

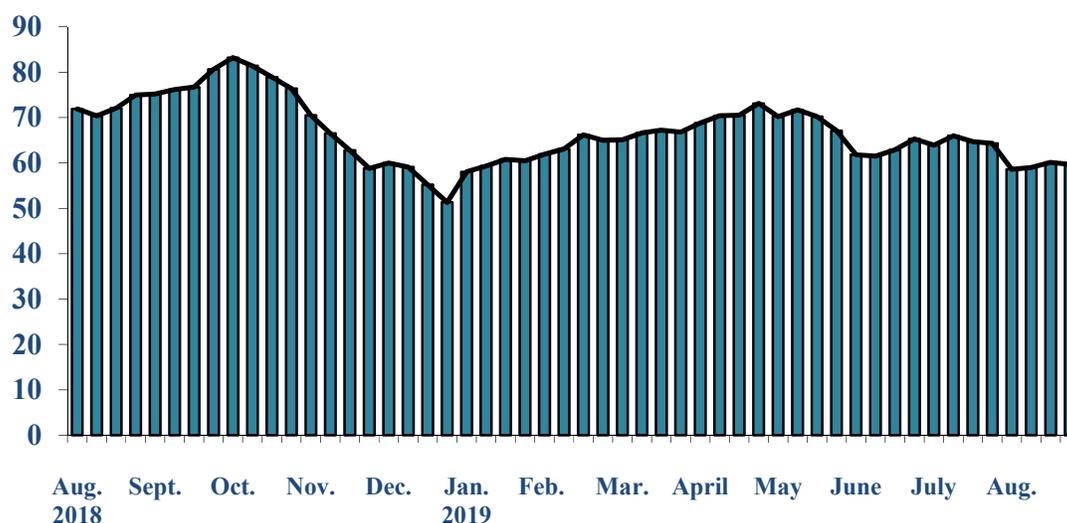
Monthly Report on Petroleum Developments in The World Markets and Member Countries October 2019

First: World Oil Markets

1. Oil Prices

In August 2019, **OPEC Reference Basket decreased** by 7.9% or \$5.1/bbl from the previous month level to stand at \$59.6/bbl. Fears of a slowing global economy and the escalating trade dispute between the US and China, were major stimulus for the decrease in oil prices during the month of August 2019 to reach its lowest level in seven months.

Weekly Average Spot Prices of OPEC Basket of Crudes, 2018-2019 (\$/bbl)



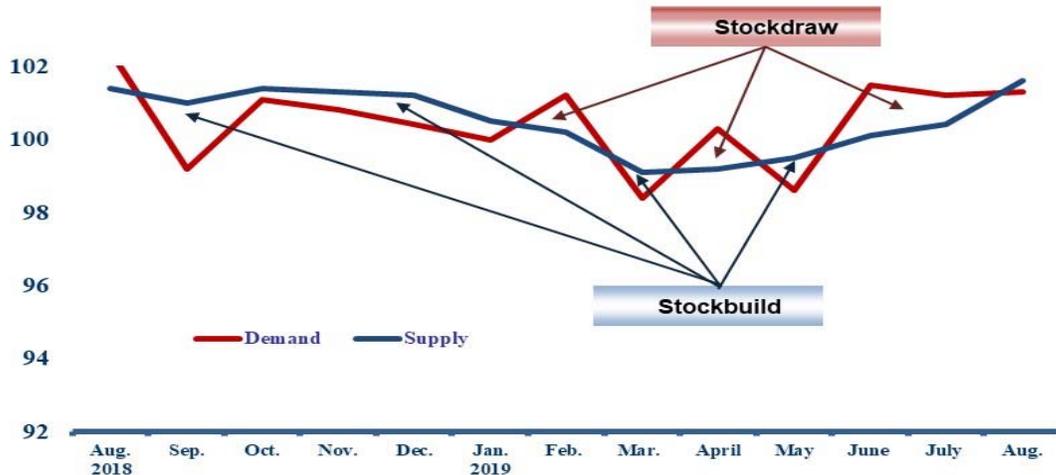
Source: Organization of Petroleum Exporting Countries, OPEC.

2. Supply and Demand

- **World oil demand** in August 2019, **increased** by 1.2 million b/d or 1.2% from the previous month level to reach 102.4 million b/d. **Demand in OECD** countries **increased** by 1.6% comparing with the previous month to reach 49.4 million b/d. And **demand in Non-OECD** countries **increased** by 0.8% comparing with their previous month level to reach 53 million b/d.
- **World oil supplies** in August 2019, **increased** by 1 million b/d or 1% comparing with the previous month to reach 101.4 million b/d. **OPEC** crude oil and NGLs/condensates total supplies **increased** by 1.1%

comparing with the previous month to reach 35.2 million b/d. And preliminary estimates show that **Non-OPEC** supplies increased by 0.8% comparing with the previous month to reach 66.2 million b/d.

