

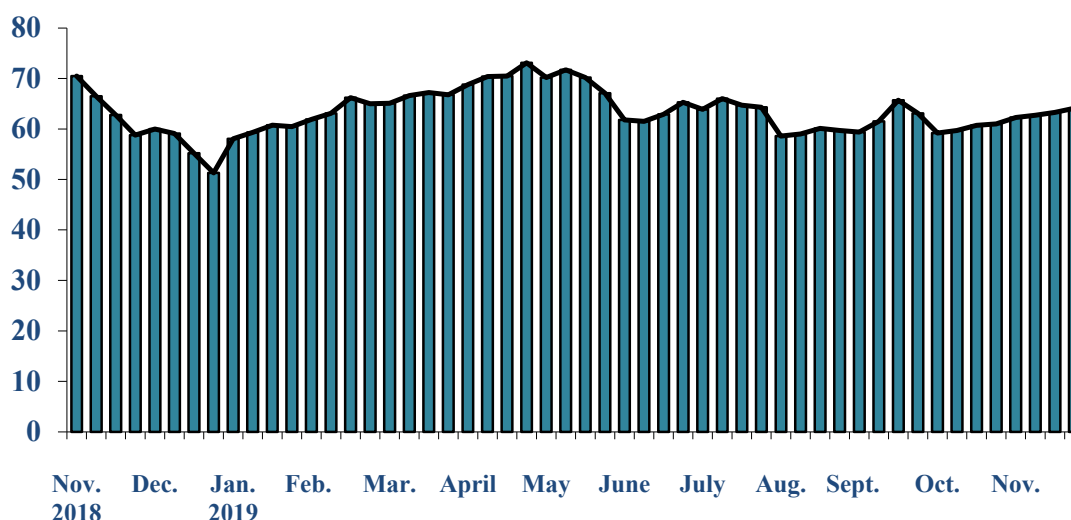
# Monthly Report on Petroleum Developments in The World Markets January 2020

## First: World Oil Markets

### 1. Oil Prices

In November 2019, **OPEC Reference Basket increased** by 5.1% (its largest percentage gain since April 2019) or \$3.0/bbl from the previous month level to stand at \$62.9/bbl. Robust seasonal crude demand, particularly from Asia, and higher refinery runs in almost all regions to meet winter oil products demand, were major stimulus for the increase in oil prices during the month of November 2019.

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



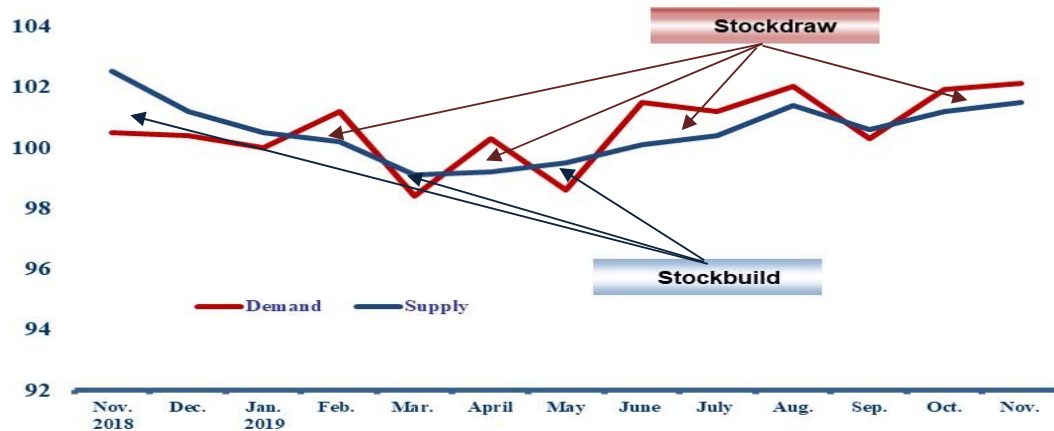
Source: Organization of Petroleum Exporting Countries, Monthly Oil Market Report.

### 2. Supply and Demand

- **World oil demand** in November 2019, **increased** by 300 thousand b/d or 0.3% from the previous month level to reach 102.1 million b/d. **Demand in OECD countries increased** by 0.2% comparing with the previous month to reach 48.2 million b/d. And **demand in Non-OECD countries increased** by 0.4% comparing with their previous month level to reach 53.9 million b/d.
- **World oil supplies** in November 2019, **increased** by 300 thousand b/d or 0.3% comparing with the previous month to reach 101.5 million b/d. **Non-OPEC supplies increased** by 0.6% comparing with the previous

month to reach 66.8 million b/d. Whereas preliminary estimates show that **OPEC** crude oil and NGLs/condensates total supplies **decreased** by 0.3% comparing with the previous month to reach 34.7 million b/d.

