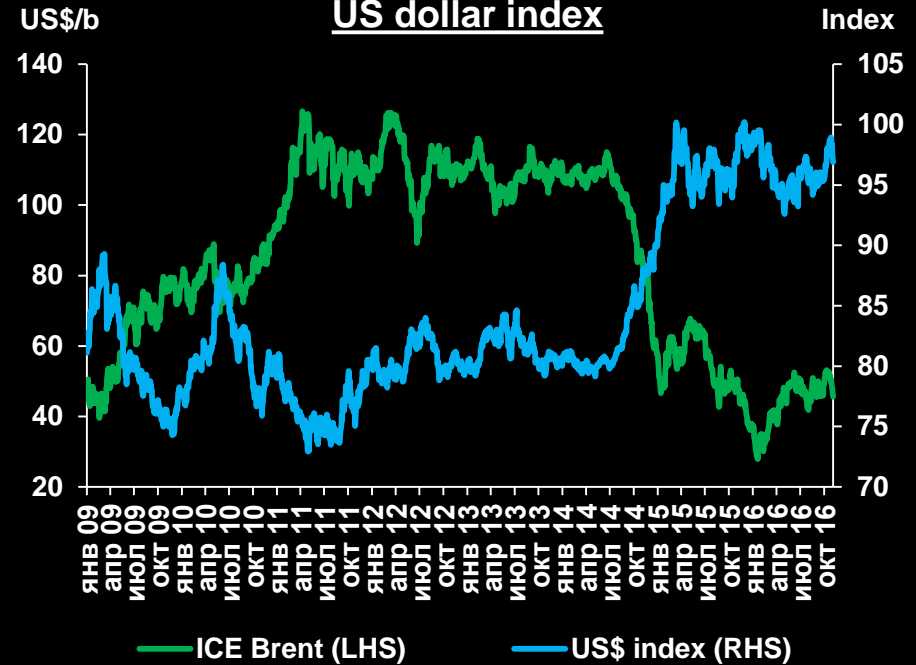
Crude price developments (2/3)



NYMEX WTI price vs.
OECD commercial stocks



ICE Brent price vs.
US dollar index



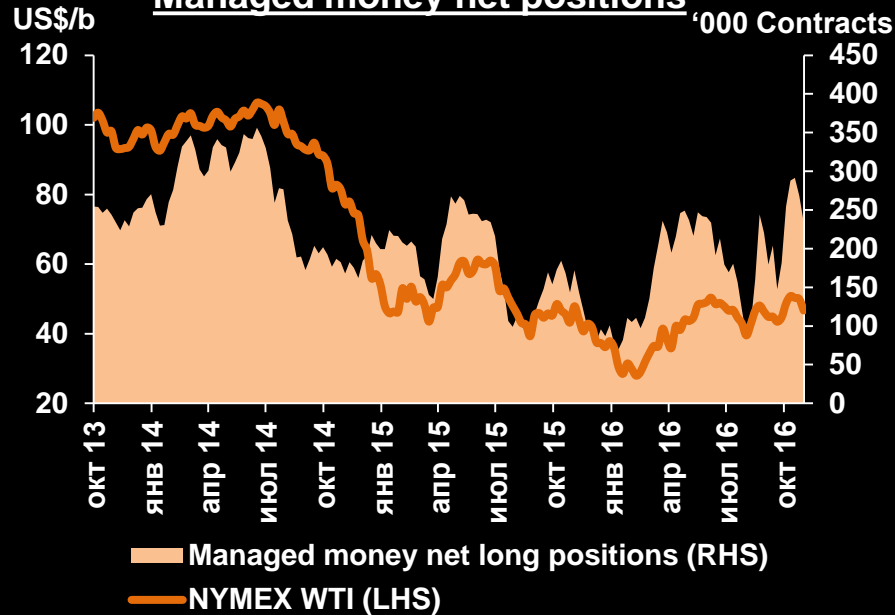
Sources: CME Group, Intercontinental Exchange, Thomson Reuters and OPEC Secretariat.

Crude price developments (3/3)



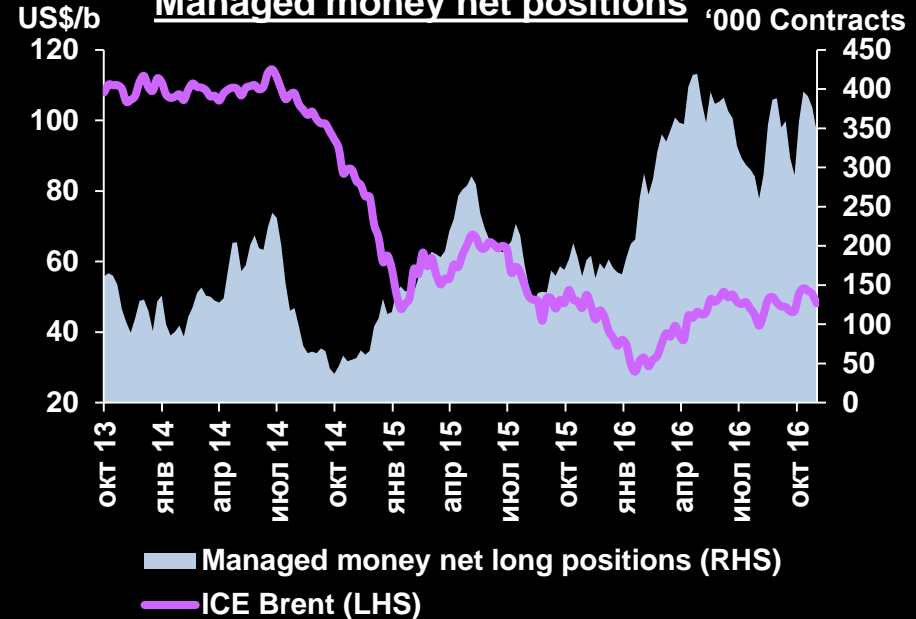
NYMEX WTI price vs.

Managed money net positions



ICE Brent price vs.

Managed money net positions



Sources: CME Group, Intercontinental Exchange, Thomson Reuters and OPEC Secretariat.



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Concluding remarks



Global economic growth forecast at **2.9%** for 2016, at **3.1%** for 2017, uncertainties remain.

World oil demand is expected to grow by **1.24 mb/d** in 2016 and by **1.15 mb/d** in 2017.

Non-OECD countries expected to continue leading oil demand growth, while OECD oil demand increases marginally, (non-OECD **1.05 mb/d** & OECD **0.10 mb/d**).

Non-OPEC supply forecast to decline by **0.7 mb/d** in 2016 and grow by **0.24 mb/d** in 2017. 1Q17 in contraction, while rest of year sees growth.

Crude oil prices started to recover, but uncertain. Fundamentals point to overhang in inventories, impacting crude oil prices.

OPEC production target ranging between **32.5-33.0 mb/d**, together with non-OPEC crude production limit, will accelerate drawdown of existing substantial overhang in global oil stocks and bring rebalancing of oil market forward, especially in case of low-range target, as market's rebalancing could take place faster.

4th International Forum on “Exploration, Production, Processing 2016”

Moscow, 9th-11th November 2016



Thank you



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