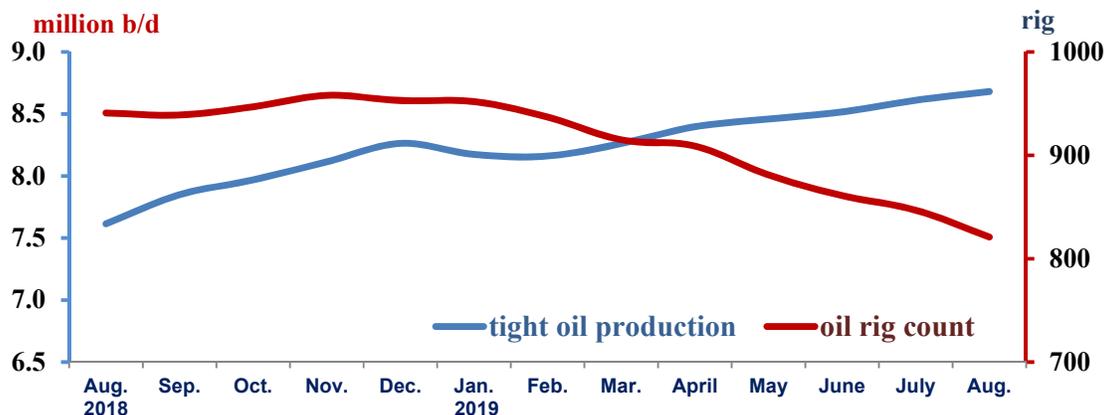
World Oil Supply and Demand (million b/d)



Source: Energy Intelligence Briefing Sep. 6, 2019.

➤ **US tight oil production** in August 2019, **increased** by 0.8% to reach about 8.7 million b/d, whereas **US oil rig count decreased** for the ninth month in a row, by 26 rig from the previous month level to stand at 821 rig.

US tight oil production and oil rig count



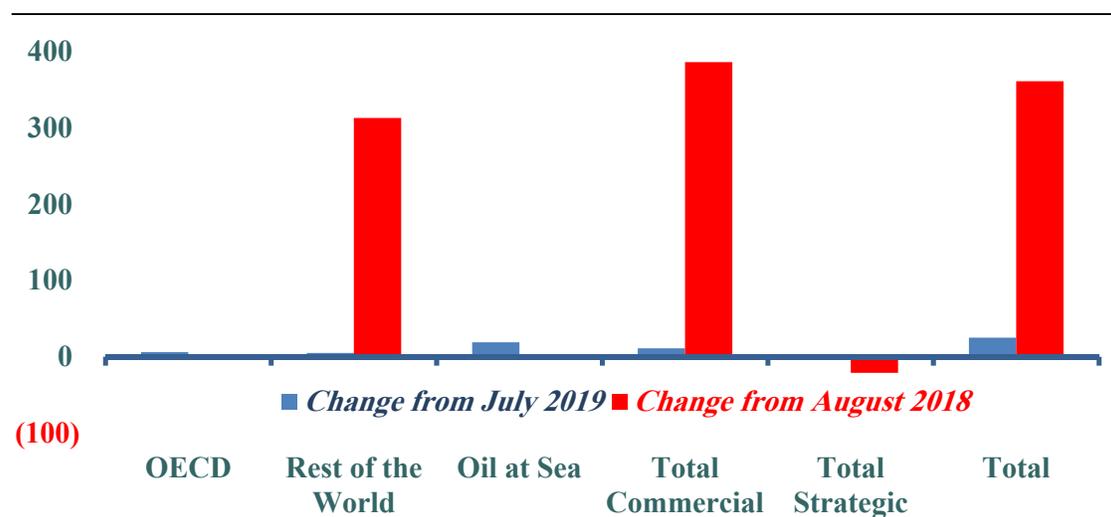
Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Sep. 2019.

3. Oil Inventories

➤ **OECD commercial inventories** in August 2019 **increased** by 6 million barrels from the previous month level to reach 2937 million

barrels, whereas **Strategic inventories** in OECD-34, South Africa and China **decreased** by 4 million barrels from the previous month level to reach 1826 million barrels.

Change in Global Inventories at the End of August 2019 (million bbl)



Source: Oil Market intelligence, Nov 2018 and Sep. 2019.

4. Oil Trade

US Oil Imports and Exports

- **US crude oil imports** in August 2019, **decreased** by 0.2% from the previous month level to reach 6.9 million b/d, and **US product imports decreased** by 5.6% to reach about 2.4 million b/d.
- **US crude oil exports** in August 2019, **increased** by 1% from the previous month level to reach 2.9 million b/d, and **US product exports increased** by 3.1% to reach about 5.2 million b/d.

Second: Natural Gas Market

1. Prices

- **The average spot price of natural gas** at the **Henry Hub** **decreased** in August 2019 to reach \$2.22/million BTU.
- **The Price of Japanese LNG imports** in July 2019 increased by \$0.08/m BTU to reach \$9.46/m BTU, the **Price of Korean LNG increased** by \$0.35/m BTU to reach 9.38/m BTU, whereas **the Price of Chinese LNG imports decreased** by \$0.17/m BTU to reach \$8.36/m BTU.

2. Exports

- **Arab LNG exports to Japan, Korea and China** were about 2.949 million tons in July 2019 (a share of 20% of total imports).