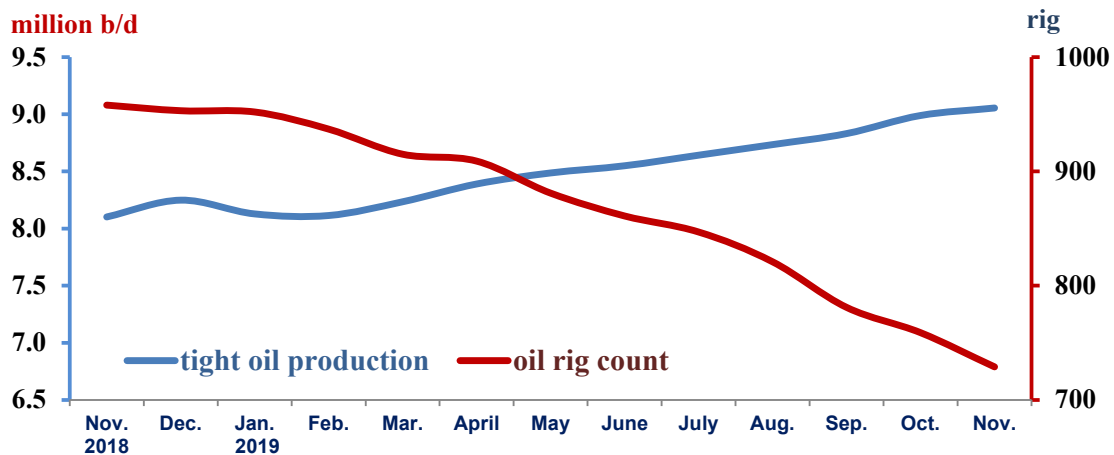
### World Oil Supply and Demand (million b/d)



Source: Energy Intelligence Briefing Nov. 5, 2019.

- **US tight oil production** in November 2019, **increased** by only 0.7% to reach about 9.1 million b/d, despite the decrease in **US oil rig count** for the twelveth month in a row, by 30 rig from the previous month level to stand at 729 rig.

### US tight oil production and oil rig count



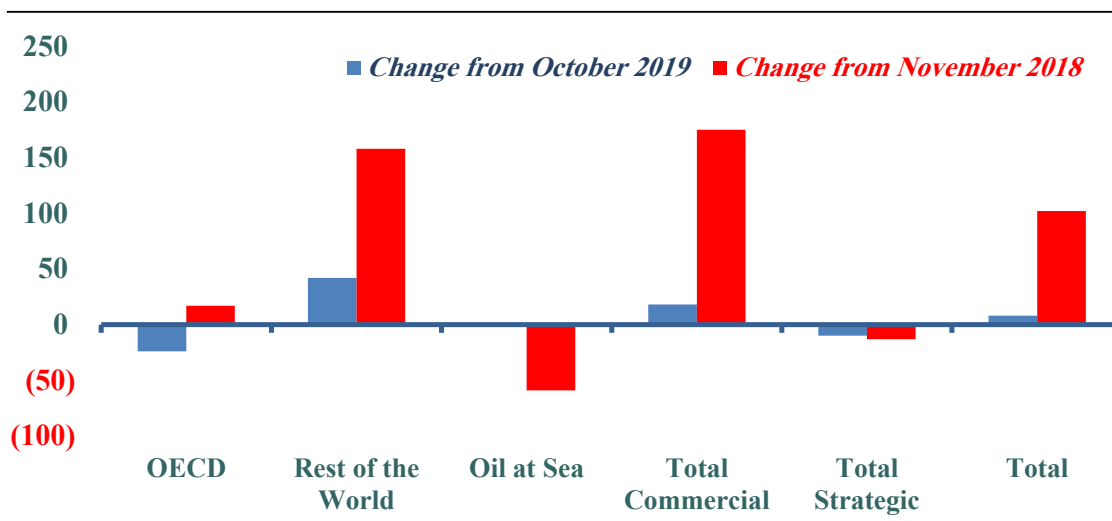
Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Dec. 2019.

### 3. Oil Inventories

- **OECD commercial inventories** in November 2019 **decreased** by 24 million barrels from the previous month level to reach 2880 million barrels, and **Strategic inventories** in OECD-34, South Africa and

China **decreased** by 10 million barrels from the previous month level to reach 1815 million barrels.

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



Source: Oil Market intelligence, Jan. and Nov. 2019.

## 4. Oil Trade

### US Oil Imports and Exports

- **US crude oil imports** in November 2019, **decreased** by 4.7% from the previous month level to reach 6.0 million b/d, whereas **US product imports increased** by 6.7% to reach about 2.4 million b/d.
- **US crude oil exports** in November 2019, **decreased** by 10.1% from the previous month level to reach 3.1 million b/d, whereas **US product exports increased** by 3.6% 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 increased** in November 2019 to reach \$2.65/million BTU.
- **The Price of Japanese LNG imports** in October 2019 **decreased** by \$0.14/m BTU to reach \$9.33/m BTU, and **the Price of Korean LNG imports decreased** by \$0.6/m BTU to reach \$9.2/m BTU. Whereas **the Price of Chinese LNG increased** by \$0.11/m BTU to reach 8.92/m BTU.

### 2. Exports

- **Arab LNG exports to Japan, Korea and China** were about 2.191 million tons in October 2019 (a share of 16.2% of total imports).